

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

Period: April 1 – June 30, 2011

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Alabama’s Report on Engagement in Additional Work Activities April – June, 2011

Congress passed the Claims Resolution Act (CRA) 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). The first reporting period was for March 1 through March 31, 2011 with the report due by May 31, 2011. This is the second report covering the reporting period from April 1st through June 30th and is due August 31, 2011. For the March report and for background information on the requirements of the CRA please refer to the report on the Family Assistance section of the Alabama Department of Human Resources’ website at: http://dhr.alabama.gov/services/Family_Assistance/Documents/Alabama%20Report%20on%20Engagem ent.pdf.

In addition, more information including the instructions for the data reporting is available on ACF’s Office of Family Assistance webpage at <http://www.acf.hhs.gov/programs/ofa/policy/pi-ofa/2011/pi201103/pi201103.html>.

Alabama’s Family Assistance (FA) caseload for the three months covered by the report period went down slightly although the number of families with work eligible individuals (WEI) went up as shown in Table 1.

Table 1: Breakdown of FA Cases								
Month	FA Cases	Families with No Work Eligible Individual (WEI)	Families with WEIs	Number of Families Meeting the Work Requirements	Estimated Work Participation Rate from TANF Data Report	Number of Families in Sample	Number of WEIs in Sample	Estimated Work Rate for Sample including all WEIs Participating
April	22568	8468	14100	4817	41.0%	175	182	49.7%
May	22551	8438	14113	5004	42.7%	175	185	55.6%
June	22541	8369	14172	4928	41.6%	175	184	50.3%

Note that the number of WEIs is not the same as the number of families and in some cases contain more than one WEI. It is also important to keep in mind that these cases may or may not be two parent families subject to different work participation requirements. The work participation rate for WEIs who are meeting the work participation requirements differs from the percentage of cases meeting the rate as required by the Deficit Reduction Act. This difference in who and how many are counted has implications for this report as well as for the work participation rate and state allocation of resources. Even in this small sample of 175 there were between 7 and 10 additional adults included. The federal work participation rate measures cases, not WEIs. In fact, only one adult per family is counted in the calculation of the federal “all families” rate which means that under current regulations it is not cost effective to require the additional adult to participate in countable activities as that person will have no impact on the work rate. It also means that in cases where two adults are each participating 29 hours per week the state would not be able to count the case unless the case met the two parent family criteria and only then would count in the 2 parent rate. Alabama focuses on allocating resources to meet the work participation rate as this is a crucial measure carrying significant financial penalties for failure. Where resources are limited, such as the number of openings in Job Readiness classes or

CNA training and where JARC transportation is insufficient to meet all transportation needs, Alabama as well as other states often has to direct efforts to those individuals who would be most likely to count in meeting the rate. In families where one individual is already meeting the requirement there is no incentive to spend limited dollars on other adults in the case; however, many of these adults do participate in activities **and are in no way, prohibited from participating if willing.**

We recommend that states be given credit for all adults working or in countable activities in the federal work rate. In addition, we believe that all adults who are participating in activities that could be counted except for insufficient hours or statutory limitations be included in the calculations. The work rate from the TANF Data Report for April is estimated to be 41%. Using the same calculations as the federal work rate but including all WEIs who were participating in employment or component activities, the work rate is 49.7%. For May the rate was 42.7% versus 55.6% and 41.6% versus 50.3% for June. See Table 1. Including all WEIs and all participants would significantly raise Alabama’s work participation rate.

Report Analysis:

The findings for this quarter did not vary significantly from the findings for March. Alabama’s emphasis on employment is evident in that employment continued to be the main activity for most participants. During the months of April, May and June, 45, 49 and 47 participants respectively were employed. An additional 12, 8 and 5 respectively were in components and an additional 4, 6 and 4 individuals were in a combination of work and component activities. The high number of employed participants is significant as Alabama’s unemployment rate continued to climb during the months covered by the report and remains above the national average.

See Tables 2 and 3 for the breakdown of individuals participating by report element. Looking at these numbers it is clear that more individuals are participating in potentially countable hours and activities than are included in the TANF Data Report. For Alabama, this report captures strictly the number of additional individuals in activities that would be countable and does not include adults participating in non-countable activities leading to barrier removal and self-sufficiency. Activities that do not meet the definition of a core or non core activity are not captured on Alabama’s computer system and these findings do not include any activities such as family life skills or parenting classes. Extensive programming and policy changes would be required for the state to be able to report on these uncountable self-sufficiency activities; however, TANF regulations should be broadened to include such life skills as budgeting, time management and nutritional counseling since all three impact an individual’s ability to find work and to hold down a job.

Table 2: TOTAL WEI'S PARTICIPATING	April	May	June
ELEMENT 8: COUNTABLE PARTICIPANTS	64	63	56
ELEMENT 10: PARTICIPATING – NOT ENOUGH HOURS	13	21	20

ELEMENT 12: PARTICIPATING – HOURS NOT REPORTED	4	5	2
Element 13: PARTICIPATING – ACTIVITY DOES NOT MEET FEDERAL DEFINITION	0	4	5
TOTAL PARTICIPANTS	81	94	78
% OF WEI'S PARTICIPATING IN COUNTABLE ACTIVITIES	44.5%	50.8%	45.1%

As in the March report, not all employed individuals were 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 can be as long as one month or more after employment starts. In cases where the number of hours worked fluctuated widely, more than one paycheck may be needed for verification and would take even longer to secure. During this time, the individual is not countable even though s/he is participating sufficient hours to meet the federal requirement.

Table 4 shows the reasons that clients were not participating. The largest 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, approximately 10% of the mandatory work participants. Following approval for assistance the individual is assessed by the JOBS case manager who works with the client to develop an Individual JOBS Participation Plan (IJP). The IJP includes non countable activities such as addressing transportation issues, making child care arrangements and identifying other needs and/or barriers. 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 participation rate by 5% or more.

Another large group of non participants included 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 and those disregarded who are subject to a sanction for refusing to participate in work activities. See Table 4. For each month the client does not cooperate with JOBS Program requirements without good cause, s/he will be sanctioned and the family's FA benefits will be reduced or terminated depending on the number of occurrences of noncompliance. At the end of the minimum disqualification period the client may reapply for benefits. Alabama strives to ensure that clients who cannot participate because of illness or other good cause reason are not sanctioned; in order to do this Alabama determines, in all instances of non cooperation, whether the recipient had good cause for not participating. In some cases, this may take several weeks to make the determination. Cases on individuals who have been determined noncompliant without good cause often remain open for over a month because of adverse action notification requirements. During this interim period the individual has no incentive to cooperate with work program requirements but is still included in the calculations. The same time lag holds true for individuals who are being sanctioned for refusal to cooperate with child support requirements. We recommend that all individuals on whom a sanction has been imposed should be disregarded

from the work rate beginning when the individual is determined non compliant without good cause.

A significant number of FA clients have health problems and/or disabilities which impact their ability to work. During the first three quarters of FY2011, 1417 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. These individuals remain subject to the work participation requirements and are included in the denominator for the work rate calculations; removal of these individuals from the work rate would raise the State's rate by several percentage points. 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. However, they are not currently engaged in any countable activity.

The number of individuals mentioned above who are either claiming a disability or are suspected of having a disability is just one example of what we believe needs to be changed in the TANF requirements so that states can better serve TANF families with barriers. Transportation remains a significant barrier in a very rural state as does affordable child care. Alabama requires all parents to participate to the extent that they can but it is often not enough to be countable in the federal report. In addition, many of the types of jobs for which our clients qualify hire for less than 30 hours per week. Although we assign these clients to additional components when feasible, this is often difficult due to the complexities of arranging additional transportation and child care.

For the first 6 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. Alabama has not been able to take advantage of the extra job search/job readiness weeks as the state normally would not know until after the fact as to whether a state would qualify for the previous month; thus the state would be risking the possibility that they might not qualify but staff would have already assigned client hours based on the state's anticipation of meeting the definition for that month. To be able to change the hourly requirements from one month to the next would require frequent policy changes as well as costly programming changes. Our recommendation would be that a state be considered needy for a longer period of time such as 6 months based on a previous set of data. This would make this provision of the regulations potentially more feasible.

In addition to being a "needy" state, most of Alabama is very rural 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 work experience called Community Employment or CEMP to help clients gain the skills and experience needed to find higher paying, full-time jobs. One major problem with CEMP is that the hours of participation required of an individual is based on the TANF (FA) and SNAP

allotments. With Alabama's low FA benefit, many clients are required to work less than an average of 30 hours per week. We recommend that ACF count an individual as meeting the work participation requirement as long as that individual is participating the required number of hours as determined by the calculation. We are very grateful for the deeming currently in place but would recommend expanding it as mentioned above. Although we have clients who are participating in work experience and either employment or another component, this is often difficult to arrange and raises the cost of supportive services. It takes a lot of good time management and organizational skills for an individual to be able to juggle such a complicated schedule. Many clients need to be able to develop and build these skills over time.

Analysis regarding the extent to which the information changes measures of total engagement in work activities from what will be reported by the State in the quarterly report for the comparable period:

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 data submitted to ACF.

Summary

Although the information revealed in this closer look at a sample of TANF cases was interesting and will be useful in re-examining some areas of policy, it was very time consuming and labor intensive for staff to collect the extra data required for this report, even on such a small number of cases. Alabama already collects the data needed for the federal TANF data report; however, the additional data elements needed for this report had to be collected manually or as mentioned earlier, were not available at all. In order to collect the information on the non-countable activities asked for in the report on an on-going basis, extensive programming changes would be required at a time when resources are very limited. If it becomes necessary to add additional data elements to the TANF Data Report to capture items such as those included in the report on Engagement, **Alabama strongly implores ACF to add the data elements at the end of the Report.** Adding the data elements in the middle of the report as has been done twice previously, requires significantly more time and effort on the part of programmers and increases the cost of making changes. All previous documentation becomes out of sync when date element 60 becomes data element 63; programmers must spend time renumbering each data element when additional elements could just as easily have been added at the end of the report. This simple request should not have any major impact on ACF but would result in significantly less work, cost and frustration for the states.

The long term goal for all clients is financial and family stability. For some families this is receipt of SSI or SSDI. For others, it is an increase in child support payments. For many it can only be achieved through employment which will only happen when individuals have the skills

and training needed to be able to secure and keep a job earning a decent wage. This path is longer for some than others and TANF requirements should be flexible enough to allow states to assign a client to the activities and for the number of hours that best help that individual achieve this. In some cases this means Basic Literacy or GED classes. In other cases barriers such as substance abuse or physical disability must be addressed before the person is able to hold down a job. Clients involved in domestic violence situations may be exempted from participation by the state but are still included in the denominator for the work participation rate calculations. The same holds true for a client who is not able to locate affordable child care. This family is exempted from participation by state policy and federal regulation but remains in the work rate denominator. Allowing states time to eliminate the barriers whenever possible before the client begins participation would result in more successful outcomes; however, participation or time spent in most of the activities and/or services needed count against the state if the activity is not for sufficient hours or the participation is not in a countable activity. **Partial credit should be given to individuals who are participating and more flexibility should be allowed in what is considered countable as long as it moves the family forward to eventual employment or self-sufficiency.** This report shows that many more individuals than are reflected in the TANF Data Report are striving to better their families' situations and are involved in a wide variety of activities leading to self-sufficiency.

Table 3*

Work-Eligible Individual Engagement in Work Activities						
Item #	Description of Report Item	Clients Number/Percentage for Each Month				Narrative
		March	April	May	June	
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%	64/35%	63/34%	56/30%	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%	13/7%	22/12%	20/11%	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%	4/2%	5/3%	2/1%	In March, all 6 were employed enough hours to be countable but paid hours had not been verified. In April – June, the number with unverified employment was 2, 4, and 2 respectively.
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%	0/0%	4/2%	5/3%	The majority of 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%	101/55%	91/49%	104/52%	Includes 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 4*

Item 14 Reasons for Non-Participation						
Code #	Description of Code	Clients Number/Percentage for Each Month				Narrative
		March	April	May	June	
01	Family's first month on assistance and no work activity assigned	19/18%	19/10%	16/9%	26/14%	New recipients of Family Assistance.
02	Individual assigned to a work activity that has not yet begun	5/5%	12/7%	6/3%	11/6%	Includes clients waiting for a new semester to begin at school or for a work experience placement to be established.
03	County failed to engage client	0/0%	4/2%	1/1%	0/0%	No action taken on case during month by client or worker.
04	Individual relocating from one local jurisdiction within State to another	0/0%	0/0%	1/1%	2/1%	
05	Work activities report received too late for inclusion in report to ACF	1/1%	3/2%	2/1%	2/1%	This category includes individuals who were participating in an activity but the State was unable to verify the hours for the ACF 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%	9/5%	2/1%	7/4%	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%	10/6%	14/8%	12/7%	This category includes individuals with a child less than 12 months.
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%	10/5%	12/6%	10/5%	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.

09	State exempt, single custodial parent of child under age 6 and child care unavailable	0/0%	1/1%	0/0%	0/0%	No appropriate child care available.
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%	16/9%	18/10%	11/6%	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%	9/5%	12/6%	15/8%	This category includes adults not included in the FA grant and FA individuals temporarily deferred from participation due to barriers such as transportation or temporary illness.
99	Other	11/11%	8/4%	7/4%	8/4%	Includes individuals awaiting or scheduled for assessment or reassessment, sanctioned for child support and in process of locating work experience placement.

* Percentages do not equal 100% due to rounding.