

V. HIGH PERFORMANCE BONUS AND STATE PERFORMANCE

The TANF High Performance Bonus (HPB) program provided TANF cash awards (in addition to the basic TANF block grant) to States for high relative achievement on certain measures related to the goals and purposes of the TANF program. The TANF program was reauthorized under the Deficit Deduction Act of 2005, and this statute eliminated the funding for HPB under Section 403(a)(4). The last year for the HPB awards was for performance year Fiscal Year (FY) 2004. The FY 2004 performance results are presented in Appendix Tables 5:1 through 5:10. While performance awards are no longer authorized, the Department is still required under Section 413(d) of the Act to annually measure and rank State performance in moving TANF recipients into private sector employment. Beginning with performance year FY 2001, we have calculated State work performance i.e., job entry, job retention and earnings gain based on matching monthly listings of adult TANF recipient against the quarterly wage files on the National Directory of New Hires. We continue to use this data source for measuring State performance in moving TANF recipients into employment. The FY 2005 results are presented in Appendix Tables 5:11 through 5:15 and the FY 2006 results are presented in Appendix Tables 5:16 through 5:20.

Table A
TANF Work-Related High Performance Bonus Trend Information

	FY 2000 ¹	FY 2001 ^{1*}	FY 2002	FY 2003	FY 2004	FY 2005 ²	FY 2006 ²
Competing States	45+DC	49+DC	48+DC	49+DC	49+DC	N/A	N/A
Average Monthly Adult Caseload	1,563,057	1,390,842	1,297,000	1,224,205	1,156,250	1,078,935	983,757
Job Entries	648,000	622,000	510,000	533,000	534,000	557,239	521,423
Job Entry Rate	39%	33%	36%	34%	35%	34%	36%
Job Retention Rate:							
One Following Quarter	78%	77%	75%	75%	75%	78%	78%
Two Following Quarters	64%	63%	59%	59%	59%	64%	65%
Earnings Gain Rate	28%	26%	33%	33%	37%	36%	34%
Average Earnings Gain	\$575	\$554	\$644	\$656	\$753	\$796	\$785

¹ Under the final High Performance Bonus regulations issued on August 30, 2000, the FY 2001 and FY 2002 work measures performance score calculations are based solely on the wage data contained on the NDNH. In the case of FY 2001 performance year, the comparison year (FY 2000) is also calculated based on the NDNH data even though States previously calculated and reported work performance data for that year. We attribute the significant difference in the Job Entry Rate for FY 2000 to the difference in data sources and calculation methods States were allowed to use.

² For years prior to FY 2005, competing States submitted full population data in order to compete for bonuses. Because bonuses were not awarded for FY 2005 forward, some States have selected to submit sample rather than population data for use in computing these performance measures. As a result, measures reported for FY 2005 forward are not directly comparable to those reported in prior years.

