

**Message & Outline of the
TANF Interim Final Rule
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Maintains TANF Provisions and Adds DRA Requirements

■ TANF Provisions

- Maintains 50% overall work participation rate requirement for States
- Continues penalty for failure to meet rate
- No change in the individual work participation requirement

■ DRA Requirements

- Adds SSP cases to work participation rate
- Caseload reduction credit:
 - Updates base year for calculation of caseload reduction credit from FY 1995 to FY 2005

Note:

DRA and new regulations do not affect Tribal TANF

The Deficit Reduction Act of 2005

- Requires HHS to:
 - Define what constitutes work
 - Create uniform methods for reporting hours of work
 - Determine documentation needed to verify reported hours
 - Determine when certain parents should be counted in the State work participation calculation
 - Ensure States establish and maintain work verification procedures and internal controls

TANF Statutory Work Activities

■ Core activities (count toward first 20 hours)

- Unsubsidized employment
- Subsidized private employment
- Subsidized public employment
- Work experience
- On-the-job training
- Job search/job readiness assistance (6 weeks per year)
- Community service
- Vocational educational training (12 months lifetime)
- Providing child care for an individual in community service

■ Non-core activities (do not count toward the first 20 hours)

- Job skills training directly related to employment
- Education directly related to employment
- Attendance at secondary school/GED program

HHS Regulations: Define Work Activities

- In regulations HHS uses common-sense definitions of all work categories

For example:

- Employment: full- or part-time paid work
- Work experience: limited to “working off the grant” (performing work for an employer, e.g., as a file clerk, in exchange for the TANF grant)
- Job search/job readiness assistance: seeking or preparing for employment which could include short-term substance abuse treatment, mental health treatment, or rehabilitation activities
- Community service: structured work program for the direct benefit of the community that is designed to improve the employability of participants
- Vocational educational training: limited to education directly related to employment that does not require a bachelor’s or advanced degree, but which could include remedial and basic education in a work context

HHS Regulations: Uniform Methods for Reporting Hours

- Count only actual hours of participation which include limited excused absences for unpaid work activities
- All education and training activities must be directly related to a specific job
- Permit States to count recipients as meeting the core work activity requirement when they work the maximum number of hours under the minimum wage requirement of the Fair Labor Standards Act but their hours worked fall short of the minimum number of hours required by TANF
- All activities used to satisfy work requirements must be supervised

HHS Regulations: Frequency of Documentation

- Job search and job readiness assistance
 - Daily
- Unpaid work activities
 - Every two weeks
- Paid employment
 - Projected up to six months (based on actual hours)
- States must describe documentation procedures in work verification plan

HHS Regulations:

Determine when Certain Parents should be Counted in the State Work Participation Rate Calculation

- Excludes specific child-only cases:
 - Undocumented aliens and aliens under five-year ban
 - Parents receiving Supplemental Security Income (SSI), at State option
 - Minor parents who are not a head of household
 - Grandparents and other non-parental caretakers (excluded by DRA)

- Primarily includes certain child-only cases:
 - When parents are removed due to sanction
 - When parents are removed due to time limits
 - At State option, when a parent who receives SSI works or participates in the Ticket to Work program

HHS Regulations:

Ensure States Establish and Maintain Work Verification Procedures

- Require a Work Verification Plan to validate work data by September 30th of this year
 - Initial plans are effective immediately starting October 1, 2006
 - Begin to penalize for verification failures starting October 1, 2007
 - Implement new DRA penalties for non-compliance with work verification plan (a 1 to 5 percent reduction in a State's TANF grant for each year out of compliance)
- Use single State audits and Federal reviews to ensure States adhere to verification plans