

**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  
April – June 2011

**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 second submission of the two new required reports per this law. This first reporting period was for the month of March 2011. The second reporting period is from April 1<sup>st</sup> through June 30<sup>th</sup>, 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.

The State TANF program continues to issue TANF benefits to all recipients on three Montana Indian reservations and participation in work activities is required. These areas present unique challenges since they are excluded from time limits due to high jobless rates. Long term work activity participation with no employment opportunities in sight does not generate motivation or cooperation.

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 the first two quarters of FFY 2011 is 50.3% for the overall rate and 60.8% for two parents.

The number of cases included in the TANF work participation rate calculation for each month of the quarter ending June 2011 is noted below; broken down by "single parent" cases, two-parent cases and the number of work eligible individuals in the cases:

<b>Month:</b>	<b># of cases:</b>	<b># of single parent:</b>	<b># of two-parent:</b>	<b># of work-eligible:</b>
April 2011	2173	1811	362	2554
May 2011	2164	1827	337	2526
June 2011	2068	1748	320	2408

For simplicity, additional information is broken down into each specific month below with a summary at the end:

**April 2011:**

Of the 2,554 work-eligible individuals in April 2011, 1,316 participated in countable work activities with 499 individuals meeting full participation requirements. The other 817 individuals who did not meet the full participation requirements did participate in the following countable primary activities for some hours as noted below:

- 223 in unsubsidized employment
- 10 in subsidized employment
- 457 in work experience
- 286 in job search/job readiness
- 120 in community service work sites
- 95 in vocational education
- 44 participate in one of the secondary activities)

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

*Note:* 218 of the 817 individuals participated in both non-countable activities as well as countable activities for less than full hours.

Out of the 817 individuals who did not meet full hours but did participate in countable work activities, **119** 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 1,238 work-eligible individuals (2,554 – 1,316 = 1,238) who did not participate in countable work activities, **86** were involved solely in non-countable activities that would move the family toward self-sufficiency. The remaining **1152** were coded in this file as not participating in any activity (countable or non-countable that would move toward self-sufficiency) for the following reasons:

- 780 were disregarded as permissible under federal guidelines;
  - *Montana would note that even though the individuals are coded as being disregarded in the TANF File, it does not mean they did not do any activities, but rather that we have chosen to code them as disregarded initially and then, upon subsequent notification from ACF that they have sufficient hours to be counted in full, their status is updated and corrections submitted. We feel it may be misleading to note in the overall ACF report to Congress that the individuals who are disregarded did zero hours.*
  - *Montana would also note that a high number of individuals in Montana are disregarded for reason of being involved in a Tribal NEW Program. Six of the seven reservations in Montana offer Tribal NEW programs.*
- 308 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;
- 0 was exempted from participation due to lack of child care; and
- **64** 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.

### **May 2011:**

Of the 2,526 work-eligible individuals in May 2011, 1,400 participated in countable work activities with 505 individuals meeting full participation requirements. The other 895 individuals who did not meet the full participation requirements did participate in the following countable primary activities for some hours as noted below:

- 213 in unsubsidized employment
- 13 in subsidized employment
- 524 in work experience
- 299 in job search/job readiness

- 170 in community service work sites
- 58 in vocational education
- 62 participated in one of the secondary activities

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

*Note:* 177 of the 895 individuals participated in both non-countable activities as well as countable activities for less than full hours.

Out of the 895 individuals who did not meet full hours but did participate in countable work activities, **162** 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 1,126 work-eligible individuals ( $2,526 - 1,400 = 1,126$ ) who did not participate in countable work activities, **64** were involved solely in non-countable activities that would move the family toward self-sufficiency. The remaining **1062** were coded in this file as not participating in any activity (countable or non-countable that would move toward self-sufficiency) for the following reasons:

- 818 were disregarded as permissible under federal guidelines;
  - *Montana would note that even though the individuals are coded as being disregarded in the TANF File, it does not mean they did not do any activities, but rather that we have chosen to code them as disregarded initially and then, upon subsequent notification from ACF that they have sufficient hours to be counted in full, their status is updated and corrections submitted. We feel it may be misleading to note in the overall ACF report to Congress that the individuals who are disregarded did zero hours.*
  - *Montana would also note that a high number of individuals in Montana are disregarded for reason of being involved in a Tribal NEW Program. Six of the seven reservations in Montana offer Tribal NEW programs.*
- 163 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;
- 2 were exempted from participation due to lack of child care; and
- **79** 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.

## June 2011:

Of the 2,408 work-eligible individuals in June 2011, 1,111 participated in countable work activities with 454 individuals meeting full participation requirements. The other 657 individuals who did not meet the full participation requirements did participate in the following countable primary activities for some hours as noted below:

- 189 in unsubsidized employment
- 13 in subsidized employment
- 399 in work experience
- 202 in job search/job readiness
- 125 in community service work sites
- 33 in vocational education
- 25 participated in one of the secondary activities

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

*Note:* 113 of the 657 individuals participated in both non-countable activities as well as countable activities for less than full hours.

Out of the 657 individuals who did not meet full hours but did participate in countable work activities, **151** 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 1,297 work-eligible individuals ( $2,408 - 1,111 = 1,297$ ) who did not participate in countable work activities, **62** were involved solely in non-countable activities that would move the family toward self-sufficiency. The remaining **1235** were coded in this file as not participating 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;
  - *Montana would note that even though the individuals are coded as being disregarded in the TANF File, it does not mean they did not do any activities, but rather that we have chosen to code them as disregarded initially and then, upon subsequent notification from ACF that they have sufficient hours to be counted in full, their status is updated and corrections submitted. We feel it may be misleading to note in the overall ACF report to Congress that the individuals who are disregarded did zero hours.*
  - *Montana would also note that a high number of individuals in Montana are disregarded for reason of being involved in a Tribal NEW Program. Six of the seven reservations in Montana offer Tribal NEW programs.*
- 361 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;
- 2 were exempted from participation due to lack of child care; and

- **76** 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 on our existing computer system. Because of this, there is no value in capturing the activities and/or hours. We were unable to expend resources to make changes to the existing computer system to capture this information in the timeframes provided for the report.

### **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, as noted in the initial summary and emphasized again in this summary, the number of individuals who are provided accommodations and/or exempted from participation due to medical conditions is a growing concern to the state. Montana feels strongly that consideration must be given to those individuals who are limited in the capacity to participate in allowable work activities.

As previously indicated, in the three month period related to this summary an average of **144** individuals were provided accommodated hours based on medical documentation and were able to participate in countable activities to some extent, but were unable to meet the federal requirements. As well, an average of **73** individuals per month 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.

Examples of documented medical conditions that preclude individuals from participating fully include:

- Mental health issues e.g., depression, anxiety, etc.
- Physical impairments that are not severe enough to warrant a disability approval but hinder the individual’s ability to complete fully hours, e.g., back problems, chronic pain, etc.

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 but which help in achieving the ultimate goal of self-sufficiency, an average of **240** of the individuals who failed to meet the work participation rate fully may have been considered to be in full participation. Specific examples of such activities include:

- Financial literacy classes, budgeting skills workshops and/or programs.
- Personal development activities, self-esteem classes, anger management classes;
- Parenting programs/classes which are essential to stopping the generational cycle of TANF recipients;
- Children's school related activities, e.g., IEP meetings, parent/teachers meetings; and
- Dealing with legal issues e.g., parenting plans, probation/parole meetings, etc.

Even if these family related activities were allowed as secondary activities, potentially an average of **71** 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. **Again, we strongly encourage the consideration of allowing broadened work activities related to family activities and/or the allowance of partial hours to be considered full hours, provided medical documentation is received validating the individual's abilities.**

Thank you.