



Outcomes-Driven Provider Contracts

Designing Contracts that Build Accountability and Support Participant Success

TANF Program Integrity Office Hours | Session 2 Companion Product

This companion product accompanies Session 2 of the [TANF Program Integrity Office Hours](#) series, a peer learning initiative for state TANF program administrators and related agency staff. You may review the session recording on the TANF [Program Integrity Office Hours webpage](#). This resource summarizes key takeaways from the session and offers tools for assessing and strengthening your agency's provider contracts and accountability structures.

WHY IT MATTERS

About half of TANF's \$16.5 billion annual block grant supports non-assistance services, much of these services delivered through contractors. Recent Government Accountability Office (GAO) reports directly address TANF program integrity gaps and cover information sharingⁱ, HHS spending oversightⁱⁱ, and fraud risk managementⁱⁱⁱ. Strong accountability mechanisms help ensure TANF funds are used effectively, appropriately, and deliver meaningful results for families^{iv}.

WHAT GAO FOUND:

1. ENHANCED REPORTING COULD IMPROVE HHS OVERSIGHT OF STATE SPENDING

Federal oversight of TANF spending, particularly non-assistance, is hampered by inconsistent reporting and limited visibility into how funds are used at the subrecipient level^v.

2. ADDITIONAL ACTIONS NEEDED TO STRENGTHEN FRAUD RISK MANAGEMENT

HHS identified 21 TANF fraud risks, many of which were specific to contractors and subrecipients (for example, inflated invoices, unqualified contractors, and opaque accounting). Limited federal data on subrecipient activities is a recurring concern^{vi}.

3. HHS COULD FACILITATE INFORMATION SHARING TO IMPROVE STATES' USE OF DATA ON JOB TRAINING AND OTHER SERVICES

Many states lack mechanisms to systematically share data across the agencies and providers that deliver TANF-funded services, making it difficult to assess performance or connect spending to outcomes^{vii}.

WHAT THESE FINDINGS MEAN FOR YOUR AGENCY:

The data agencies get back from contractors usually shows what was delivered, not what changed for families. This is, in part, because federal reporting requirements ask contractors to track compliance, not outcomes. Building accountability directly into contracts — through outcome-based measures, enforceable reporting requirements, and structured review cycles — gives states and Tribes a way to close that gap, along with related fraud risk and spending oversight gaps.



COMMON ELEMENTS OF STRONG PROVIDER CONTRACTS

1. Outcome-based measures

Tie performance to what families actually gain. For example, track job quality and earnings rather than just enrollment.

2. Enforceable reporting requirements

Build reporting requirements directly into contract language so contractors do not view it as optional.

3. Annual review cycles

Use review cycles as built-in accountability and learning loops to look at what is working, where contractors are struggling, and what the agency can do differently.

4. Build on existing data, when possible

Leverage administrative data when possible to not add reporting burden for participants and staff.

Wisconsin: Restructuring Contracts to Support Family Success — Not Just Compliance

Wisconsin used the end of a long-standing TANF contract cycle as an opportunity to shift from compliance-focused performance measures to a stronger focus on family outcomes, job quality, and long-term success.

They partnered with an external evaluator to conduct a comprehensive review of the TANF employment services program. The review included interviews, surveys, and focus groups with more than 50 stakeholders to better understand how the program was working in practice. The review mapped the participant journey and identified pain points experienced by families and service providers. These findings helped state leaders rethink the program from the perspective of participant needs rather than administrative requirements.

WHAT THEY BUILT: Wisconsin redesigned its performance framework to focus on economic mobility and family stability while relying on data the state already collects. The new approach is oriented around 2Gen principles¹. The approach measures job attainment and retention using tiered earnings outcomes validated through unemployment insurance wage records, incorporates new metrics related to family stabilization payments, and uses data-sharing agreements to support reporting. By building on existing administrative data, Wisconsin was able to strengthen outcome measurement without creating additional reporting burdens for participants or frontline staff.

THE SHIFT: From “job placement” to tiered earnings, retention, and stabilization measured with data the state already collects.

Two Threads of Accountability

1. Compliance Management:

- Program integrity, fiscal responsibility, and contract compliance
- Case management
- Security

2. Performance Management:

- Engages with metrics directly
- Celebrates successes and surfaces struggles
- Co-creates solutions with contractors and state and agency leadership

Implementation Plan

- 6-year base + 6-year renewal options for contracted providers
- 4 program providers, across 10 regions
- Launching in Jan 2027

¹ Aspen Institute defines 2Gen approaches as those that build family well-being by working with children and the adults in their lives together ([2Gen Approach Fact Sheet - Ascend at the Aspen Institute](#)).



LEARN MORE

PRACTICE	FEDERAL POLICY	PRACTITIONER RESOURCES
Outcome-based measures	<p>Fiscal Responsibility Act of 2023 <i>118th Congress, 2023-2024</i></p> <p>Federal reporting requirement establishing work outcomes reporting expectations for states, including employment two quarters post-TANF-exit.</p>	<p>Aspen Institute Measuring Mobility Toolkit <i>Aspen Institute, 2018</i></p> <p>Practical tool for selecting and tracking family outcome measures, grounded in 2Gen principles.</p>
Enforceable reporting requirements	<p>OMB Uniform Guidance — 2 C.F.R. Part 200 <i>Office of Management and Budget, 2024</i></p> <p>Federal regulatory floor for subrecipient monitoring requirements.</p>	<p>ACF Q&A: Use of Funds <i>Office of Family Assistance, 2024</i></p> <p>Practitioner Q&A resource on allowable uses of TANF and MOE funds, including contracts, subawards, and obligations — a companion to ACF-OFA-IM-25-01's subrecipient monitoring guidance for agencies.</p>
Annual review cycles	<p>Single Audit Act <i>Office of Management and Budget, 2024</i></p> <p>Federal audit and oversight requirement establishing expectations for annual reviews and the administration of federal funds.</p>	<p>Leveraging Procurements and Contracts to Align on Outcomes <i>LASER TANF Learning Community, 2022</i></p> <p>Concrete strategies for outcome-oriented contracting, including approaches for using procurements and contracts to drive outcomes.</p>
Build on existing data, when possible	<p>HHS Could Facilitate Information Sharing to Improve States' Use of Data on Job Training and Other Services <i>United States GAO, 2025</i></p> <p>GAO report on data sharing and program oversight highlighting opportunities for administrative data integration, including spending visibility and cross-program data sharing.</p>	<p>Improving State TANF Performance Measures <i>Urban Institute, 2011</i></p> <p>Report with strategies and general principles for developing performance measures including examples for states of performance measures tried by other TANF programs.</p>

End Notes

- ⁱ United States Government Accountability Office (2025). [Temporary Assistance for Needy Families: HHS Could Facilitate Information Sharing to Improve States' Use of Data on Job Training and Other Services](#). GAO-25-107226.
- ⁱⁱ United States Government Accountability Office (2025). [Temporary Assistance for Needy Families: Enhanced Reporting Could Improve HHS Oversight of State Spending](#). GAO-25-107235.
- ⁱⁱⁱ United States Government Accountability Office (2025). [Temporary Assistance for Needy Families: Additional Actions Needed to Strengthen Fraud Risk Management](#). GAO-25-107290.
- ^{iv} United States Government Accountability Office (2025). [Temporary Assistance for Needy Families: Additional Actions Needed to Strengthen Fraud Risk Management](#). GAO-25-107290.
- ^v United States Government Accountability Office (2025). [Temporary Assistance for Needy Families: Enhanced Reporting Could Improve HHS Oversight of State Spending](#). GAO-25-107235.
- ^{vi} United States Government Accountability Office (2025). [Temporary Assistance for Needy Families: Additional Actions Needed to Strengthen Fraud Risk Management](#). GAO-25-107290.
- ^{vii} United States Government Accountability Office (2025). [Temporary Assistance for Needy Families: HHS Could Facilitate Information Sharing to Improve States' Use of Data on Job Training and Other Services](#). GAO-25-107226.