

Alabama's
Report on Engagement of
FA (TANF) Clients in Additional Work
Activities

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The Family Assistance Division of the Alabama Department of Human Resources manages the basic cash welfare program for needy families with dependent children and welfare to work efforts pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (welfare reform) and the Deficit Reduction Act (DRA) of 2005. The 1996 law established the Temporary Assistance for Needy Families (TANF) block grant and gave the states more flexibility in making welfare rules and in designing a work program. The DRA imposed additional requirements on the program including more extensive tracking and verification of client participation. The TANF cash assistance program is known as Family Assistance in Alabama and the work program is known as the JOBS Program.

Congress passed the Claims Resolution Act of 2010 requiring each state TANF agency to submit a "Report on Engagement in Additional Work Activities" to the Administration for Children and Families (ACF) by May 31, 2011. The first reporting period is for March 1 through March 31, 2011. The second reporting period is from April 1st through June 30th, 2011 and is due August 31, 2011. Pursuant to section 812 of the Claims Resolution Act, States must collect and report information on each work eligible individual (WEI) in the TANF caseload. For each individual the following information must be provided in the data report: (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 individual 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.

States should include 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 to ACF. In addition, states should include a narrative describing the most common activities contained in the report that are not countable toward the state work participation rates under section 407.

Alabama's FA caseload for March, 2011 was 22,992 families. Of these cases, 8573 families did not include a work eligible individual meaning the case was not subject to work participation requirements due to the parent's receipt of SSI, no eligible adult in the case, or for other reasons. This leaves a total of 14,419 families subject to the work participation requirements and possible inclusion in the sample for the "Report on Engagement in Additional Work Activities" required by Congress. Based on the requirements of the Claims Resolution Act, a sample of 175 cases was pulled for March, 2011. These 175 cases contained a total of 181 work eligible individuals.

Report Analysis: This is the first report as required by the Claims Reduction Act and shows a breakdown of each client in the sample as required. Since Items 1 – 7 contain state level information and each client's SSN; these fields are not shown in the tables. Information on report items 8 - 14 was collected on each individual included in the sample and is shown in Table 1 and 2. Items 9 and 11 had no entries and are not included in the tables. For additional information on

the reports, click on <http://www.acf.hhs.gov/programs/ofa/policy/pi-ofa/2011/pi201103/pi201103.html> to view the report format on ACF's Office of Family Assistance webpage.

Based on the sample, 94 clients are participating in activities that lead to self-sufficiency. The majority of these clients are employed. The other clients are participating in pre-employment component activities - job search/job readiness programs, education and work experience placements or pre-placement activities. The breakdown is as follows:

- 57 were employed,
- 9 were in education and/or training,
- 6 were in job search/job readiness,
- 6 were in work experience, called CEMP in Alabama
- 16 assessment appointments/pre-placement activities

Note that 6 of the employed individuals were not countable because of the federal requirement that the number of paid hours of employment be verified. This means that the client is not countable in the work participation rate until after the first pay check is received by the client and submitted to DHR. In some cases this is as long as one month after employment starts. During this time, the individual is not countable even though s/he is participating sufficient hours to meet the federal requirement.

These findings are consistent with other state data reports that show that each month an average of 5762 clients are employed with 879 average new employments each month. In addition, each month an average of 3714 clients participate in work activities and 453 participate in education and/or training.

Table 2 shows the reasons that clients were not participating. No clients were coded 3, 4, 7 or 9 so these items were not included in the table. The biggest group of non-participants consisted of clients in their first month of receipt of FA. Alabama has a significant number of new cases referred to the JOBS program each month. Of the individuals in the sample, 19 clients or 18% of the non participants were in their first month of receipt of benefits. During the first month of assistance the individual is assessed by the JOBS case manager who works with the client to develop an Individual JOBS Participation Plan (IJP). This includes uncountable activities such as addressing transportation, child care arrangements and other needs. An average of 1553 new clients is assessed by JOBS staff each month. Upon completion of the assessment and the development of the IJP, the client is assigned to one or more work activities but achieving the required weekly average of 30 hours per week for a portion of the month is difficult. Excluding these cases would raise Alabama's work rate by 5%.

The second largest group of non participants was those coded 06 for Item #14 and consisted of those disregarded by federal regulation due to the client being a single parent with a child less than 12 months (15 clients) or subject to a sanction for refusing to participate in work activities (11 clients). For each month the client does not cooperate with JOBS Program requirements, s/he will be sanctioned and the family's FA benefits will be reduced or terminated depending on number of occurrences of noncompliance. At the end of the minimum disqualification period the

client may reapply for benefits. An additional 14 clients in the sample have been noncompliant with JOBS Program policies and are in the process of being sanctioned.

A significant number of FA clients have health problems and/or disabilities which impacts their ability to work. During FY2010, 1477 clients claiming a disability were referred to the Department of Rehabilitation Services (DRS) for assessment and determination of ability/disability. Individuals with disabilities who have work potential are helped by DRS to find employment. Other individuals are helped in applying for SSI/SSDI. In March, 143 referrals were made to DRS. In the sample, 15 clients were found to have a documented disability. These individuals remain subject to the work participation requirements and are included in the denominator for the work rate calculations; removal of these 15 individuals from the work rate would raise the State's rate by 4%. As these individuals are participating in assessment/eligibility activities with DRS counselors, either leading to employment or receipt of SSI/SSDI, they could be considered engaged in activities leading to self-sufficiency and eventual independence from TANF. If these 15 individuals were added to the 94 mentioned above this would bring the total number of clients participating in some activity to 109.

Additional Analysis: The findings differed somewhat from the work participation rate calculations on the universe (all FA cases) submitted in the TANF data report for March 2011; however, the data from the sample will not be used by the State to change the measures of total engagement in work activities reported to ACF. The formula for calculating the federal work participation rate subtracts the number of single parents with a child under 12 months and the number serving a sanction from the denominator. Using this formula the work participation rate for the sample would be 37.6%. The unofficial work participation rate for the March federal TANF Data Report was 42.5%. Official confirmation of this rate for March has not been received from ACF. In the March universe, 3% of the cases were sanctioned as opposed to the sample which showed 6.86% of the cases serving a sanction. The sample showed the number of single parents with a child less than 12 months at 8.58% versus 12.85% in the universe. In addition, one individual was no longer coded as work eligible on March 10 but remained in the work participation calculations for the entire month due to federal regulations that count even a partial month as a full month.

Summary:

For all of FY2010 and the first 5 months of FY2011, Alabama met the ACF definition of a "needy state" based on both the unemployment rate that equaled or exceeded 6.5 percent and the increase in food assistance cases. As the unemployment rate grew, the FA caseload also increased. Many applicants were applying for aid for the first time. The JOBS caseload saw a growth of 1922 mandatory participants in March 2011 over the same period in 2010.

Alabama is a very rural state with many counties having no public transportation and few resources. The limited number of employers in most of the small counties makes it difficult to participate in job search activities for an average of 30 hours per week for the entire month and for clients to find employment that equals 30 or more hours per week. Most employment is part-time. For these reasons, JOBS case managers rely heavily on Community Employment or CEMP to help clients gain the skills and experience needed to find higher paying, full-time jobs. During

March 2011, 1186 clients were active in CEMP with 427 of these individuals entering placement in the month. This number is a significant increase over the 745 individuals participating in CEMP in March, 2010.

Alabama’s work participation rate for FY2009, the latest year for which federal data is available, was 32.4% and was above the national average of 29.4%. With the addition of the caseload reduction credit, Alabama was not subject to a financial penalty. The State’s unofficial rate for FY2010 was 37.10% with an estimated caseload reduction credit of 20.3. Based on these preliminary numbers the state anticipates meeting the rate for FY2010. Additional information collected for the Claims Resolution Act of 2010 will not impact the State’s work participation rate as uncountable activities and activities that are not performed for sufficient hours are not included in the calculations. Although Alabama already collected some of the new data, other data elements had to be collected manually. Staff worked diligently to gather the information needed to present this broad overview of the efforts made by FA clients to become self-sufficient.

Table 1*

Work-Eligible Individual Engagement in Work Activities				
Item #	Description of Report Item	# of Clients	% of Total	Narrative
8	Number of work eligible individuals in countable work activities for a sufficient number of hours for the family to count toward the work participation rate	56	32%	Countable work activities consist primarily of employment, job search/job readiness activities and work experience.
10	Number of work eligible individuals participating in a countable work activity that did not count toward the work participation rates because the individual was engaged for insufficient hours to meet the work requirements for counting toward the work participation rates	11	6%	These individuals were primarily in Job Search, Post Secondary Education or Work Experience (CEMP).
12	Number of work eligible individuals who participated in a countable work activity but the state did not report such hours of participation in the TANF Data Report because the State could not meet the Federal verification standards for including the hours of participation in the report	6	3%	All 6 were employed enough hours to be countable but Federal regulations require that paid hours of employment be verified before the individual is countable.
13	Number of work eligible individuals who participated 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	5	3%	These individuals were participating in job search that did not meet the federal definition.
14	Number of work eligible individuals not engaged in any countable work activity, or in any non-countable activity that moves the family toward self-sufficiency	103	57%	Item 14 includes 16 clients who were in pre-placement activities leading to participation in work or a component leading to self-sufficiency.

* Percentages do not equal 100% due to rounding.

Table 2*

Item 14 Reasons for Non-Participation				
Code #	Description of Code	# of Clients	% of Item 14 Total	Narrative
01	Family's first month on assistance and no work activity assigned	19	18%	New recipient for Family Assistance. 14 of these clients were active in pre-placement activities during March.
02	Individual assigned to a work activity that has not yet begun	5	5%	Includes clients waiting for a new semester to begin at school or for a work experience placement to be established.
05	Work activities report received too late for inclusion in report to HHS	1	1%	This category includes individuals who were participating in an activity but the State was unable to verify the hours for the HHS report.
06	Family disregarded from participation rate – 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.	11	11%	This category includes individuals who failed to cooperate with work program requirements and did not have good cause for not participating.
06	Family disregarded from participation rate (i.e., single custodial parent with child under 12 months	15	15%	Total of two categories for code 06 = 26 clients or 25% of the 103.
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 limitation	12	12%	Alabama policy requires that the JOBS case manager must determine good cause for a client's non-participation prior to referring the family for sanctioning.
10	State exempt due to illness or disability of the WEI (including, but not limited to, in process of applying for SSI/SSDI)	15	15%	Includes individuals with a disability. Although these individuals have documented disabilities, they are included in the work rate calculations and count against the state.
14	Other State Exemption	14	14%	This category includes adults not included in the FA grant and FA individuals temporarily deferred from participation due to barriers such as transportation. 6 of the 14 were deferred because of temporary illness.
99	Other	11	11%	Includes individuals awaiting or scheduled for assessment or reassessment, single parent with child < 12 months in home but not included in the FA case in March and 1 case where the adult is no longer work eligible.

* Percentages do not equal 100% due to rounding.