

Engagement in Work Activities by Work Eligible Persons in the TANF and Safety Net MOE Assistance Programs

New York State Office of Temporary and Disability Assistance (OTDA)

March 2011

The Claims Resolution Act of 2010 Reporting Mandate

This report is in partial fulfillment of Section 812 of the Claims Resolution Act (CRA) of 2010. The CRA amended General Section 411 of the Social Security Act to require states to collect specific work activity and expenditure data, and transmit that data to the US Department of Health and Human Services (HHS). In turn, HHS is required to provide two reports to Congress summarizing the received data, for the purpose of informing the upcoming reauthorization of the Temporary Assistance for Needy Families (TANF) program. The first of these reports is to cover work activities and expenditures in the month of March 2011; the second is to cover the April to June 2011 period. The CRA also required that each state produce parallel reports covering the data gathered for their state, and post their resulting reports on their agency website. The present report is for the March 2011 period, and covers the work activities portion of the requirement for New York State.

The CRA set specific requirements regarding both the data states needed to transmit to HHS and the contents of the report. Regarding work activities, states were required to report on whether each work eligible individual in a family receiving assistance in a TANF or a Separate State Maintenance of Effort (SSP-MOE) program (i.e., all cases that states are required to consider for inclusion in the calculation of their federal work participation rate) is engaging in an activity that helps move that individual towards attaining self-sufficiency. If so, the state was to report:

- *Any activities that do not count as a work activity under federal work participation rules, but that are otherwise reasonably calculated to help the family move toward self sufficiency. These are any activities beyond the 12 countable federal activities.*
- *Any activities that do count as a work activity under those rules but cannot be counted because:*
 - *The person did not engage in sufficient hours to meet the federal work participation standard;*
 - *The work eligible individual has reached the maximum time limit allowed for having the activity count toward the work participation rate (some activities such as job search, job readiness or vocational education are only countable for defined time periods); or,*
 - *The number of persons engaged exceeds the number of persons a state is allowed to enroll in a particular activity (federal rules put limitations on the number of persons that can be engaged in certain educational activities and still count toward work participation rates).*

The CRA also allowed HHS to request additional information it deemed appropriate with respect to the above requirements. In response, HHS has asked states to provide information on:

- *Reasons for non-participation in activities for those not engaged in any activity leading to self-sufficiency, such as exemptions from work requirements; and,*
- *Hours of participation not reported either because the documentation was insufficient to meet federal work verification standards or for some other reason.*

The text of the Section 812 of the CRA is provided in Appendix A of this report.

Contents of the Report

This report is organized into the following sections:

- *A synopsis of the federal work participation standards, the pre-existing reporting requirements surrounding work activities and the reasons for the additional reporting requirements.*
- *The methodology employed for obtaining the data contained in this report.*
- *The results of our analysis of the data.*
- *A discussion of the results, including the extent to which the information changes the measures of total engagement that are provided in the pre-existing federal reports and a narrative describing the most common activities engaged in that are not countable toward the current federal work participation rate, and reasons for non-participation.*

Federal Work Participation Standards and the Need for Additional Reporting

One of the goals of the Temporary Assistance for Needy Families (TANF) program is to move recipients of cash assistance into employment. The chief federal policy mechanism for achieving this goal is the requirement that states have 50% of their federally-related cash assistance cases containing an adult or minor head of household participating in work activities, or face severe financial penalties. In New York, these federally-related cases are those in either our TANF program (mainly the Family Assistance program) or our Safety Net Maintenance of Effort (MOE) program, both of which serve households with children¹. New York State and its local social services districts invest substantial effort to engage cash assistance recipients in work activities, both to meet participation targets and, more importantly, to provide a means for such families to achieve economic stability.

How the Work Participation Rate Is Determined

The federal work participation rate (WPR) is very precisely defined in law and regulation, and in practice contains many complicated provisions. Here we will limit the presentation of the rate calculation to

¹ In order to receive their full TANF block grant, states are required to maintain state expenditures on TANF-related programs at specified levels. This is referred to as the maintenance of effort requirement. Under federal rules, states can count expenditures toward their MOE requirement for ongoing assistance to families that would be TANF-eligible except for reaching TANF time limits or due to alien status (excluding undocumented aliens), but such cases must then be included in the state's federal work participation rate. In New York, such cases are provided assistance in a case category referred to as Safety Net Assistance MOE.

those aspects most relevant to understanding the contents and purposes of this report. Thus, readers should be aware that some aspect of the actual calculation of the rate will be lost. In general, though, the work participation rate is the number of cases with an individual or individuals participating in work activities for the required number of hours, divided by the number of federally-related cases containing at least one work eligible individual that is not excluded or exempt from consideration. More specifically:

The Denominator – Cases with a Non-Excluded Work Eligible Individual (WEI)

In New York, a WEI is mainly any adult or minor head of household that is part of the cash assistance case. WEIs, and thus cases with a WEI, can be excluded from the denominator if the individual is:

- A single parent of a child in the household under one year of age, with the limitation that the parent can only use this exclusion for 12 months lifetime; or,
- Sanctioned for failure to comply with work requirements, with the limitation that this case-level exclusion can be used for only three months of the preceding 12.

A person that was otherwise a WEI will not be counted as a WEI when:

- The person is a full-time parent caretaker of a disabled family member; or,
- A parent in receipt of Social Security Disability Insurance (SSDI) program or retroactively, a person who was an applicant for the Supplemental Security Income (SSI) or SSDI program at the time the rate was calculated, and subsequently became eligible (when on these programs, the SSI persons would generally not be an active member of the cash assistance case).

The Numerator – Cases with Persons Participating in Work Activities

Any case containing an adult or minor head of household participating in a federally-qualifying work activity for a specified number of hours per week will cause that case to be counted in the participation numerator.² There are 12 allowable work activities divided into core and non-core activities. In general, a person must participate in a total of 30 hours of allowable work activities per week, with at least 20 of those hours in a core activity, to count in the numerator. For single parents with a child under six, the total participation requirement is 20 hours per week in a core activity. The allowable activities are:

- Core activities: unsubsidized employment, subsidized private sector and subsidized public sector employment, work experience, on-the-job training, job search and job readiness assistance, community service, vocational education and provision of child care for a person in a community service program.
- Non-core activities: Job skills training or education directly related to employment, and satisfactory attendance in secondary school or GED program.

² Federal standards require a more complicated calculation of the numerator for cases with two non-disabled parents in the case. The rules for such cases are not summarized here because New York has opted to serve such cases in a Solely State Funded program, effectively removing the cases from the work participation calculation.

There are also limitations on when some of the work activities can be counted in the numerator. There are individual and state-level limitations:

- Individual limitations: job search and job readiness assistance (including treatment) is currently limited to 12 weeks, with no more than four weeks of these weeks being consecutive; vocational education is limited to 12 months lifetime.³
- State-level limitations: the number of persons deemed to be participating on the basis of vocational education or school attendance is capped at 30 percent of all persons participating.

Finally, in addition to prescribing the types of activities, number of hours and limits on the use of certain activities, states cannot count activities engaged in unless they meet strict supervisory and documentation requirements. These requirements are too extensive to catalogue here, but include such things as the amount of time that can pass between employer verification of hours in unsubsidized employment, standards for documenting job search contacts or verifying attendance in activities, and requirements for direct supervision of activities.

Taking the forgoing into account, states submit quarterly reports to HHS containing all data items required to calculate the monthly work participation status for each case in their TANF and MOE assistance programs or, as is the case in New York, a valid sample of such cases. HHS then calculates each state's work participation rate for each Federal Fiscal Year (FFY), which is the average rate for each of the months in that year, to see if the state has met the federal standard. For the most recent FFY (2010), New York's Rate is estimated to be 34.9 percent.⁴

The Need for Additional Reporting on Work Activities

While the intent of Congress in asking for the additional reporting is not specified in the CRA beyond noting that it is a pre-reauthorization report, the specific requirements will allow a more complete look at work participation and reasons for non-participation than is available from the regular federal reporting. Thus, the present report represents an opportunity to at least partially address some of the unanswered questions regarding work programs in New York, using a more expansive definition of engagement than the official work participation rate, and providing a more comprehensive look at the characteristics of those not engaged in an enumerated activity. It is hoped that this in turn will lead to a more informed discussion of the policy issues surrounding our state's efforts in promoting family self-sufficiency.

³ The job search and job readiness limitation is usually six weeks, but states can expand that limit to 12 weeks under certain economic circumstances that qualify the state as a "needy state". New York currently meets the standard for needy state status.

⁴ While the nominal work participation target is 50 percent, states are allowed to reduce their target by the percentage point decrease in their TANF and SSP-MOE caseload between FFY 2005 and the FFY previous to the year the rate is measured (assuming a decrease occurred), net of any changes in eligibility criteria for the programs instituted between the base and comparison year. States also can receive additional credit against the rate for MOE expenditures in excess of required levels. New York's anticipated caseload reduction credit for FFY 2010 will allow us to meet our participation target.

Methodology

In February 2011, the Office of Family Assistance (OFA) within HHS issued TANF Program Instruction (PI) 2011-03, specifying the work-related data reporting requirements under the CRA. This guidance specified that states should collect and provide the additional data required under the CRA for each case with one or more WEIs in their regular TANF and SSP-MOE data reports used to establish the work participation rate (see above). New York's total monthly non-services⁵ TANF and SSP-MOE sample is 508 cases, and is stratified by program type and whether the case is in the first month of assistance or not. As a result, observations need to be weighted to represent the number of persons with each characteristic in the full caseload, and the analyses below will report the weighted results. The 510 sample cases for March yielded 426 WEIs. There are fewer WEIs than cases because many cases, referred to as child-only cases, do not contain an active adult or WEI. The child only cases are primarily those where there is a disabled parent in the SSI program, the parent is precluded from assistance due to their immigration status, or the caretaker is a non-parent relative. After applying the weights, the 426 count represents 98,783 WEIs. All analyses below are at the individual level.

Because this is a single month sample, and the sample size is designed to produce stable estimates of work rates over the course of an entire FFY, there may be substantial error in the estimates produced, and thus the results below should be regarded as preliminary. Our second report covering a three month period may produce somewhat different results. Also, because of this potential for error in a single month's sample, we will limit our presentation in this report to those results required by the statute, and avoid more detailed analysis.

TANF PI 2011-03 also specified the data elements to be included in the transmission file, the definition of these data elements and instructions for completing the data protocol (see Appendix B for the PI and the reporting instructions). In addition to data elements used to identify the records and provide information regarding the sampling of the cases, the instructions asked for data on seven questions, for each WEI in the selected cases:

1. Was the person participating in countable work activities for a sufficient number of hours for the family to count toward the work participation rate?
2. Did the work-eligible individual participate in a work activity that could count toward the work participation rate, but the State chose not to report such hours of participation in the regular data report? For this question, and questions 3, 4, 5 and 6, the state must specify the activity and the number of hours in that activity for any WEI where the response is affirmative, unless the person was designated as counting toward the work participation rate in question one. In the latter instance, the state is precluded from specifying hours.
3. Did the work-eligible individual participate in a countable work activity that did not count toward the work participation rate, because the work-eligible individual was engaged for

⁵ Services TANF cases are Emergency Assistance for Families Foster Care cases, and consist entirely of children. They are classified as assistance authorized under prior law in federal parlance, and are not considered for work requirements. Such cases are reported from a separate sampling stratum.

insufficient hours to meet the work requirements for counting toward the work participation rates?

4. Did the work-eligible individual participate in a countable work activity that did not count toward the work participation rates because the hours of participation in the activity are beyond a statutory limit for reporting the hours of participation as countable work activities?
5. Did the work-eligible individual participate in a countable work activity, but the State did not report such hours of participation in the regular data report because the State could not meet the Federal verification standards for including the hours of participation in the report?
6. If the work-eligible individual did not participate in countable work activities for a sufficient number of hours for the family to count toward the overall work participation rate, did the work-eligible individual participate in activities that do not qualify as a countable work activity under federal law, but move the family toward self-sufficiency?
7. Is the work-eligible individual engaged in any countable work activity, or in any non-countable activity that moves the family toward self-sufficiency? If not, what is the principal reason for nonparticipation?

In order to collect the additional information on the sampled WEIs, the Bureau of Data Management and Analysis (BDMA) constructed a data spreadsheet containing space for each of the required data elements, instructions and, where possible, prefilled the responses with data available from OTDA data systems, including hours in work activities and reasons for non-participation. This spreadsheet was then provided to staff at the OTDA Bureau of Employment and Advancement Services (EAS) and the New York City Human Resources Administration Office of Data Reporting and Analysis (ODRA), who in turn examined systems and case record data to get a more full picture of the circumstances of the selected WEIs than could be determined from systems at the time of sample selection. In addition, BDMA performed a match of the sampled WEIs to the State Data Exchange (SDX) to determine if any were applicants for, or newly eligible for, the SSI disability program. Once gathered, these data were integrated into a single data set, then re-examined by BEAS and BDMA staff for accuracy and consistency.

Results

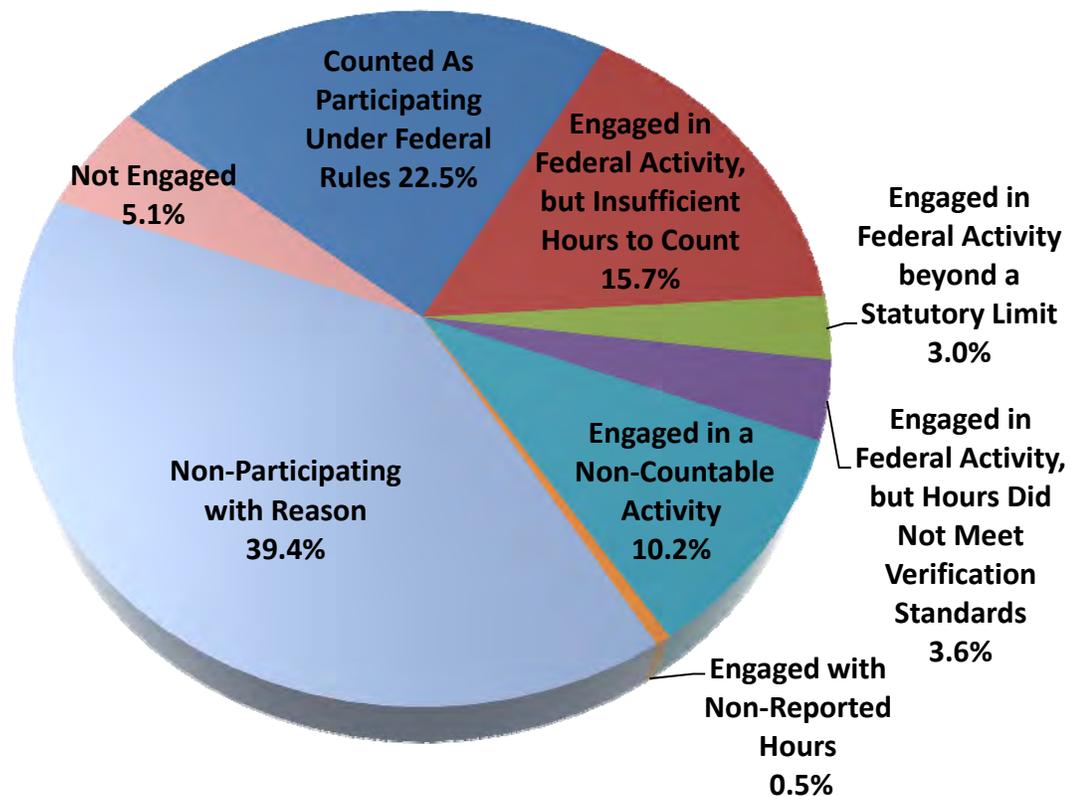
Engagement in Work Activities

Figure 1 provides a general engagement profile for the WEIs in the analysis. It is important to keep in mind that these results and those that follow are individual based, as called for in statute, not case based. Cases may have more than one WEI. Also, placing persons in one of the categories of engagement, or in a particular reason for non-engagement, required us to unduplicate across categories. This is because persons could have been counted in more than one place, for instance if they were partially participating under federal rules, but were also engaged in non-federal activities, or exempt from work activities but assigned awaiting the start. The unduplication followed a hierarchy represented in Figures 1 and 2, where the primary placement would be in the blue wedge at the top of each chart, and then proceeding clockwise. Each WEI would be placed in the first wedge that was appropriate.

Figure 1 shows that 22.5 percent of the WEIs are engaged in federally-allowable activities for sufficient hours to meet the core and total requirements. Again, because this is an individual analysis, this 22.5 percent should not be interpreted as the official participation rate for the month, since that measure is case based, and the denominator would exclude many cases with a WEI. In fact, New York’s participation rate for the first three months of the current FFY is estimated to be 32.2 percent.

Proceeding clockwise on Figure 1, we see an additional 15.7 percent of the WEIs engaged in federally allowable activities but for insufficient hours to count, because they did not meet either the total hours or core hours requirements. An additional three percent were engaged in federally allowable activities, but had exceeded a statutory limit. Nearly all persons in this category were participating in job search or job readiness activities beyond the 12 weeks total or four weeks consecutive limitation. An additional 3.6 percent were engaged in federally allowable activities, but documentation for those hours did not meet verification standards. One WEI in the sample (0.5 percent) was engaged in activities but the hours were not included in our regular federal reporting.

Figure 1: Engagement Profile of Work Eligible Individuals - March 2011



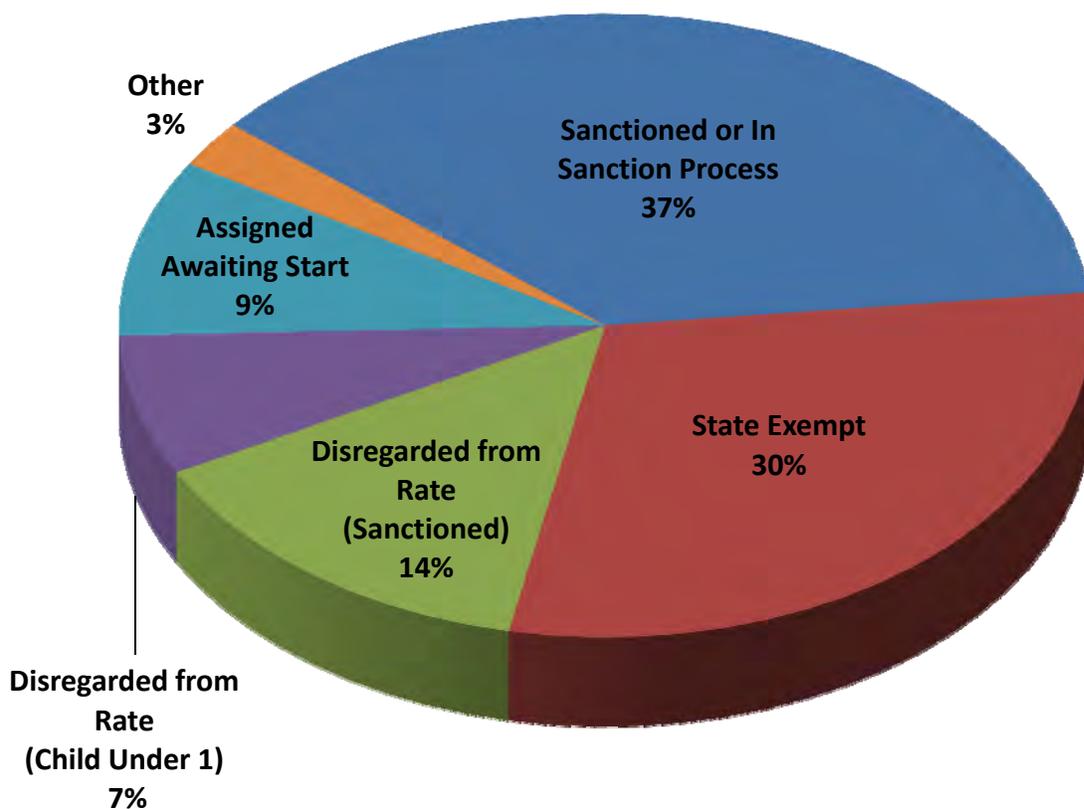
Proceeding to those not engaged in federally allowable activities, we find an additional 10.2 percent engaged in a variety of other, state-allowed activities. These will be further enumerated below, but consist mostly of educational activities and activities designed to prepare persons for engaging in work.

Taken together, 55.5 percent of the WEIs were found to have hours in some work activity, an increase of 147 percent over the 22.5 percent engagement rate as measured by the federal work participation standard.⁶ For most of the 44.5 percent that were not engaged (39.4 percent of all WEIs and 88 percent of the non-participating), there was a specific and legitimate reason for non-participation. This leaves 5.1 percent not engaged in the process. We now turn to the reasons for non-participation in activities.

Reasons for Non-Participation

Figure 2 provides a summary of the reasons for non-participation among the 39.4 percent in the “Non-Participating with Reason” group above.

Figure 2: Reasons for Non-Participation in Work Activities for Work Eligible Individuals - March 2011



⁶ Because the statutory deadline for this report comes before our regular federal TANF and SSP-MOE reporting deadline for March, we are unable at this time to assess how that reporting will differ from what appears here, including the final number of WEIs and activities engaged in.

The most common reason for non-participation, comprising 37 percent of the non-participating group, was where the WEI was engaged in the sanction process, but not excludable from the work participation denominator. These include WEIs either sanctioned for more than three of the last twelve months (the federal limit for exemption) or in the sanction process (referred for sanction, in conciliation or in fair hearings status) but not yet subject to a grant reduction⁷, or sanctioned for reasons other than failure to comply with work requirements. Another 14 percent of the WEIs were sanctioned within the three-month limit, and thus excludable from the participation denominator. When the 14 percent of sanctioned persons disregarded to the rate are added to the non-participating persons either sanctioned over the limit or in sanction process, we see that 51 percent of non-participation is sanction-related. This represents one-in-five of all WEIs overall.

Thirty percent of the WEIs had a state exemption from work activities, but were not excludable from the participation rate denominator. Such exemptions include temporary incapacity/disability, advanced age, being an applicant for SSI, caring for another disabled household member or domestic violence. An additional seven percent were exempt because they are the parent of a child in the household under one year of age, but can be removed from the participation rate denominator because they have not exhausted their twelve-month lifetime limit for such an exemption. Because the persons disregarded for having a child under one are also state exempt, they increase the state exempt percentage of non-participants to 37 percent, or 15 percent of all WEIs.

Between those sanctioned within the three-month limit and those exempt for being a caretaker of a child under one within the 12-month lifetime limit, 21 percent of the non-engaged with reason WEIs are eligible to be disregarded from the participation rate denominator.

Finally, another nine percent of the non-participating group had been assigned to an activity, but awaiting its start, and three percent are not participating for miscellaneous reasons.

Activities not Countable toward the State Participation Rate

Table 1 summarizes the non-countable activities engaged in, by category of activity, for persons with hours in federally-defined work activities. For this analysis, a person may be counted in more than one activity or category, and the total hours figure is the sum of hours in all activities when a person is engaged in more than one activity in the column.⁸ Federal activities where no person was found to be engaged are not included on the table.

Federal Activities

The most common federal activities engaged in but not counting toward the participation rate are, in order of the number of persons engaged, job search/job readiness, unsubsidized employment, work experience and vocational education.

⁷ Under federal rules, persons in process but without a grant reduction cannot be considered for exclusion from the participation denominator.

⁸ Note that because there is duplication in Table 1, the totals for each column will represent a percentage of persons higher than shown for the engagement analysis in Figure 1, where a hierarchy was applied.

Table 1: Number of Work Eligible Individuals not Countable as Participating under Federal Rules but Engaged in Federal Activities with Weekly Average Number of Hours Engaged – March 2011

Activity	Insufficient Hours to Meet Rate	Over Federal Limit on Activity	Hours not Meeting Documentation Standards	Unreported Hours	Unduplicated Figures
Unsubsidized Employment	7,058	NA	1,714	539	9,310
Work Experience	3,886	NA	158	0	3,886
Job Search/Readiness	4,745	3,473	1,504	158	7,954
Community Service	0	NA	158	0	158
Vocational Education	855	697	1,013	0	1,868
Job Skills Training	374	NA	0	0	374
Educational Training	640	NA	539	0	1,179
High School or Equivalent	0	NA	539	50	588
<i>Unduplicated Count</i>	<i>15,481</i>	<i>4,012</i>	<i>5,624</i>	<i>746</i>	<i>32,596</i>
<i>Average Weekly Hours</i>	<i>13</i>	<i>11</i>	<i>17</i>	<i>24</i>	<i>16</i>

Other Non-Countable Activities

Table 2 depicts the activities engaged that are not federally countable. As with Table 1, persons may appear in more than one activity. The predominant activities here fall into the category of evaluation in preparation for assignment to other activities (those in assessment, case management or undergoing a medical evaluation to determine the extent to which medical issues may limit the ability to work), or engaging in an activity otherwise designed to prepare for engaging in countable work activities. Others were engaged in non-countable educational activities.

Table 2: Number of Work Eligible Individuals Engaged In Activities Not Countable for Federal Purposes – March 2011

Activity	Count
High School or Equivalent for Person Not a Minor Head of Household	1,902
Post-Secondary Education	158
Treatment Activities	1,566
Accessing Work Supports	1,017
Assessment	3,903
Medical Evaluation	3,315
Court or Child Welfare Mandated Activities	697
Homeless and Complying with Independent Living Program	539
Case Management	158
<i>Unduplicated Total</i>	<i>11,703</i>

Discussion and Limitations of the Data

Using the approach above, we see a picture of work activity in New York showing substantially more persons engaged in work activities than would be implied by a strict application of the federal work participation rate as a standard of engagement. Here, we found that the percentage of persons engaged in activities increased from 22.5 percent using the federal standard, to 55.5 percent when partial participation, or participation in activities either over the federal allowable time limits, not meeting documentation standards, not reported in the normal federal reporting or not allowed under federal statute, are considered. Further, for another 39.4 percent there is a specific reason for non-participation, primarily persons sanctioned or in the process of being sanctioned for failure to engage in work activities, or those exempt from participation. Overall, only 5.1 percent of WEIs are not participating at all without an enumerable reason for their non-participation.

Again, the predominant non-federal activities engaged in fall into the category of evaluation in preparation for assignment to other activities (those in assessment, case management or undergoing a medical evaluation to determine the extent to which medical issues may limit the ability to work), or engaging in an activity otherwise designed to prepare for engaging in countable work activities. Others were engaged in non-countable educational activities.

It should be noted that the deadline for producing the report precluded the use of a number of tools employed in the regular sample reporting that are designed to more fully enumerate the activities WEIs are engaged in, determine which individuals are WEIs for federal purposes, and verify the characteristics and circumstances of the cases and persons sampled. These tools include use of the National Directory of New Hires data to identify persons engaged in employment, and the use of SSI data to eliminate persons accepted for that program from consideration as a WEI. Both of these activities result in substantial increases in the work participation rate by identifying more countable activity and further decreasing the participation denominator.

It is important that readers of this report regard the findings here as preliminary, mostly because they are based on a limited sample of a single month's data. For instance, some of the figures listed above are based on a single weighted observation, and activities that WEIs may be engaging in or circumstances they are experiencing may not appear here simply because no such individuals were sampled this month. Because of this, what we have presented here is intentionally limited to those findings we feel are necessary to comply with the reporting mandate. For the upcoming report covering the April to June period, more complete and accurate analyses should be available.

If you have any questions regarding the production of this report or its contents, please contact David Dlugolecki at the OTDA Bureau of Data Management and Analysis at (518) 474-1192, or email your inquiry to bdma@otda.state.ny.us.

Appendix A – Section 812 of the Claims Reduction Act of 2010

SEC. 812. MODIFICATIONS TO TANF DATA REPORTING.

(a) In General- Section 411 of the Social Security Act (42 U.S.C. 611) is amended by adding at the end the following new subsection:

(c) Pre-reauthorization State-by-state Reports on Engagement in Additional Work Activities and Expenditures for Other Benefits and Services-

(1) STATE REPORTING REQUIREMENTS-

(A) REPORTING PERIODS AND DEADLINES- Each eligible State shall submit to the Secretary the following reports:

(i) MARCH 2011 REPORT- Not later than May 31, 2011, a report for the period that begins on March 1, 2011, and ends on March 31, 2011, that contains the information specified in subparagraphs (B) and (C).

(ii) APRIL-JUNE, 2011 REPORT- Not later than August 31, 2011, a report for the period that begins on April 1, 2011, and ends on June 30, 2011, that contains with respect to the 3 months that occur during that period--

(I) the average monthly numbers for the information specified in subparagraph (B); and

(II) the information specified in subparagraph (C).

(B) ENGAGEMENT IN ADDITIONAL WORK ACTIVITIES-

(i) With respect to each work-eligible individual in a family receiving assistance during a reporting period specified in subparagraph (A), whether the individual engages in any activities directed toward attaining self-sufficiency during a month occurring in a reporting period, and if so, the specific activities--

(I) that do not qualify as a work activity under section 407(d) but that are otherwise reasonably calculated to help the family move toward self-sufficiency; or

(II) that are of a type that would be counted toward the State participation rates under section 407 but for the fact that--

(aa) the work-eligible individual did not engage in sufficient hours of the activity;

(bb) the work-eligible individual has reached the maximum time limit allowed for having participation in the activity counted toward the State's work participation rate; or

(cc) the number of work-eligible individuals engaged in such activity exceeds a limitation under such section.

`(ii) Any other information that the Secretary determines appropriate with respect to the information required under clause (i), including if the individual has no hours of participation, the principal reason or reasons for such non-participation.

`(C) EXPENDITURES ON OTHER BENEFITS AND SERVICES-

`(i) Detailed, disaggregated information regarding the types of, and amounts of, expenditures made by the State during a reporting period specified in subparagraph (A) using--

`(I) Federal funds provided under section 403 that are (or will be) reported by the State on Form ACF-196 (or any successor form) under the category of other expenditures or the category of benefits or services provided in accordance with the authority provided under section 404(a)(2); or

`(II) State funds expended to meet the requirements of section 409(a)(7) and reported by the State in the category of other expenditures on Form ACF-196 (or any successor form).

`(ii) Any other information that the Secretary determines appropriate with respect to the information required under clause (i).

`(2) PUBLICATION OF SUMMARY AND ANALYSIS OF ENGAGEMENT IN ADDITIONAL ACTIVITIES-

Concurrent with the submission of each report required under paragraph (1)(A), an eligible State shall publish on an Internet website maintained by the State agency responsible for administering the State program funded under this part (or such State-maintained website as the Secretary may approve)--

`(A) a summary of the information submitted in the report:

`(B) an analysis statement regarding the extent to which the information changes measures of total engagement in work activities from what was (or will be) reported by the State in the quarterly report submitted under subsection (a) for the comparable period; and

`(C) a narrative describing the most common activities contained in the report that are not countable toward the State participation rates under section 407.

`(3) APPLICATION OF AUTHORITY TO USE SAMPLING- Subparagraph (B) of subsection (a)(1) shall apply to the reports required under paragraph (1) of this subsection in the same manner as subparagraph (B) of subsection (a)(1) applies to reports required under subparagraph (A) of subsection (a)(1).

`(4) SECRETARIAL REPORTS TO CONGRESS-

`(A) MARCH 2011 REPORT- Not later than June 30, 2011, the Secretary shall submit to Congress a report on the information submitted by eligible States for the March 2011 reporting period under paragraph (1)(A)(i). The report shall include a State-by-State summary and analysis of such information, identification of any States with missing or incomplete reports, and recommendations for such administrative or legislative changes as the Secretary determines are necessary to require eligible States to report the information on a recurring basis.

`(B) APRIL-JUNE, 2011 REPORT- Not later than September 30, 2011, the Secretary shall submit to Congress a report on the information submitted by eligible States for the April-June 2011 reporting period under paragraph (1)(A)(ii). The report shall include a State-by-State summary and analysis of such information, identification of any States with missing or incomplete reports, and recommendations for such administrative or legislative changes as the Secretary determines are necessary to require eligible States to report the information on a recurring basis

`(5) AUTHORITY FOR EXPEDITIOUS IMPLEMENTATION- The requirements of chapter 5 of title 5, United States Code (commonly referred to as the `Administrative Procedure Act') or any other law relating to rulemaking or publication in the Federal Register shall not apply to the issuance of guidance or instructions by the Secretary with respect to the implementation of this subsection to the extent the Secretary determines that compliance with any such requirement would impede the expeditious implementation of this subsection.'

(b) Application of Penalty for Failure To File Report-

(1) IN GENERAL- Section 409(a)(2) of such Act (42 U.S.C. 609(a)(2)) is amended--

(A) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively,

(B) by inserting before clause (i) (as redesignated by paragraph (1)), the following:

`(A) QUARTERLY REPORTS- ';

(C) in clause (ii) of subparagraph (A) (as redesignated by paragraphs (1) and (2)), by striking `subparagraph (A)' and inserting `clause (i)'; and

(D) by adding at the end the following:

`(B) REPORT ON ENGAGEMENT IN ADDITIONAL WORK ACTIVITIES AND EXPENDITURES FOR OTHER BENEFITS AND SERVICES-

`(i) IN GENERAL- If the Secretary determines that a State has not submitted the report required by section 411(c)(1)(A)(i) by May 31, 2011, or the report required by section 411(c)(1)(A)(ii) by August 31, 2011, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to not more than 4 percent of the State family assistance grant.

`(ii) RESCISSION OF PENALTY- The Secretary shall rescind a penalty imposed on a State under clause (i) with respect to a report required by section 411(c)(1)(A) if the State submits the report not later than--

`(I) in the case of the report required under section 411(c)(1)(A)(i), June 15, 2011; and

`(II) in the case of the report required under section 411(c)(1)(A)(ii), September 15, 2011.

`(iii) PENALTY BASED ON SEVERITY OF FAILURE- The Secretary shall impose a reduction under clause (i) with respect to a fiscal year based on the degree of noncompliance.'

(2) APPLICATION OF REASONABLE CAUSE EXCEPTION- Section 409(b)(2) of such Act (42 U.S.C. 609(b)(2)) is amended by inserting before the period the following: `and, with respect to the penalty under paragraph (2)(B) of subsection (a), shall only apply to the extent the Secretary determines that the reasonable cause for failure to comply with a requirement of that paragraph is as a result of a one-time, unexpected event, such as a widespread data system failure or a natural or man-made disaster`.

(3) NONAPPLICATION OF CORRECTIVE COMPLIANCE PLAN PROVISIONS- Section 409(c)(4) of such Act (42 U.S.C. 609(c)(4)) is amended by inserting `(2)(B),` after `paragraph`.

**Temporary Assistance for
Needy Families
Program Instruction**

U.S. Department of Health and Human
Services
Administration for Children and Families
Office of Family Assistance
Washington, D.C. 20447

Transmittal No. TANF-ACF-PI-2011-03

Date: February 14, 2011

TO: State Agencies Administering the Temporary Assistance for Needy Families (TANF) Program and Other Interested Parties

SUBJECT: Form ACF-812, the Report on Engagement in Additional Work Activities for Families Receiving Assistance under the TANF and SSP-MOE Programs.

REFERENCES: Section 411 of the Social Security Act and section 812 of the Claims Resolution Act of 2010.

PURPOSE: To transmit the form ACF-812 and instructions for completing the Report on Engagement in Additional Work Activities.

BACKGROUND: Section 812 of the Claims Resolution Act of 2010 modifies section 411 of the Social Security Act by requiring that each State agency, the District of Columbia, and the Territories submit a Report on Engagement in Additional Work Activities. The report must be submitted for two reporting periods. The first reporting period is from March 1 through March 31, 2011 and the reports are due no later than May 31, 2011. The second reporting period is from April 1 through June 30, 2011 and the reports are due no later than August 31, 2011. For the Report on Engagement, with respect to each work-eligible individual in a family receiving TANF or SSP-MOE assistance during the reporting period, the States must collect and report the following information: (1) whether the individual engages in any activities that are directed toward attaining self-sufficiency and (2) if yes, the specific activities that (a) do not qualify as a countable work activity, but are otherwise reasonably calculated to help the family move to self-sufficiency or (b) that could be a countable work activity, but for the fact that either the work-eligible has not engaged in such activities for a sufficient number of hours; the work-eligible individual has reached a maximum time limit allowed for having participation in the activity count; or the number of work-eligible individuals engaged in such activity exceeds a statutory limitation.

ACTION: Each State agency is required to collect the data specified on the Report on Engagement in Additional Work Activities (attached) and submit the report within the specified time frames.

ATTACHMENTS: [Form ACF-812 and instructions](#) for completing the form.

EFFECTIVE: Immediately.

INQUIRIES: Please direct inquiries to the TANF Program Manager in your Region.

/s/
Earl S. Johnson
Director
Office of Family Assistance

Report on Engagement in Additional Work Activities

For Families Receiving Assistance under the TANF and SSPMOE Programs

INSTRUCTIONS AND DEFINITIONS

General Instruction: Under H.R. 4783 (P.L. 111-29), the Claims Resolution Act of 2010, each State agency, the District of Columbia, and the Territories are required to submit this report for the month of March 2011 and for the months of April, May, and June, 2011. The March report is due no later than May 31, 2011. The April - June report is due no later than August 31, 2011.

The State agency should collect and report data for each family with one or more work-eligible individuals, as reported on the TANF Data Report – Section one (and, if applicable on the SSPMOE Data Report – Section one) for the report month. States should report data for each data element on this report, unless explicitly instructed to leave blank. The data must be complete and accurate.

For a State that submits the TANF Data Report (and, if applicable, the SSPMOE Data Report) based on a sample, the State must use the same selected cases for the report month in this report. The only exception to this rule is for a State that excessively oversamples (i.e., selects more than 400 cases per month) and does not stratify the TANF (or, if applicable SSPMOE) sample. Such a State may opt to sample using the same criteria described below for States that report based on the entire caseload.

For a State that submits the TANF Data Report (and, if applicable, the SSPMOE Data Report) for all cases receiving assistance for a report month, the State has the option to submit this report for the entire caseload or submit this report based on a sample. If a State opts to report based on a sample, a separate monthly sample must be selected for TANF cases and, if applicable, for SSPMOE cases each month. The monthly sample must meet the following criteria:

- (A) The monthly sample frame must consist of all families receiving assistance with one or more work-eligible individuals as reported on the TANF Data Report and the SSPMOE Data Report for the report month;
- (B) The monthly sample size must be 175 cases. If a State has both TANF and SSPMOE Programs, a separate monthly sample of 175 cases must be selected for each Program. If a State has less than 175 cases on the monthly sample frame, the State must complete this report for all cases on the monthly sample frame;
- (C) The State must report the total number of cases on the monthly sample frame (See data element #6 below);
- (D) The State must use either a simple random sample design or a systematic random sample design to select the monthly sample. (Note: stratification is not permitted.); and

(E) All sample cases must be assigned the same stratum code, which is the same stratum code the State used for the TANF Data Report or, if applicable, the SSPMOE Data Report.

Family Level Section

1. State FIPS Code: Enter your two-digit State code.
2. Reporting Month: Enter the four-digit year and two-digit month codes that identify the year and month for which the data are being reported.

3. Stratum:

Guidance: All TANF and SSPMOE families selected in the sample from the same stratum must be assigned the same stratum code. Use the same stratum code for the family that was used in the TANF Data Report – Section one (or, if applicable, the SSPMOE Data Report) for the corresponding report month.

Instruction: Enter the two-digit stratum code.

4. Case Number:

Guidance: If the case number is less than the allowable eleven characters, a State should use lead zeros to fill in the number. This should be the same case number used in the TANF Data Report – Section one (or, if applicable, the SSPMOE Data Report – Section one) to report data on the family for the report month.

Instruction: Enter the number assigned by the State agency to uniquely identify the case.

5. **Is the family receiving assistance under the TANF Program or the SSPMOE Program?**

1 = TANF Program

2 = SSPMOE Program

3 = Both the TANF Program and the SSPMOE Program

6. **Number of families on the monthly sample frame**

A. TANF Program B. SSPMOE Program

Instructions: For a State that submits the TANF Data Report (or the SSPMOE Data Report) for the entire caseload, but has opted to file this report based on a sample, enter the total number of families with one or more work-eligible individuals on the monthly sample frame for the TANF cases in item 6.A. and for the SSPMOE cases in item 6.B. If such a State does not have a SSPMOE Program, leave item 6.B. blank. Note: this number should be substantially smaller than the total caseload reported in Section three. For a State that submits the monthly TANF Data

Report (or, if applicable, the SSPMOE Data Report) based on a sample, the State should leave this data element blank.

Work-Eligible Individual Engagement in Work Activities Section

Complete this section for each work-eligible individual in the family, as reported on the TANF Data Report-Section one, data element #48 (or the SSPMOE Data Report – Section one, data element #41.) Coding is permitted for up to four work-eligible individuals. Do not complete this section for an individual who is not a work-eligible individual. In reporting the hours of participation in countable work activities in data elements 9 through 12, do not report the same hours of participation in more than one data element.

7. Social Security Number: Enter the nine-digit Social Security Number (SSN) for the work-eligible individual in the format nnnnnnnnn. This should be the same SSN reported for this individual on the TANF Data Report, data element #33 (or, if applicable the SSPMOE Data Report, data element #29.)

8. **Participating in countable work activities for a sufficient number of hours for the family to count toward the work participation rate**

Instruction: If, for the work-eligible individual, the State reported a sufficient number of hours of participation in countable work activities for the report month such that the family counts toward the work participation rate (i.e., counts in the numerator of the rate), then enter code 1. Otherwise, enter code 0.

0 = No

1 = Yes, reported participation in countable work activities for a sufficient number of hours for the family to count in the numerator of the overall work participation rate

9. **Did the work-eligible individual participate in a work activity that could count toward the work participation rate, but the State chose not to report such hours of participation in the TANF Data Report (or, if applicable, the SSPMOE Data Report)?**

Instructions: If the work-eligible individual participated in a countable work activity for which the State chose not to report the hours of participation on the TANF Data Report – Section one (data elements #50 - #61) or the SSPMOE Data Report – Section one (data elements #43 - #54), then enter code “1” in 9.A. Otherwise, enter “0” in 9.A. For example, a family has two WEIs. The first WEI has sufficient hours for the family to count in the numerator of the work participation rate. The second WEI has unreported hours of participation in Vocational Educational Training, which the State did not report in order to preserve the hours in a time limited activity. The hours of participation referred to in this data element must meet the level of supervision and the Federal verification standards for countable work activities.

A. Unreported hours of participation in a countable work activity?

0 = No

1 = Yes

If data element 8 is coded with a "1" or data element 9.A. is coded with a "0," then leave data elements 9.B. through 9.M. blank. If data element 8 is coded "0" and 9.A. is coded with a "1," then, for each of the following countable work activities, in which the work-eligible individual participated during the report month and for which the State did not report the hours of participation, enter the total number of hours of participation.

B. Unsubsidized Employment (include self-employment)

C. Subsidized Private Sector Employment

D. Subsidized Public Sector Employment

E. Work Experience

F. On-the-job Training

G. Job Search and Job Readiness Assistance

H. Community Service

I. Vocational Educational Training

J. Job Skills Training Directly related to Employment

K. Education Directly Related to Employment

L. Satisfactory School Attendance

M. Providing Child Care Service for an Individual Participating in a Community Service Program

10. **Did the work-eligible individual participate in a countable work activity that did not count toward the work participation rate, because the work-eligible individual was engaged for insufficient hours to meet the work requirements for counting toward the work participation rates?**

Instructions: If the work-eligible individual participated in a countable work activity, but it did not count toward the overall work participation rates because the work-eligible individual was engaged in countable activities for insufficient hours, then enter code "1" in 10.A. Otherwise, enter "0" in 10.A. The hours of participation referred to in this data element must meet the level of supervision and the Federal verification standards for countable work activities.

A. Insufficient hours of participation in countable work activities?

0 = No

1 = Yes,

If data element 8 is coded with a "1" or data element 10.A. is coded with a "0," then leave data elements 10.B. through 10.M. blank. If data element 8 is coded "0" and 10.A. is coded with a "1," then, for each of the following countable work activities, in which the work-eligible individual participated during the report month, enter the total number of hours of participation.

B. Unsubsidized Employment (include self-employment)

C. Subsidized Private Sector Employment

D. Subsidized Public Sector Employment

E. Work Experience

F. On-the-job Training

G. Job Search and Job Readiness Assistance

H. Community Service

I. Vocational Educational Training

J. Job Skills Training Directly related to Employment

K. Education Directly Related to Employment

L. Satisfactory School Attendance

M. Providing Child Care Service for an Individual Participating in a Community Service Program

11. **Did the work-eligible individual participate in a countable work activity that did not count toward the work participation rates because the hours of participation in the activity are beyond a statutory limit for reporting the hours of participation as countable work activities?**

Statutory Limitations: For Job Search and Job Readiness Assistance (JS/JR), the statutory limits relevant to this data element are: (1) JS/JR may only count for 6 weeks in the preceding 12-month period; (2) An individual participation in JS/JR counts for no more than 4 consecutive weeks; (3) If the State's total unemployment rate is at least 50 percent greater than the United States' total unemployment rate or the State is a needy State (within the meaning of section 403 (b)(6)), then an individual's participation in JS/JR counts for up to 12 weeks in the 12-month period; and (4) A State may count 3 or 4 days of JS/JR during a week as a full week of participation, but only once for any individual in a 12-month period. Vocational Educational Training has a 12 month lifetime limit. That is, for any individual Vocational Educational Training

may count as a countable work activity for a total of 12 months, whether or not consecutive. Note: the 30 percent limit on the number of families that can count as participating due to Vocational Educational Training is not relevant to this data element as there is no way of determining which families did not count in the numerator of the work participation rate.

Instructions: If the work-eligible individual participated in a countable work activity, but the hours of participation did not count toward the overall work participation rates because the hours of participation in the activity are beyond a statutory limit, then enter code “1” in 11.A. Otherwise, enter “0” in 11.A. For example, an individual who has participated in Vocational Educational Training in excess of 12 months is beyond the statutory limit. The hours of participation referred to in this data element must meet the level of supervision and the Federal verification standards for countable work activities.

A. Beyond statutory limit?

0 = No

1 = Yes,

If data element 8 is coded with a “1” or data element 11.A. is coded with a “0,” then leave data elements 11.B. and 11.C. blank. If data element 8 is coded “0” and 11.A. is coded with a “1,” then, for data elements 11.B. and 11.C. in which the work-eligible individual participated during the report month, enter the total number of hours of participation.

B. Job Search and Job Readiness Training

C. Vocational Educational Training

12. **Did the work-eligible individual participate in a countable work activity, but the State did not report such hours of participation in the TANF Data Report (or, if applicable, the SSPMOE Data Report) because the State could not meet the Federal verification standards for including the hours of participation in the report?**

Instructions: If the work-eligible individual participated in a countable work activity, but the State did not include the hours of participation in the TANF Data Report – Section one (data elements #50 - #61) or the SSPMOE Data Report – Section one (data elements #43 - #54) because the State could not meet the Federal verification standards for including the hours of participation in the report, then enter code “1” in 12.A. Otherwise, enter “0” in 12.A. The hours of participation referred to in this data element do not need to meet the level of supervision and the Federal verification standards for countable work activities. States may use self-reported hours of participation.

A. Hours of participation in a countable work activity do not meet verification standard?

0 = No

1 = Yes

If data element 8 is coded with a "1" or data element 12.A. is coded with a "0," then leave data elements 12.B. through 12.M. blank. If data element 8 is coded "0" and 12.A. is coded with a "1," then, for each of the following countable work activities, in which the work-eligible individual participated during the report month, enter the total number of hours of participation. Do not duplicate reporting hours of participation in data elements 12.B. through 12.M. that is reported in data elements 9, 10, or 11.

B. Unsubsidized Employment (include self-employment)

C. Subsidized Private Sector Employment

D. Subsidized Public Sector Employment

E. Work Experience

F. On-the-job Training

G. Job Search and Job Readiness Assistance

H. Community Service

I. Vocational Educational Training

J. Job Skills Training Directly related to Employment

K. Education Directly Related to Employment

L. Satisfactory School Attendance

M. Providing Child Care Service for an Individual Participating in a Community Service Program

13. **If the work-eligible individual did not participate in countable work activities for a sufficient number of hours for the family to count toward the overall work participation rate, did the work-eligible individual participate in activities that do not qualify as a countable work activity under section 407(d) of the Social Security Act, but move the family toward self-sufficiency?**

Instructions: If the work-eligible individual did not participate in countable work activities for a sufficient number of hours for the family to count toward the overall work participation rate, but participated in activities that move the family toward self-sufficiency, enter code "1" in 13.A. Otherwise, enter "0" in 13.A. The hours of participation referred to in this data element do not need to meet the level of supervision and the Federal verification standards. States may use self-reported hours of participation.

A. Participated in activities that do not qualify as countable activities, but move the family toward self-sufficiency

0 = No

1 = Yes,

If data element 8 is coded with a "1" or data element 13.A. is coded with a "0," then leave data elements 13.B. through 13.I. blank. If data element 8 is coded "0" and 13.A. is coded with a "1," then, for each of the following non-countable work activities (13.B. through 13.H.), in which the work-eligible individual participated during the report month, enter the total number of hours of participation. For the educational activities (13B through 13.D.), homework may be included, where applicable. Note, the level of supervision and documentation for a countable work activity is not required for non-countable activities. Some of the non-educational activities listed below could be considered in the "Job Search and Job Readiness" categories reported in 9G, 10G, 11B, or 12G. If participation in such activities was reported in 9G, 10G, 11B, or 12G do not duplicate the reporting in this data element.

If the non-qualified activity that moves the family toward self-sufficiency is not included in the list below (data elements 13.B. through 13.H.) then enter the hours of participation in 13.I.i. and specify the activity in 13.I.ii.

B. High School or GED

C. Adult basic education/English as a second language

D. Post Secondary Education

E. Treatment Activities (e.g., physical or mental health, substance abuse treatment, domestic violence, physical or developmental disabilities, attending to physical or mental health conditions)

F. Family Life Skills Activities (e.g., teen parent skills, parenting programs, mentoring, personal development activities, organizational skills workshops, and budgeting skills) workshops)

G. Accessing Work Support Activities (e.g., finding and arranging childcare, obtaining a driver's license)

H. In assessment

I. Other

i. Hours of Participation

ii. Specify what other activity

14. **Is the work-eligible individual engaged in any countable work activity, or in any non-countable activity that moves the family toward self-sufficiency? If not, what is the principal reason for nonparticipation?**

Instructions: If the work-eligible individual participated in a countable work activity, or in a non-countable activity that moves the family toward self-sufficiency, then enter code “1” in 14.A. Otherwise, enter “0” in 14.A.

A. Participating in a countable work activity, or a non-countable activity that moves family toward self-sufficiency?

0 = No

1 = Yes,

If 14.A. is coded with a “0,” then, enter the two-digit code that best describes the principal reason for non participation in 14.B.

B. Principal reason for non participation

01 = Family’s first month on assistance and no work activity assigned (first month on assistance means a new applicant as defined on line 10 of the instructions for the TANF Data Report – Section One)

02 = Individual assigned to a work activity that has not yet begun

03 = State/Local agency (or its contractor) has failed to engage individual

04 = Individual relocating from one local jurisdiction within State to another

05 = Work activities reports received too late for inclusion in report to HHS

06 = Family disregarded from participation rate (i.e., single custodial parent with child under age one; subject to a sanction for refusing to participate in work activities, but not subject to a sanction for more than 3 months in the preceding 12-month period; or participating in a Tribal work program)

07 = State exempt, single custodial parent with child under age 1, not disregarded due to 12-month limitation

08 = Individual in process of being sanctioned (including fair hearing process) or is subject to a sanction for refusing to work, not disregarded due to statutory or subject to a non-work sanction limitations

09 = State exempt, single custodial parent with child under age 6 and child care unavailable

10 = State exempt due to illness or disability of the WEI (including, but not limited to, in process of applying for SSI/SSDI)

11 = State exempt, due to illness or disability of child or other family member

12 = State exempt under a domestic violence waiver

13 = Good Cause Exemption

14 = Other State Exemption

99 = Other

If 14.B. is coded with "99" for other, then specify the principal reason in 14.C.

C. Specify Other Reason