

Arizona Department of Economic Security  
Division of Employment Administration  
Engagement in Additional Activities Summary and Analysis – ACF-812

In the *Claims Resolution Act of 2010*, which extended Temporary Assistance for Needy Families (TANF) funding through September 30<sup>th</sup>, 2011, the States were provided new reporting requirements. *Section 812* of this Act, entitled *Modifications to TANF Data Reporting* (herein referred to as *ACF-812*), specifies new reporting requirements for engagement in additional work activities to be published on each state's website. The U.S. Department of Health and Human Services, Administration of Children and Families (ACF) the federal regulatory agency overseeing state TANF programs provided additional guidance outlined in its formal *Program Instruction, Transmittal No. TANF-ACF-PI-2011-03*.

Among the States' new responsibilities set forth in this Act is a requirement that States submit two reports; the first encompassing the entire month of March 2011, and the second covering the period from April 1<sup>st</sup> through June 30<sup>th</sup>, 2011. This document represents the first report submittal.

This report, as well as the second due on August 31<sup>st</sup> of this year, supplements extensive federal reporting that the States already provide to the ACF on a quarterly basis. The ACF in return provides the States with quarterly reports including the official TANF Work Participation Rate (WPR), a federal program measure of success.

To remain in compliance with program requirements, and to avoid federal financial penalties, federal law requires that a minimum of 50% of a State's work-eligible adults be engaged in 'countable' work activities. In two-parent households this requirement is increased to 90%. These rates constitute the aforementioned TANF WPR. Any applicable Caseload Reduction Credit that the State is eligible for is also included in the calculation of the State's TANF WPR.

In Federal Fiscal Year (FFY) 2008, and again in FFY 2009 (the two most recent years for which this data is available), Arizona exceeded the standards required in both the all families and the two-parent categories.

## **Summary**

Arizona collected additional data on the experiences of our TANF families while participating in the TANF related work program, the Arizona Jobs Program. Arizona uses countable work activities to the greatest extent possible, given the strict parameters in which work activities are countable and allowable for the work participation calculation to meet the 50% mandatory participation rate as required by federal law.

The ACF defined which activities are countable in *45 CFR, Part 261-Ensuring That Recipients Work*. Any other activities are considered non-countable. Historically, States have not reported to the federal agency those work activities not counted toward the mandatory 50% / 90% WPR's. Under this new requirement however, they are now expected to do so.

As defined by federal law, the chart below shows the minimum number of hours, averaged per week during a month, which work-eligible individuals must complete in order to meet federal WPR requirements.

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<b>Type of Work Eligible Individual</b>	<b>Minimum Number of Hours Averaged per Week During a Month</b>
Single parent/caretaker relative with child under 6 years old	20
Single parent/caretaker relative with child 6 years and older	30

Federally mandated work activities are the **ONLY** activities considered in the calculation of the WPR. There are two types of federal activities- **Core** activities and **Non-Core** activities. Federal work activities may be assigned separately or in combination. Non-Core activities will count toward the federal requirement only if the first 20 hours per week come from Core activities.

Core activities are:

- Unsubsidized Employment
- Subsidized Employment
- On-the-Job Training
- Work Experience-unpaid
- Job Search and Job Readiness Assistance (time-limited)
- Community Service
- Vocational Educational Training (time-limited)

Non-Core activities are:

- Jobs Skills Training Directly Related to Employment
- Education Directly Related to Employment
- Satisfactory Attendance in High School or GED Preparation Classes

All actual hours of participation must be verified prior to recording actual participation hours. Documentation of the verification used to substantiate recorded actual hours must be maintained with the case record.

All other activities are considered ‘non-countable’.

For the purposes of this report, per the federal guidance, States must collect and report the following information:

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- 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) 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.

To begin addressing these issues, it is important to first illustrate the breakdown of the families being discussed. First, it should be noted that all March 2011 data reported in this summary is *raw* data and will be subject to additional review and validation through the remainder of the year.

In March 2011, Arizona had 14,015 individuals included in the work participation rate calculation and considered to be ‘work-eligible’ as defined by the federal agency. Of these 14,015 work-eligible individuals, 3,906 participated in a work activity directed to helping the family move toward self-sufficiency with 2,576 of *those* meeting their participation requirements; translating to an 18.4% work participation rate for March 2011 (this calculation does not include Arizona’s caseload reduction credit). The other 1,330 people, who participated but did not meet the participation requirement, participated in one or more of the following activities:

- 26% in job search and job readiness assistance
- 23% in unsubsidized employment
- 19% in vocational training
- 17% in work experience
- 15% in community service activities
- 8% in job skills training directly related to employment
- 6% with satisfactory school attendance (GED or High School)
- 3% in education directly related to employment
- 0.2% in on-the-job training

*Note:* The total of all percentages does not equal 100% as some participants were engaged in more than one activity.

There were 811 individuals who participated in activities not countable toward the work rate but that assisted the family move toward self-sufficiency:

- 42% job search
- 19% resolving barriers to participation
- 16% family life skills
- 12% high school or GED
- 6% adult basic education / ESL
- 3% assessment
- 2% resolving family issue(s)
- 2% physical or mental health treatment activities

*Note:* The total of all percentages does not equal 100% as some participants were engaged in more than one activity.

The activities above are called “State activities” and are not considered in the calculation of the federal WPR. Assignments in State activities are short-term in nature and serve to eliminate barriers to participation in countable federal work activities. The role of the case manager is to assist the individual in locating available resources to reduce such barriers. Participation in State activities is often the best first step toward participation in countable activities for certain individuals. State activities can be in conjunction with federal work activities.

As previously stated, the new reporting elements required in *ACF-812* involved the tracking of non-countable activities. Before then, the focus had been on tracking activities that counted towards the work participation requirements. Arizona instituted new procedures for Jobs Program field staff to enter hours of participation for non-countable activities into our data management system for these non-countable activities.

Instituting the new tracking requirements was a significant accomplishment for the State. Prompt notice of the change to field staff allowed case managers to start collecting the data and resulted in Arizona being able to report data for the March 2011 report.

### **Analysis Statement**

The data submitted in compliance with *ACF-812* shows that a number of individuals did participate in activities that, while not contributing to the work participation rate, will improve the participants’ ability to engage in future countable activities and achieve their highest potential. Non-countable activities, such as job search, family life skills or completion of high school or a GED, will assist the participant in removing barriers to their employment.

### **Most Common Activities Not Counted Towards Work Participation Rate**

The most common non-countable activities performed by participants in March 2011 were:

- Job search
- Working on resolving barriers to participation
- Family life skills
- High School/GED

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None of these activities are included in the calculation of the work rate. However, these activities are still very important in moving participants with employment barriers into the work force. Extended, non-countable job search activity is important since, due to the severity of the last recession, there was a significant increase of the unemployment rate in Arizona. With higher unemployment there is greater competition for available job openings, thus additional time will be required for the completion of a successive job search.

Resolving barriers to participation in the Jobs program is also important. Eliminating barriers to participation will allow participants to more fully commit themselves to the requirements of the Jobs Program. Improving family life skills and completing high school/GED programs provide benefits to Arizona participants as well. Improving life skills and the successful completion of secondary education programs will help to increase the employability of the participant while they are participating in job search activities.

While the 811 participants in non-countable activities did not help the State work participation rate, these activities do improve the opportunities of Arizona participants and increases the likelihood of future, countable activity participation and eventual employment.