

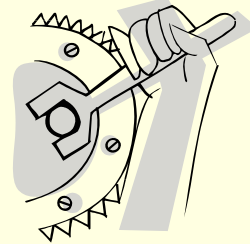


TANF Interim Final Rule



A Discussion with the States

Definitions of Work Activities



Why Define Work Activities?

- DRA directs HHS to regulate definitions for consistent measurement of participation
- GAO cited lack of uniform definitions as reason rates not comparable across States
- Some States had extreme definitions
- Definitions level the playing field

Principles in Choosing Definitions

- Common-sense definitions
- Focus on work and helping families move off TANF
- Mutually exclusive definitions
- Supervision should be explicit in activities

(Examples of what is in and out are in the preamble)

Unsubsidized Employment

- Definition

Full- or part-time employment in the public or private sector, not subsidized by TANF or any other public program.

- What's different?

No change.

Subsidized Employment

(private or public)

- Definition

Private or public sector job for which the employer receives a subsidy from TANF or other public funds to offset costs of employing a recipient.

- What's different?

No change.

Work Experience

- Definition

 - Work in return for welfare.

 - Improves the employability of those who cannot find a job.

- What's different?

 - Activities that meet another definition cannot count as work experience.

 - Job search and job readiness assistance
 - Vocational educational training

 - Must be supervised daily.

On-the-Job Training

- Definition

Training to a paid employee that provides knowledge and skills essential to the full performance of the job.

- What's different?

No change.

(Supported work for individuals with disabilities could be part of this activity.)

Job Search and Job Readiness Assistance

■ Definition

Seeking or obtaining employment

Preparation to seek or obtain employment and

Substance abuse/mental health treatment or rehabilitation activities for those who are otherwise employable. (Approved by medical or mental health professional.)

(6 weeks per fiscal year, no more than 4 consecutive)

Job Search and Job Readiness Assistance

- What's different?

Bars activities too far removed from job preparation such as

- motivational reading
- exercising at home
- smoking cessation
- children's immunization

Must be supervised daily.

Community Service Programs

■ Definition

Structured programs where recipients work for the direct benefit of the community in a public or nonprofit organization.

Designed to improve the employability of recipients.

■ What's different?

Bars activities that are not a direct benefit to the community such as

- caring for disabled family member
- life skills or parenting classes
- substance abuse treatment and mental health counseling
- other family or self-improvement activities
- educational activities

Must be supervised daily.

Vocational Educational Training

■ Definition

Organized educational programs directly related to preparing individuals for employment in current or emerging occupations (maximum 12 months lifetime).

■ What's different?

Bars

- bachelor's or advanced degree
- unsupervised homework time
- basic or remedial education not integral to program

Must be supervised daily.

Providing Child Care for a Community Service Participant

- Definition

Providing child care to enable another TANF recipient to participate in a community service program.

- What's different?

Must be supervised daily.

Job Skills Training Directly Related to Employment

■ Definition

Training or education for job skills required by an employer to obtain employment or to advance or adapt to the changing demands of the workplace.

Can include literacy/language instruction needed for a job.

■ What's different?

Bars

- substance abuse and mental health treatment
- rehabilitation activities

Must be supervised daily.

Education Directly Related to Employment

■ Definition

Education related to a specific occupation, job, or job offer.

Can include basic education and ESL, and GED classes where required as a prerequisite for a job.

Limited to recipients without a high school diploma equivalent (by statute).

■ What's different?

Bars

- education unrelated to specific occupations
- unsupervised homework time

Requires good or satisfactory progress.

Must be supervised daily.

Satisfactory Secondary School Attendance

■ Definition

Regular attendance at a secondary school or in a GED course.

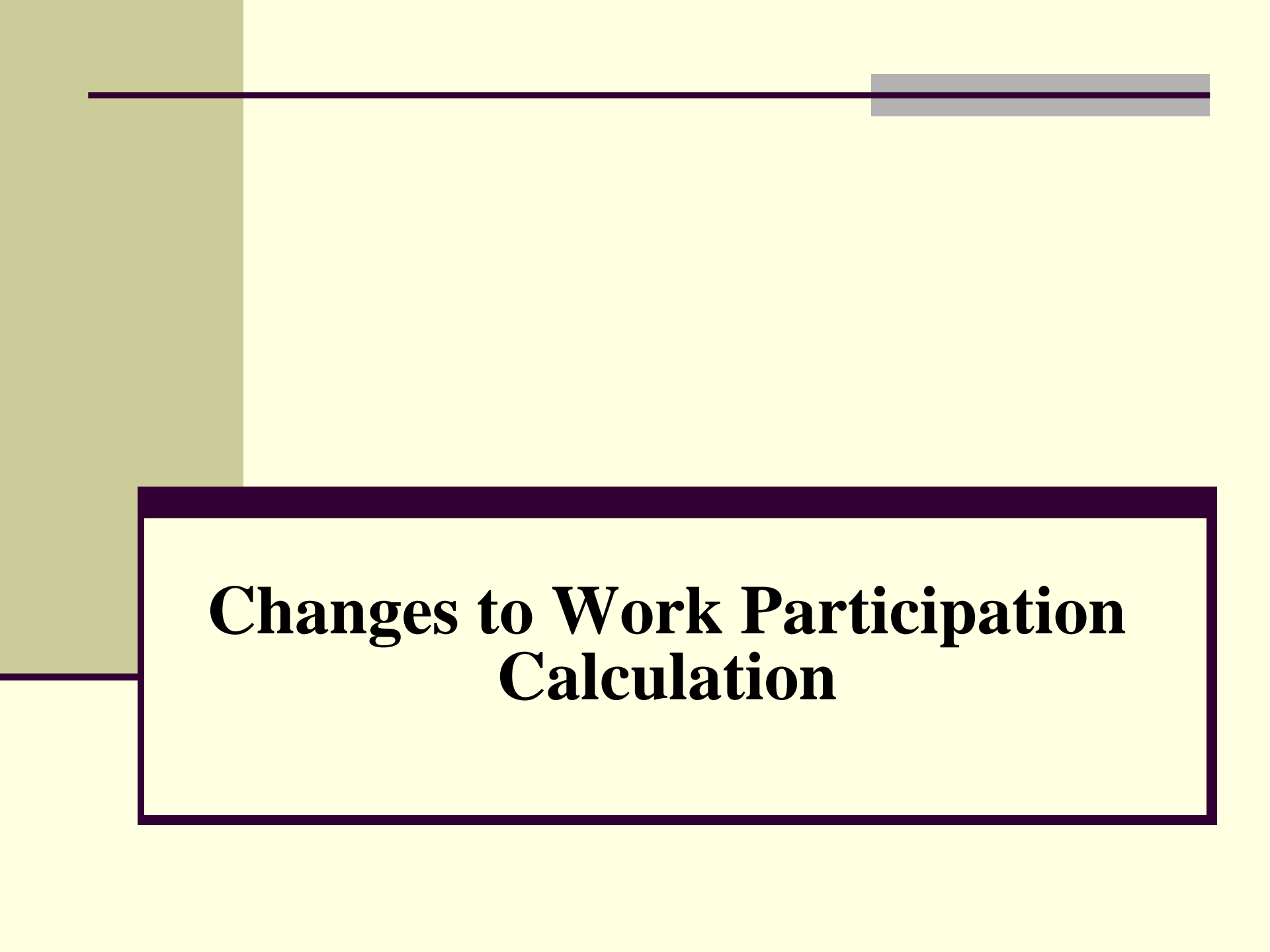
Limited to recipients without a high school diploma or equivalent (by statute).

■ What's different?

Bars unsupervised homework time.

Requires good or satisfactory progress.

Must be supervised daily.



Changes to Work Participation Calculation

What Stays the Same?

- Required participation rates: 50% and 90%
- Rates reduced by a (revised) CRC
- Activities that count (with new definitions)
- Hours needed to count in the rate

What is Changing in the Rates?

- Some families added to the calculation (and some subtracted)
- CRC base year updated
- New rules on counting hours
- New standards for documentation

Which Cases Are Added to the Rate Calculations?

- Separate State program families
- Certain cases where parents live with a child recipient
- We use “work-eligible individual” to integrate the new groups into the rate calculation

Work-Eligible Individuals

- An adult receiving TANF or SSP-MOE assistance
- A non-recipient parent living with a child receiving assistance, *except*
 - Minor parent
 - Alien ineligible for assistance due to immigration status
 - SSI recipient, State option case by case

***Not* a Work-Eligible Individual**

- A parent caring for a disabled family member living in the home
 - Family member does not go to school full time
 - Need for care medically documented
- Tribal TANF recipients served with State MOE funds that the State does not count in the rates

Caseload Reduction Credit – What Changed?

- Base year changed from 1995 to 2005
- New form and instructions

Caseload Reduction Credit – What Stayed the Same?

- SSP cases included
- Factoring out effects of eligibility changes

Counting Hours

- Actual Hours
- Excused Absences
 - Holidays
 - 10 additional days per 12 months, up to 2 per month

Counting Hours – FLSA Deeming

- If an individual works the maximum allowed by minimum wage laws but not enough for core hours
- We will consider core hours met
- State must have FS Workfare and “mini” Simplified FS Programs

Documenting Hours

Job search & job readiness assistance	Daily
Other unpaid activities	At least every 2 weeks
Employment	At least every 6 months



Work Verification Expectations and Plan Content

Impetus for Work Verification Plan Requirements

- Under prior rules, States decided how to:
 - Define work activities
 - Count and track hours of participation
- As a result
 - Definitions ranged widely
 - Work participation measurement was inconsistent
 - TANF recipients moved unevenly into employment
- GAO 2005 report on TANF work participation highlighted these issues

Achieving Accurate Work Participation Data

- Defined “work-eligible individual” and each work activity
- Described methods of reporting and types of documentation needed
- Required States to establish and maintain procedures/controls

Work Verification Plan Content

For each countable work activity:

- Describe how the activity meets the relevant definition at § 261.2
- Describe how the State determines the countable hours of participation, including its excused absence definitions
- Describe the documentation for monitoring participation and ensuring that it reports actual hours of participation

Work Verification Plan Content (Continued)

- Describe the State's procedures for identifying all work-eligible individuals
- Describe how the State ensures that, for each work-eligible individual, it:
 - Accurately inputs data into the State's automated data processing system
 - Properly tracks the hours through the automated data processing system
 - Accurately reports the hours to HHS

Work Verification Plan Content (Continued)

- Describe the procedures for ensuring it does not transmit hours of participation in an activity that is not a countable work activity
- Examples
 - Job search beyond the statutory limit
 - Vocational educational training beyond the statutory limit
 - An activity that does not comport with the definition of a countable work activity

Work Verification Plan Content (Continued)

- Describe the State's internal controls for ensuring consistent measurement of the work participation rates, including
 - quality assurance processes
 - sampling specifications to monitor adherence to the work verification procedures by State staff, local staff, and contractors.

Other Work Verification Issues

- Use the **complete and accurate** standard to validate the data reporting for all data elements, especially those used in calculating WPR
- Verify special treatment cases (e.g., disregarded cases, deemed cases, 30% limit cases, noncustodial parent cases, etc.)
- Identify two-parent cases properly
- Provide accurate caseload data in Sections 3 & 4 of TDR and SDR.

When Is Work Verification Plan Due?

- Interim Plan Due By September 30, 2006
- Required Plan Changes After HHS Review Due 60 Days After Notification
- **Final Work Verification Plan Due September 30, 2007**

Next Steps

- APHSA/ACF Work Group on Work Verification Plan
- ACF-sponsored technology meeting (July 31 – August 1)



Work Verification Penalty

Work Verification Penalty

- **Law adds new penalty:** failure to establish or comply with work participation verification procedures.
- **Implementing regulations:** “failure” occurs if:
 - Did not submit interim or complete Work Verification plan by due date.
 - Did not maintain adequate controls, procedures to ensure accuracy of data for work rates.

Implementation

Initial (plan)	Ongoing (audit)
<p style="text-align: center;">Effective FY '07:</p> <p style="text-align: center;">No interim plan by 9/30/06 No complete plan by 9/30/07</p>	<p style="text-align: center;">Effective FY '08</p> <p style="text-align: center;">Inadequate controls, procedures for accuracy of data for work rates.</p>
<p style="text-align: center;">5% (maximum)</p>	<p>Severity based on continual failure:</p> <p style="text-align: center;">1%, 1st yr; 2%, 2nd yr; etc. to 5%, 5th yr & forward</p> <p>Cycle begins anew if clean 2 consec. yrs.</p>

- May claim reasonable cause &/or submit corrective compliance plan (correct violation by end of FY ending at least 6 mo. after ACF receives plan).
- Penalty taken: FY immediately follows final decision.

Maintenance of Effort (MOE)

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New claiming provision:

- Allowable non-assistance expenditures for pro-family activities consistent with TANF purposes 3 or 4.
 - Purpose 3 – Prevent & reduce incidence of out-of-wedlock pregnancies
 - Purpose 4 – Encourage formation & maintenance of 2-parent families

Maintenance of Effort (MOE)

Clarification:

- Expenditures for MOE purposes may include allowable costs (cash or in-kind) by other non-Federal parties in the State per 45 CFR 92.3 and 92.24
 - e.g., local government, non-profit organization, corporation, or other private party

Maintenance of Effort (MOE)

Counting cost-sharing:

- Permits a State to count as MOE any required Federal match or cost-sharing expenditure of allowable Healthy Marriage and Responsible Fatherhood grantees



Data Collection & Reporting

SSP-MOE Required

- SSP-MOE Data Report is now a mandatory report for States with a separate State program(s)

Change in Hour of Participation

- Activities must comport with Federal definitions
- How the State counts hours of participation

New Data Elements

■ Section One

■ Work-Eligible Individual Indicator

- 1 = Yes, an adult (or minor child head-of-household) receiving assistance
- 2 = Yes, a non-recipient parent due to a sanction
- 3 = Yes, a non-recipient parent due to a time limit
- 4 = Yes, a non-recipient parent receiving SSI (and State opts to include)
- 5 = Yes, a non-recipient parent due to other reasons
- 6 = No, a non-recipient, but not a parent
- 7 = No, an ineligible alien due to immigration status
- 8 = No, a non-recipient parent receiving SSI (and State opts to exclude)
- 9 = No, parent caring for a disabled family member in the home

■ Section Four

■ TDR (SSP-MOE) Section Indicator

Changes in Data Elements

- Type of Family for work participation changed to reflect work-eligible individual concept.
- Two-parent family definition for two-parent work participation rate also changed to reflect work-eligible individual concept
 - two natural or adoptive parents of the same minor child who are work-eligible individuals

Existing Reporting Unchanged By Reauthorization

- States must **collect on a monthly basis** and **report on a quarterly basis** disaggregated and aggregate data on families receiving and no longer receiving TANF and SSP-MOE assistance.
- Quarterly TANF and SSP-MOE Reports must be “**complete and accurate**” and are due 45 days after the close of the quarter.

Federal Help

- Basic Edits
- WPR Summary Tables and Error Flags
- Frequencies and Cross Tabulations
- Time Limit Summary Tables and Error Flags
- ACF Responses to State Questions
- State Visits by ACF/RO Staffs

WPR Calculation Changes

- Official WPR is combined TANF and SSP-MOE rate
- Includes some child-only families
- Deems core hours for some States
- Definition of two-parent family changed

Combined TANF and SSP Work Participation Rate

	TANF	SSP	COMBINE
NUM	7,500	800	8,300
DEN	13,780	2,255	16,035
RATE	54.4%	35.5%	51.8%
30% LIM	1,000	250	1,250
ADJ. NUM	7,500	785.7	8,300
ADJ. RATE	54.4%	34.8%	51.8%