

Pursuant to requirements in Section 812 of Public Law 111-291, modifications to Temporary Assistance to Needy Families (TANF) data reporting, the State of Maryland is publishing a brief summary and analysis of the level of participation of its TANF cash assistance recipients in work and other activities.

Summary of Findings

States report their TANF program data to the US Department of Health and Human Services (HHS) on a quarterly basis. A key performance measure of the program is the Work Participation Rate, which measures the percentage of “work eligible” families in each month who are enrolled and attending one or more of 12 defined work activities for an average of 30 hours per week. This requirement is reduced to an average of 20 hours per week for families with a child less than six years of age. Families meeting the minimum attendance requirement for one or more of the twelve activities are “countable” towards the participation rate, and those who either fall short of the attendance requirement or who are enrolled in activities other than the 12 “federally defined” work activities are not countable in the Work Participation Rate. It is the intent of this report to provide supplemental information on the engagement of work eligible TANF recipients who were not countable in the Work Participation Rate for March 2011.

Maryland’s TANF Data Report is based on a monthly sample. Maryland used sample data it selected for the March 2011 TANF Data Report for this summary and analysis, which is a supplement to another requirement from Section 812, the Report on Engagement in Additional Activities (also known as form ACF-812).

A total of 183 work eligible individuals were identified and reported on the Report on Engagement in Additional Activities. Sixty-eight of these work eligible individuals were participating in countable work activities for a sufficient number of hours for the family to count toward Maryland’s Work Participation Rate. For those work eligible individuals (WEI) that did not participate in sufficient hours to be countable, the findings are as follows:

WEI participated in a countable work activity for which the State chose not to report	0
WEI participated for an insufficient number of hours	23
WEI hours of participation were beyond a statutory limit?	3
Job Search and Job Readiness Training	2
Vocational Educational Training	1
WEI’s participation did not meet the Federal verification standard?	0
Participated in activities that do not qualify as countable activities, but moves the family toward self-sufficiency?	0
Number of WEIs participating in a countable work activity, or a non-countable activity that moves family toward self-sufficiency?	94

A total of 89 work eligible individuals were neither in a countable work activity nor were they in a non-countable activity that moves the family toward self-sufficiency. However, 37 of these WEI had a child under age one and under federal rules were disregarded from the Work Participation Rate. The complete breakdown showing the principal reason for non-participation is as follows:

Family's first month on assistance and no work activity was assigned	1
State/Local agency (or its contractor) has failed to engage individual	7
Individual relocating from one local jurisdiction within State to another	2
Family disregarded from participation rate (i.e., single custodial parent with child under age one; subject to sanction for refusing to participate in work activities, or participation in a tribal work program)	37
Individual in process of being sanctioned (including fair hearing process) or subject to a sanction for refusing to work, not disregarded due to statutory or subject to a non-work sanction limitations	13
State exempt due to illness or disability of the WEI (including but not limited to, in process of applying for SSI/SSDI)	18
Good Cause Exemption	2
Other State Exemption	6
Other*	3

* Of the three work eligible individuals that did not participate in a countable or non-countable activity for "Other" reasons, two became incarcerated, and the remaining WEI was not placed in an activity when his work participation exemption expired.

Analysis of the impact of the report's data on the State's measure of engagement in work activities.

Public Law 111-291 includes a provision that requires states to provide 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 its TANF Data Report)." In short, the new report's findings has little impact on Maryland's measure of TANF recipients' participation in work or other activities since the State has tracked engagement of its TANF recipients in all activity types since October 2003. The State's "Universal Engagement" measure was implemented in 2003 as part of its strategy to boost the State's Work Participation Rate.

However, we think federal policy makers should find the ACF-812 data to be useful because the methodology used for the Work Participation Rate excludes from the numerator of the calculation all who fail to meet the hourly attendance threshold. In other words, no "partial credit" is recognized under current federal rules. Due to this "all or nothing" methodology, a person unfamiliar with the details of the TANF program

might conclude that Maryland's preliminary March 2011 Work Participation Rate of 50.1% meant that 49.9% of work mandatory recipients had not participated in work or other activities aimed at promoting self-sufficiency. As the ACF-812 data reveal, the actual rate of engagement was significantly higher, and we think this provides a more accurate picture of TANF recipients' participation in activities. To illustrate this point we will use two methods to calculate an engagement rate.

The first method is similar to the Work Participation Rate calculation. The 94 WEIs listed on the State's March ACF-812 as "participating in a countable work activity or a non-countable activity that moves family toward self-sufficiency" is used as the numerator, and Maryland's preliminary Work Participation Rate denominator for March 2011 is also used as the denominator (141). This results in an engagement rate of 66.7%.

The second method uses the same numerator (94) as the first method but adjusts the denominator to exclude those temporarily "unengaged" due to State rules. The denominator is adjusted to subtract those with State exemptions such as disability, those with good cause for not being enrolled in an activity for March, or those subject to sanction, which reduces the denominator to 102. This method results in a State engagement rate of 92.2%.

Common activities listed on Maryland's ACF-812 report that were not "counted" in the State's Work Participation Rate for March 2011

While the 1996 welfare reform law created the TANF program with a strong welfare to work emphasis, federal and state regulations and policies provide states with the flexibility to assign TANF recipients to activities that do not meet the federal definition of a work activity. This flexibility enables states to place a portion of their TANF recipient populations in activities that are appropriate to the recipients' immediate needs. The regulations also allow states to temporarily exempt recipients from participation in activities or grant them "good cause" for short term absences from work activities.

The most common cluster of participants (26) not considered "participating" under federal work participation calculations were enrolled in and attending one or more of the 12 federally defined work activities. Of those, 23 were not counted because they did not reach the attendance threshold of 30 hours per week for the month (20 hours per week for those with a child less than six years of age). Three other participants did not count because their enrollment in either job search or vocational education exceeded statutory limits. Under current TANF law and regulations, job search is limited to 360 hours annually and vocational education to 12 months lifetime.

The next largest group of recipients not counted towards the participation rate was 18 recipients who, while considered work eligible by federal regulations, qualified for the State disability exemption. State TANF regulations include an exemption from work activities for those with a temporary or permanent disability. Those with permanent disabilities are required to pursue federal disability benefits as a condition of their TANF eligibility.

Maryland found that the third largest group of work eligible recipients not counted towards its March 2011 participation rate was those who were subject to sanction for noncompliance with the work requirements, meaning these cases were scheduled to close. There were 13 recipients subject to sanction on the March 2011 report. Maryland is a full family sanction state, meaning TANF cash benefits are terminated for those who are sanctioned. While this may sound severe, the State policy does not permanently bar sanctioned recipients from reapplying for the program, though it requires demonstrated compliance with the work requirement as a condition of eligibility when sanctioned recipients reapply for TANF. Additionally, recipients who fail to meet the work requirement are provided the opportunity to prove good cause prior to termination of their benefits.

In conclusion, we applaud this effort by Congress to obtain a more detailed understanding of the engagement levels and activity participation by TANF recipients. While these reports represent an additional reporting burden on States, the findings might influence changes to TANF law in the upcoming reauthorization process. For instance, the significant numbers of work eligible recipients who attended federal activities but who fell short of the 30 hour threshold indicate that pro-rata credit for this engagement is appropriate. More clearly, the examples of recipients who would have "counted" in the rate but for statutory limits on the amount of jobs search and vocational education suggest that this limit is not performing as intended and is due for a change. The high number of disabled and other exempt TANF recipients under State rules indicates that the definition of a work eligible individual needs to be refined to better reflect operational realities.