

**NLWJC - Kagan**

**DPC - Box 059 - Folder-013**

**Welfare - Data Issues**

Andrea Kane
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Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP  
 cc: Cynthia A. Rice/OPD/EOP, Diana Fortuna/OPD/EOP  
 Subject: Welfare-to-Work Data Collection

*Apologies in advance --- what you're about to read is somewhat long and complicated, but we really want your feedback!*

Over the last several weeks, HHS and DOL, prompted largely by OMB and us, have begun to work more closely together on developing a coordinated approach to WtW evaluation and data collection. This has resulted in a much improved evaluation strategy, for which HHS is ready to issue an RFP. However, the agencies are at an impasse on one particular issue related to data collection (see below). HHS needs to issue the evaluation RFP by tomorrow in order to get the money out the door by the end of the fiscal year. OMB has used their control over the evaluation funds to force his coordination and is not inclined to let the RFP go until agreement is reached on data collection. *We want to get your reaction to the data collection issue in hopes that we can weigh in to push this issue forward. Barbara Chow has a call set up with Olivia (and we think Ray Uhalde) tomorrow at 11.*

#### Background

The BBA gives DOL responsibility for administering the WTW program, but gives HHS responsibility for evaluation and data collection on participants. The \$3 billion provided through WTW are split 75/25 between formula and competitive grants.

- Formula grants are disbursed to states, which in turn allocate 85 percent of funds by formula to PICs who administer the programs locally in consultation with the Governor.
- Competitive grants are awarded directly to PICs, political subdivisions of states, and other private entities who must apply in conjunction with PICs and in consultation with the Governor.

*The current dispute concerns which department has the authority and responsibility for data collection on competitive grantees.* The statute clearly gives DOL authority to collect financial data from both formula and competitive grantees.

#### What data is to be collected?

There is general agreement that neither the WtW data collection requirements, nor their interaction with the TANF data collection, were carefully thought through in drafting the WtW part of BBA. The WtW law listed four types of individual participant level information to be collected for WtW participants (basically about WtW activities, costs, what kind of employment they got, and wage levels). However, this got embedded in the overall TANF data collection section (the infamous section 411(a) that lists 17 types of information required from states on TANF participants, which has now mushroomed into the 160+ that we've heard so much about).

There is also a general sense that we do not really need to know all the TANF information about the WtW grantees, particularly the competitive grantees. However, OMB and DOL are assuming we can't do anything about this without a legislative fix. HHS believes we might be able to, if we accept their interpretation of the legal argument below. We think it is definitely worth considering a way to pare back the data collection for competitive grantees if there is a way to do that within current law and without causing an explosion on the Hill (OMB has pushed to resolve this internally before going to the Hill). While a legislative clean up on the data issues may be useful, it could also put us in an awkward position in terms of reopening the TANF data collection issues.

### What is the argument?

Section 411(a) opens by saying:

"Each eligible **State** shall collect on a monthly basis, and report to the Secretary on a quarterly basis, the following disaggregated case record information on the families receiving assistance under the **State program funded under this part:**" then goes on to list 17 types of information. WtW added as #18, "With respect to families participating in a program operated with funds provided under section 403(a)(5) [WtW]" and goes on to list 4 types of information.

HHS argues that competitive grants are not part of the "state programs funded under this part" and therefore, HHS cannot require the states to gather data from the competitive grantees. This interpretation also leads them to believe that 411(a) does not even apply to the competitive grantees. DOL argues that the state program implies the entire WtW program--both formula and competitive. We have asked Rob Weiner to look at these two conflicting interpretations. OMB feels strongly that we should treat competitive and formula grantees the same.

### Options

1) The main option under consideration, and preferred by OMB, is to have formula and competitive grantees in each state submit WtW participant data (4 items) to a state agency designated by the governor, who would then merge this data with TANF data to extract the other 17 items (160 elements) on these participants (it's worth noting that this merge will not be simple or clean for a variety of reasons). This state agency (either workforce or welfare) would then submit rolled up data to HHS. This relieves the WtW grantees from having to collect all the additional TANF data and relieves HHS from having to roll up data from hundreds of competitive grantees. However, it shifts the burden to the states who are already unhappy about TANF data collection and are not thrilled about the WtW structure either. HHS does not believe they have the legal authority to require states to play this data collection role (see above). HHS also has a more political concern about how states will react to being required to collect data from competitive grantees.

While we're waiting to see how Rob Weiner rules on the legal issue, we also think the political concern is worth considering seriously. Is the cost/pain of imposing these data requirements on states and competitive grantees worth it--do we really need to know all the TANF information about the competitive grantees?

2) A possible alternative would be to collect only a subset of the 17 TANF data items, along with the 4 WtW items, from competitive grantees. Potentially this could be done by accepting HHS' interpretation that 411(a) does not apply to the competitive grantees, but DOL still has authority to ask them for any reasonable information as a condition of getting a grant. HHS would say they still don't have authority to compel states to collect and merge the WtW data from competitive grantees. However, we could give states the option to do this. If they refused, then the competitive grantees would submit directly to either HHS or DOL. HHS will also say they don't have the resources to collect information directly from the competitive grantees.

One possible sweetener is to offer technical assistance to the competitive grantees to help them gather and submit the data--either to states or the feds. Perhaps DOL or HHS could hire a contractor to do this, using WtW evaluation funds or some of the competitive grant money.

*It would be helpful to have your general reaction to the following:*

1. How important is it to treat competitive and formula grantees alike?
2. How important is it to collect all TANF data elements on WtW grantees? (barring a legislative fix, there is less flexibility to pare these back for formula grantees than for competitive grantees)
3. What do you think about a future legislative fix that tries to rationalize the data collection for WtW grantees (both competitive and formula)?
4. How much do we want to ask the states to do in terms of merging and submitting data for

competitive grantees? (OMB, HHS, and DOL agree that under Option 1 above we would/could ask them to do this for formula grantees)

5. Would it be OK to check with Hill on intent and whether they have any strong feelings about various approaches?

6. Finally, would you support asking OMB to let HHS to release the evaluation RFP tomorrow even while some of the data collection issues are being resolved?

Andrea Kane

Record Type: Record

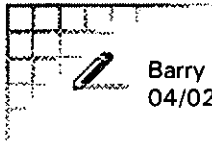
To: Cynthia A. Rice/OPD/EOP, Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP  
cc: Diana Fortuna/OPD/EOP  
Subject: Update on WtW Data Collection

Howard Rolston called to report on how the call with Olivia and Barbara Chow went. It sounds like it really would be useful for us to weigh in. In fact, Bruce or Elena may be getting a call from Olivia or possibly Kevin Thurm. HHS is extremely concerned about further delaying the release of the RFP while the data collection issue gets resolved. There is no substantive reason to delay the RFP further--it simply provides leverage to resolve the data issue.

On the data collection itself, Howard says OMB (particularly Barry) continues to be adamant about treating formula and competitive grantees as a single program with identical data collection. Everyone agrees that we are stuck imposing the 17 TANF data collection on the formula grantees, even though this is not necessarily desirable or necessary. Howard thinks states will be surprised and upset (thinking they only had to report on the 4 WtW items), but we can clearly make the case that we have no choice given the statute as it is. The question is, do we then also impose this burden on competitive grantees if we don't absolutely have to? HHS says no, OMB (and presumably DOL) say yes. Cynthia and I both think that if there's a way to justify treating them differently, it's worth pursuing.

One argument I hadn't thought of til this morning, and apparently HHS hadn't thought of either relates to penalties. HHS could penalize a state who fails to comply with the WtW reporting (because it's under the TANF data reporting section and therefore the TANF penalty would apply). It seems unfair to hold the state accountable for reporting on competitive grantees when it has no legal arrangement with them. By contrast, formula grantees (PICs) currently report data to the state for JTPA so this would not be breaking new ground.

Bruce: I agree w/ you



Barry White  
04/02/98 06:01:13 PM

Record Type: Record

To: Andrea Kane/OPD/EOP

cc: See the distribution list at the bottom of this message

Subject: Re: Welfare-to-Work Data Collection

I think we have a little disconnect here. DOL and OMB aren't at impasse with HHS. We are quite close to resolution of the current problem, though more detailed staff work will be needed over the next couple of weeks based on the agreement we hope to reach shortly. Barbara and Olivia have been talking in hopes of reaching closure today, but Olivia has asked for a little more time, so to accomodate Olivia, they agreed to talk again early Friday. We have every reason to believe this thing will be back on track then.

Stand by for a report tomorrow.

Message Copied To:

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Andrea Kane

Record Type: Record

To: Barbara Chow/OMB/EOP  
cc: See the distribution list at the bottom of this message  
Subject: Welfare-to-Work Data Collection

We wanted to briefly relay DPC views on three points related to the ongoing discussion on WtW evaluation and data collection since we are all trying to keep this moving forward.

1. We think it would be helpful to have a discussion with key Hill staff to share information and get feedback on intent, implications, and some of the practical data collection issues. Prior to the meeting, DPC, OMB, HHS and DOL should agree on a one-pager to lay out the key issues.
2. We believe it is worth identifying alternatives to imposing the full set of TANF data elements on competitive grantees. Exactly how this gets done depends in part on resolution of the legal interpretation issues (we have asked Counsel's office to take a look at these) and in part on the sense we get from the Hill. Timing is more urgent on formula grantees as grants have already been made to 12 states; the first round of competitive grants won't be announced until May. Instructions to the competitive grantees could be released after those for the formula grantees.
3. We are aware of the need to get the evaluation RFP out very soon and to move quickly to resolve the data collection issues. Much progress has been made on both, and there seems to be commitment to continued progress. At the same time, we need to make sure we have thought through the important alternatives and implications before we issue reporting instructions to the field. If resolving the data collection issues jeopardizes the RFP time frame, we would support releasing the RFP.

Feel free to contact Cynthia or I if you have any questions.

Message Copied To:

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Andrea -  
What ever happened  
to this?  
Elena



Cynthia A. Rice

12/15/97 04:49:43 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Diana Fortuna/OPD/EOP, Andrea Kane/OPD/EOP

cc:

Subject: HHS Technical Report on TANF Data Processing

The welfare law required HHS to produce a report on the status of state TANF data processing systems and what would be required to establish a system to track participants over time and across states. They've produced a rather dry report, which outlines 5 technical options (from "file match," the least sophisticated, to a centralized "one-stop database.") The report lays out some alternatives for Congress if it decides to pursue a national tracking system -- it could: 1) choose one of these 5 technical options; 2) take an evolutionary approach (starting with file tracking and moving to a one stop database), or 3) establish a steering committee to choose among options. In earlier drafts of the report, HHS had endorsed the evolutionary approach, but we made them take out any recommendations.

In addition, HHS worked with APWA and NGA to survey states. The survey shows that while many states are in the planning stages of adapting their computer systems to track TANF requirements, such as the 5 year time limit, only a handful of states now have fully operational systems. The report estimates that the necessary information systems changes could cost states up to \$1 billion.

I am planning to let this report go up to the Hill now when everyone is distracted by the holidays. It is, of course, late (the statute asked for a report within 6 months), but I would as always appreciate your words of wisdom.