

TANF Work Outcomes Measures Technical Resource

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Introduction

This resource is designed to support state and territory agencies in successfully understanding, preparing, and submitting the required Work Outcomes of TANF Exiters Report (quarterly), the required Secondary School Diploma or its Recognized Equivalent Attainment Rate (annually), and the Supplemental Work Outcomes Report (annually).

This resource includes background on the Fiscal Responsibility Act of 2023, the measures, applicable definitions, and reporting requirements.

Fiscal Responsibility Act of 2023

The Fiscal Responsibility Act (FRA) of 2023 requires all states to collect and report the data necessary to produce outcome measures for work-eligible individuals who leave TANF. “State,” as the term is defined in Title IV-A of the Social Security Act, means “the 50 States of the United States, the District of

defined in Title IV-A of the Social Security Act, means “the 50 States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, and American Samoa.” 42 U.S.C. 619 (5). In this document, we will use the term “states” to refer to states and territories that operate a TANF program. These FRA provisions do not apply to Tribal TANF programs. The measures specified in the statute include: unsubsidized employment two quarters after exit, employment retention, median earnings, and attainment of a high school diploma or equivalent. States must begin reporting on these requirements in federal fiscal year (FY) 2025.

These outcomes measures are intended to assist federal—and state—policymakers in better understanding the effectiveness of TANF programs in promoting successful employment and education credential attainment.

Interim Final Rule

On June 28, 2024, OFA published the Interim Final Rule (IFR), [Temporary Assistance for Needy Families Work Outcomes Measures](#). The IFR modified 45 CFR Part 265: Data Collection and Reporting Requirements and includes the measures specified in section 304 of the statute, new definitions, and information on the frequency of the reports needed to calculate these measures. This resource provides further guidance to states as they implement the requirements of the IFR.

Work Outcomes Measures

There are four primary indicators of performance under the FRA: three that measure work-eligible individuals’ employment, earnings, and employment retention (Work Outcome Measures) and one that captures educational attainment (Secondary School Attainment Measure):

1. **Employment Rate - 2nd Quarter After Exit:** The percentage of individuals who were work-eligible individuals as of the time of exit from the program, who are in unsubsidized employment during the second quarter after the exit.
2. **Employment Retention Rate - 4th Quarter After Exit:** The percentage of individuals who were work-eligible individuals as of the time of exit from the program who were in unsubsidized employment in the second quarter after the exit, who are also in unsubsidized employment during the fourth quarter after the exit.
3. **Median Earnings - 2nd Quarter After Exit:** The median earnings of individuals who were work-eligible individuals as of the time of exit from the program, who are in unsubsidized employment during the second quarter after the exit.
4. **Secondary School Diploma or its Recognized Equivalent Attainment Rate (Secondary School Attainment Measure):** The percentage of individuals who have not attained 24 years of age, are attending high school or enrolled in an equivalency program, and are work-eligible individuals or were work-eligible individuals as of the time of exit from the program, who attain a high school diploma or its recognized equivalent while receiving assistance under the state program funded under this part or within one year after the exit.

The Work Outcome Measures and the Secondary School Attainment Measure have different data collection and reporting instructions. Therefore, they are discussed separately in the sections below.

Work Outcomes of TANF Exiters Report

Definitions

Work-Eligible Individual (WEI) as defined in 45 CFR Part 261.2(n) applies to the Work Outcomes of TANF Exiters Report.

Exit, as per 45 CFR 265.2(c) is the date that a family with a work-eligible individual ceases to receive assistance from the TANF program. The last day of assistance cannot be determined until 90 days have elapsed since the participant last received assistance.

A work-eligible individual will be included as an exiter in these measures only when their *family* ceases to receive assistance and will not meet the definition of an exiter when the needs of the work-eligible individual are removed from the assistance payment but the family continues to receive assistance. An individual in the family must have been “a work-eligible individual,” as defined in 45 CFR 261.2(n)(1), in their last month of assistance.

Note: Some states may move individuals out of the TANF program and into separate state programs (funded by maintenance-of-effort funds) or solely state-funded programs (not reported as maintenance-of-effort). For some states, these may be distinctly different programs, while for other states the difference may just be the funding source. The statute clearly states “with respect to a State program funded under this part” which refers only to the TANF program, and not separate state programs or solely state-funded programs. Therefore, when considering who exited TANF for this data collection, states should include those work-eligible individuals who were moved to separate state programs or solely-state funded programs and have not received TANF-funded assistance in at least 90 days.

Unsubsidized employment is full- or part-time employment in the private or public sector after exiting the TANF program. 45 CFR 265.2(d).

The **reporting period** is the period of time covering one federal fiscal quarter, during which exit data relevant to the measures are recorded.

Calculating the Work Outcomes Measures

For these first three measures, ACF will calculate the measures on behalf of states. For more information on this process, refer to the [Reporting Periods and Due Dates section](#) below.

In all three measures, the calculations use universe-level data, meaning that the rates are based on the entire population that meets the criteria and not a sample of that population.

Employment Rate – 2nd Quarter After Exit: The percentage of individuals who were work-eligible individuals as of the time of exit from the program, who are in unsubsidized employment during the second quarter after the exit.

Here we are measuring the employment outcomes of work-eligible individuals who exited TANF.

Methodology:

Numerator: Number of work-eligible individuals who exited from the program during the reporting period who had reported earnings during the second quarter after their exit.

Denominator: Number of work-eligible individuals who exited from the program during the reporting period.

Employment Retention Rate – 4th Quarter After Exit: The percentage of individuals who were work-eligible individuals as of the time of exit from the program who were in unsubsidized employment in the second quarter after the exit, who are also in unsubsidized employment during the fourth quarter after the exit.

Here we are measuring the employment outcomes of work-eligible individuals who exited TANF and were in unsubsidized employment in the second quarter after exit, now four quarters after exit.

Methodology:

Numerator: Number of work-eligible individuals who exited from the program during the reporting period who had reported earnings during the second and fourth quarters after their exit.

Denominator: Number of work-eligible individuals who exited from the program during the reporting period and reported earnings during the second quarter after exit.

Median Earnings – 2nd Quarter After Exit: The median earnings of individuals who were work-eligible individuals as of the time of exit from the program, who are in unsubsidized employment during the second quarter after the exit.

Here we are measuring the earnings of work-eligible individuals who exited TANF and reported earnings two quarters after exit.

Methodology:

To calculate the median, earnings must first be ranked (sorted in ascending order). The median earnings value is the quarterly earnings amount in the middle of the rank order list, so that there is the same quantity of records above the median as there are below the median.

If the list rank order of earnings contains an even number of values, sum the two middle values and divide by two. Whether there is an odd or even number of entries in the list of earnings values, there will be an equal number of records above and below the median value.

Secondary School Attainment Measure

Definitions

The **reporting period** is the period of time covering one federal fiscal year (FY), from October 1st of a given calendar year through September 30th of the following calendar year, during which data relevant to this measure are recorded.

An individual is **eligible** for the measure in a given federal fiscal year if, in at least one reporting month, they simultaneously meet all of the following criteria:

- Less than 24 years of age,
- Enrollment in a secondary school or recognized equivalent program,

- Work-eligible individual status, as defined in 45 CFR Part 261.2(n), applies to the Secondary School Attainment Measure.

An individual's **exit** is the date that a family with a work-eligible individual ceases to receive assistance from the TANF program. The last day of assistance cannot be determined until 90 days have elapsed since the participant last received assistance.

A work-eligible individual will be included as an exiter in these measures only when their *family* ceases to receive assistance and will not meet the definition of an exiter when the needs of the work-eligible individual are removed from the assistance payment but the family continues to receive assistance. An individual in the family must have been "a work-eligible individual," as defined in 45 CFR 261.2(n)(1), in their last month of assistance.

Note: Some states may move individuals out of the TANF program and into separate state programs (funded by maintenance-of-effort funds) or solely state-funded programs (not reported as maintenance-of-effort). For some states, these may be distinctly different programs, while for other states the difference may just be the funding source. The statute clearly states "with respect to a State program funded under this part" which refers only to the TANF program, and not separate state programs or solely state-funded programs. Therefore, when considering who exited TANF for this data collection, states should include those work-eligible individuals who were moved to separate state programs or solely-state funded programs and have not received TANF-funded assistance in at least 90 days.

A **secondary school diploma** is a "regular high school diploma" as that term is defined in 21 U.S.C. 7801(43), the Elementary and Secondary Education Act of 1965 (ESEA), as amended by the Every Student Succeeds Act (ESSA). 45 CFR 265.2(e)(1).

A **recognized equivalent to a secondary school diploma** is a certification recognized by a state that signifies that a student has completed the state's requirements for a high school education. 45 CFR 265.2(e)(2).

Calculating the Secondary School Attainment Measure

Secondary School Diploma or its Recognized Equivalent Attainment Rate (Secondary School Attainment Measure): "The percentage of individuals who have not attained 24 years of age, are attending high school or enrolled in an equivalency program, and are work-eligible individuals or were work-eligible individuals as of the time of exit from the program, who obtain a high school degree or its recognized equivalent while receiving assistance under the state program funded under this part or within one year after the individual's exit from the program."

Here we are measuring whether or not eligible individuals attained a secondary school diploma or its recognized equivalent. This calculation uses universe-level data, meaning that the rate is based on the entire population that meets the criteria and not a sample of that population.

Methodology:

Individuals are included in the **denominator** for a given federal fiscal year if they meet the definition of eligibility. Individuals who do not meet the eligibility criteria in a given federal fiscal year are not included in the denominator.

Individuals in the denominator are included in the **numerator** for a given federal fiscal year if:

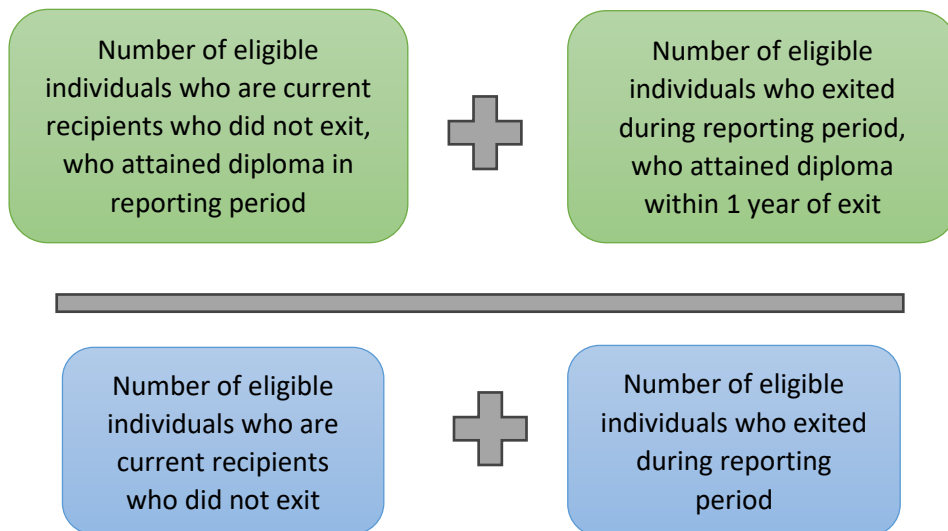
1. They attain a secondary school diploma or its recognized equivalent while receiving TANF assistance in a year they met the criteria for eligibility,

OR

2. They exit TANF in a federal fiscal year in which they were eligible and they attain a secondary school diploma or its recognized equivalent within 1 year of their exit.

Attainment of a secondary school diploma or its equivalent is always counted towards the most recent federal fiscal year in which the participant achieved eligibility.

Calculation (for a federal fiscal year)



See [the Appendices](#) of this guide for examples of how individuals should or should not be counted towards the Secondary School Attainment Measure, as well as a flow chart for determining when to include an individual in the numerator and denominator.

Reporting Periods and Due Dates

Quarterly Reports

States are required to submit the **Work Outcomes of TANF Exiters Report** quarterly. 45 CFR 265.4(d).

The report consists of the Social Security numbers (SSNs) of all work-eligible individuals who exit TANF in a given quarter on a quarterly basis. ACF will match the SSNs with quarterly wage records in the National

Directory of New Hires (NDNH), administered by ACF’s Office of Child Support Services, to obtain wage records from two quarters after the individual’s exit through four quarters after the individual’s exit.

Any state that does not have an Unemployment Insurance program and thus is currently unable to submit quarterly wage data to the NDNH is still required to submit the Work Outcomes of TANF Exiters Report so that ACF is able to capture outcomes of work-eligible individuals who find work outside of that state’s jurisdiction after exiting the state’s TANF Program.

ACF will use the matched results to compute the measures on behalf of states: Employment Rate - 2nd Quarter After Exit; Employment Retention Rate - 4th Quarter After Exit; and Median Earnings - 2nd Quarter After Exit.

A work-eligible individual’s exit date is confirmed when 90 days have elapsed since the work-eligible individual’s family last received assistance. The quarter referenced in 265.4(d) is the quarter ending (QE) in which the work-eligible individuals’ exit dates were confirmed. States submit SSNs 45 days after the QE in which a participant’s exit date was confirmed. For example:

An individual exits on November 23, 2024 (FY 2025, Quarter [Q]1). For the state to confirm the exit date, 90-days must elapse after that individual’s family last received assistance. The exit date is confirmed on February 21, 2025 (FY 2025, Q2).

The individual’s SSN is included as an exiter in the QE March 31, 2025 report (FY 2025, Q2), covering reporting period October 1, 2024 – December 31, 2024 (FY 2025, Q1).

Table 1 below shows the expected due dates for each reporting period.

Table 1. Quarterly Reporting Periods

Fiscal Year/Quarter	Quarterly Reporting Period	Due Date
FY Q1	October-December	May 15
FY Q2	January-March	August 14
FY Q3	April-June	November 14
FY Q4	July-September	February 14

Annual Reports

States are required to submit the **Secondary School Diploma or its Recognized Equivalent Attainment Rate** report annually, 45 days after the end of the federal fiscal year. 45 CFR 265.10.

States must use universe-level data and the methodology described above in the [Calculating the Secondary School Attainment Measure](#) section. 45 CFR 265.5. States must include the numerator and denominator used to calculate the rate and the median earnings and attach a description of the data sources.

The submission of the **Secondary School Diploma or its Recognized Equivalent Rate** report will be on a lag because of the nature and complexity of the data. The typical secondary academic calendar differs from the federal fiscal year and there is a range of timelines across state secondary school attainment

data sources. Therefore, we are including a one-fiscal year lag to allow states ample time to collect the attainment data. The report will be due the November following the quarter the data becomes available, which is two fiscal years after the reporting period. Thus, the fiscal year referenced in 265.9 is the second fiscal year following the reporting period. For example:

In FY 2025 individual turns 23, is enrolled in a secondary school program, and is simultaneously a WEI. Individual exits from TANF in August 2025. Individual attains a secondary school diploma in July 2026 (FY 2026).

Individual is in both the denominator and numerator for FY 2025 and is not represented in the FY 2026 measure. Individual attained a diploma in FY 2026 within 1 year of exiting TANF, and their last year of eligibility was FY 2025, so their attainment is counted towards FY 2025.

Depending on the state’s data sources and collection methods, the data for the numerator may not be available until the next fiscal year. Therefore, the report for the reporting period FY 2025 would not be due until 45 days after the end of FY 2027.

Table 2. Example timeline (Secondary School Attainment)

Eligibility/ Reporting Period	Attainment	Secondary School Attainment data available (estimate)	Report Due following November
FY 2025	FY 2026	FY 2027	November 14, 2027

Table 3 below shows the expected due dates for the next three fiscal year annual reporting periods.

Table 3. Annual Reporting Periods (Secondary School Attainment)

Fiscal Year/ Annual Reporting Period	Due Date
FY 2025, October 1, 2024 – September 30, 2025	November 14, 2027
FY 2026, October 1, 2025 – September 30, 2026	November 14, 2028
FY 2027, October 1, 2026 – September 30, 2027	November 14, 2029

States also have the option to voluntarily submit their own calculated work outcomes measures on the **Supplemental Work Outcomes Report** annually, due 45 days after the end of the federal fiscal year. Any state that does not have an Unemployment Insurance program and thus is currently unable to submit quarterly wage data to the ACF-designated wage match source will be required to submit the Supplemental Work Outcomes Report.

States must use universe-level data and the methodology described above in the [Calculating the Work Outcomes Measures](#) section. States must include the numerator and denominator used to calculate the rates and attach a description of the data sources.

The submission of the Supplemental Work Outcomes Report will also be on a lag because states must follow work-eligible individuals four (4) quarters after exit and the availability of employment and wage data is also on a lag.

For example:

A work-eligible individual exits in FY 2025, Q4. Two quarters after exit is FY 2026, Q2 and four quarters after exit is FY 2026, Q4.

Earnings data is typically on a two-quarter lag, making FY 2027, Q2 the first time that earnings data will be available for all three measures. The report will be due the November following the quarter the data becomes available.

Table 4. Example timeline (Supplemental Work Outcomes Report)

Exit Quarter/ Reporting Period	2 nd Quarter after Exit	4 th Quarter after Exit	Employment & Earnings data available (estimate)	Report Due following November
FY 2025, Q4 July-September 2025	FY 2026, Q2	FY 2026, Q4	FY 2027, Q2	November 14, 2027

Table 5 below shows the expected due dates for the next three fiscal year annual Reporting Periods.

Table 5. Annual Reporting Periods (Supplemental Work Outcomes)

FY/Annual Reporting Period	Due Date
FY 2025, October 1, 2024 – September 30, 2025	November 14, 2027
FY 2026, October 1, 2025 – September 30, 2026	November 14, 2028
FY 2027, October 1, 2026 – September 30, 2027	November 14, 2029

Appendices

Appendix A

Scenarios: Secondary School Diploma or its Recognized Equivalent Attainment Rate

The scenarios below serve as examples of how individuals should or should not be counted towards the Secondary School Diploma or its Equivalent Rate measure. For the purposes of these scenarios, the federal fiscal year (FY) runs from October 1st to September 30th of the following calendar year. For example, FY 2025 refers to the period from October 1st, 2024 to September 30th, 2025.

1. In FY 2025, individual turns 23, is enrolled in a secondary school program, and is simultaneously a WEI. Individual obtains a secondary school diploma equivalent in FY 2025.

Individual is in both the denominator and numerator for FY 2025. They met the criteria for eligibility and attained a diploma while an active TANF participant in the year in which they were eligible.

2. In FY 2025 individual turns 23, is enrolled in a secondary school program, and is simultaneously a WEI. Individual exits from TANF in June 2025. Individual attains a secondary school diploma in January 2026 (FY 2026).

Individual is in both the denominator and numerator for FY 2025 and is not represented in the FY 2026 measure. Individual attained a diploma in FY 2026 within 1 year of exiting TANF, and their last year of eligibility was FY 2025, so their attainment is counted towards FY 2025.

3. In FY 2025 individual turns 24 in November 2024, enrolls in a secondary school program in January 2025, and is a WEI for all of FY 2025. Individual attains a secondary school diploma in May 2025 (FY 2025).

Individual is not in the denominator or numerator for FY 2025. Because the individual turned 24 prior to enrolling in a secondary school diploma program, they did not meet the criteria for eligibility.

4. In FY 2025, individual enrolls in a secondary school program in November 2024, turns 24 in January 2025, and is a WEI for all of FY 2025. Individual attains a secondary school diploma in May 2025 (FY 2025).

Individual is in both the denominator and numerator for FY 2025. Individual met the criteria for eligibility and attained a secondary school diploma while active in the TANF program in that same year. Turning 24 does not prohibit someone from being included in the numerator if they have already met the requirements for being included in the denominator.

5. In FY 2025, individual enrolls in a secondary school program in November 2024, turns 24 in January 2025, and is a WEI for all of FY 2025. Individual attains a secondary school diploma in November 2025 (FY 2026).

Individual is in the denominator for FY 2025 but NOT the numerator. Individual met the criteria for eligibility in FY 2025, but did not attain their diploma and did not exit. In FY 2026 the individual was already 24, and thus could not meet the criteria for eligibility. As they were not eligible when they attained their diploma and had not exited in the prior federal fiscal year, they would not be included in the denominator or the numerator for FY 2026.

Appendix B

Secondary School Diploma or its Recognized Equivalent Attainment Rate Flowchart

This chart includes the steps used to determine whether a work-eligible individual (WEI) should or should not be counted towards the Secondary School Diploma or its Recognized Equivalent Attainment Rate.

