

**Montana Department of Public Health and Human Services
Human and Community Services Division**

SUMMARY AND ANALYSIS OF ENGAGEMENT IN ADDITIONAL ACTIVITIES
Report as required by the Claims Resolution Act of 2010

Background:

The Claims Resolution Act of 2010 set forth new reporting requirements on States as it extended the funding for the Temporary Assistance for Needy Families (TANF) financial assistance program through September 30th, 2011. Sec. 812 of the Act, *Modifications to TANF Data Reporting*, specifies new reporting requirements for engagement in additional work activities to be published on each State's website. Further guidance was provided by the U.S. Department of Health and Human Services, Administration of Children & Families (ACF) in a formal Program Instruction, Transmittal No. TANF-ACF-PI-2011-03. ACF is the federal regulatory agency overseeing the State's TANF program.

This is the first submission of the two new required reports per this law. This first reporting period is for the month of March 2011. The second reporting period is from April 1st through June 30th, 2011. These new reports supplement existing, extensive federal reporting that States provide to ACF on a quarterly basis. ACF in return, provides States with quarterly reports, including the official TANF work participation rate, which is a federal program measure of success.

For the purposes of this report, per the federal guidance, States must collect and report whether or not individuals were involved in activities that were not considered "countable" but are directed toward achieving self-sufficiency as well as identity activities that would have been countable but for the fact that the individual has reached a maximum time limit allowed for participation in said activity. Montana was able to obtain information on the activities that are not considered "countable" by implementing new reporting requirements into our data management system. However, Montana does not collect hours in activities which exceed the maximum time limit allowed for such activities as the hours are not countable and reporting of these hours has no added value to the work participation rate.

Work Participation Rate:

It is required by federal law that States meet a work participation rate of 50% for all families and 90% for two parent families. This means the state must have a minimum of 50% and/or 90% of their work-eligible adults in countable work activities in order to stay in compliance with program requirements and avoid federal financial penalties.

The official work participation rate for Montana for FFY 2009 was 51.5% for the overall rate and 58.7% for the two parent rate. Montana's participation rates far exceed the national average overall rate of 29.4% and the national average two parent rate of 28.3%.

Summary:

Montana has always required universal participation; requiring all participants, regardless of household composition, to participate in allowable work activities for full hours each month. While federal regulations would allow work-eligible individuals in a two parent household to "share" the hours, we have not chosen to follow that model. We feel the universal participation expectation is of great assistance in meeting the work participation rate and upholding the employment and self-sufficiency goal of the TANF program.

Per federal regulation, for an individual to be counted towards the rate, they must verify participation hours in a countable activity for a specific number of hours each month. Parents with children 6 years old and older must participate in a countable activity for 30 hours a week. Parents with children under 6 years old must participate for 20 hours. Montana requires a slightly higher number of hours; 33 and 27 respectively.

As of June 3, 2011, our unofficial work participation rate for March 2011 is 51.0% for the overall rate and 67.0% for two parent families. The unofficial rate for the first two quarters of FFY 2011 is 50.3% for the overall rate and 60.8% for two parents.

In March 2011, Montana had 2,076 cases included in the work participation rate calculation. 1,723 of these cases were considered "single parent" cases and 353 were two parent cases. Within these cases a total of 2,450 individuals were considered work-eligible individuals.

Of the 2,076 cases, 1,059 cases met their participation requirements and were counted in the work participation rate (1,059 divided by 2,076 = 51.0% work participate rate). The work participation rate is calculated at the case level.

Of the 2,450 work-eligible individuals, 1,257 individuals participated in countable work activities with 525 individuals meeting full participation requirements. The other 732 individuals who did not meet the full participation requirements did participate in the following countable primary activities for some hours as noted below:

- 169 in unsubsidized employment
- 10 in subsidized employment
- 458 in work experience
- 227 in job search/job readiness
- 118 in community service work sites
- 86 in vocational education

Note: Some individuals may have been in more than one activity in the month.

Note: 200 of the 732 individuals participated in both non-countable activities as well as countable activities for less than full hours.

Out of the 732 individuals who did not meet full hours but did participate in countable work activities, **139** were provided accommodated hours due to a temporary disabling condition which a qualified medical professional deemed rendered them unable to participate for full hours. These individuals are not sanctioned if they participate for the full number of hours the medical professional has deemed them eligible.

Out of the remaining 1,193 work-eligible individuals (2,450 – 1,257 = 1,193) who did not participate in countable work activities, **75** were involved solely in non-countable activities that would move the family toward self-sufficiency. The remaining 1,118 did not participate in any activity (countable or non-countable that would move toward self-sufficiency) for the following reasons:

- 796 were disregarded as permissible under federal guidelines;

- 254 were in the process of being sanctioned for non-participation or had filed for a fair hearing regarding a sanction and were allowed continued benefits during the time of the fair hearing;
- 1 was exempted from participation due to lack of child care; and
- **67** were considered temporarily or permanently disabled and were “exempt” from work activities.
 - These individuals are still considered “work-eligible” under federal regulations but have provided medical documentation indicating they are totally unable to participate in any type of activity. Montana has chosen to exempt these individuals from participation even though they count against us in the work participation rate.

Montana did not report hours of participation in a countable work activity that did not count toward the work participation rate because the hours of participation in that activity are beyond a statutory limit for reporting them as countable. We also did not report hours that were not verified per federal standards. Montana currently does not allow activities beyond the statutory limits to be negotiated and unverified hours are not reconciled. Because of this, there is no value in capturing the activities and/or hours.

Analysis:

As demonstrated by our work participation rate, Montana consistently engages participants in allowable and meaningful work activities. We have successfully met our work participation rate, due in part to the allowance of excess maintenance of effort (MOE) funds.

However, the number of individuals who are provided accommodations and/or exempted from participation due to medical conditions is a growing concern to the state. As previously indicated, **139** individuals were provided accommodated hours and were able to participate in countable activities to some extent, but were unable to meet the federal requirements. As well, **67** individuals did not participate in countable activities at all due to a disabling medical condition and were unable to even do partial hours in countable activities due to this condition and as verified by a medical professional.

If these individuals with documented medical conditions were allowed to be removed from the work participation rate calculation and/or be considered to be participating fully if they completed the prescribed number of hours, the state’s participation rate would increase significantly. We would also be providing a “bridge” benefit to families who are awaiting a disability determination or an appeal decision or those who have temporary conditions that impact their ability to obtain employment for a short period of time.

As well, if the federal definition of work activities was broadened to embrace those activities relating to family activities that may be a barrier to full participation (budgeting skills workshops; personal development activities; parenting programs/classes; children’s school related activities, e.g., IEP meetings, parent/teacher meetings; dealing with legal issues, e.g., parenting plans, probation/parole meetings, etc.) but which help in achieving the ultimate goal of self-sufficiency, 275 of the individuals who failed to meet the work participation rate fully may have been considered to be in full participation. Even if these family related activities were allowed as secondary activities, potentially 200 additional individuals would have been considered to be in full participation.

We hope this additional information is useful as we move toward the reauthorization of TANF.