

**ENGAGEMENT IN ADDITIONAL WORK ACTIVITIES AND
EXPENDITURES FOR OTHER BENEFITS AND SERVICES,
MARCH 2011:**

A TANF REPORT TO CONGRESS



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EXECUTIVE SUMMARY

The Claims Resolution Act of 2010 (Public Law 111-291) was signed by President Obama on December 8, 2010. The Act extended the Temporary Assistance for Needy Families (TANF) block grant through the end of fiscal year (FY) 2011. The extension included two new reporting requirements, requiring States, the District of Columbia, and Territories (henceforth referred to as “States”) to provide additional detail about: (1) work participation for families that currently do not meet the TANF program’s requirements to count toward State work participation rates; and (2) TANF spending in two broad categories known simply as “other non-assistance” and “authorized solely under prior law.” States are required to submit two reports with these data – one for the month of March 2011 and a second for the months of April, May, and June, 2011.

Section 812 of the Claims Resolution Act requires the Secretary to submit a Report to Congress on the information submitted by States. This report reflects State reports for March 2011. A subsequent report will cover the April-June period.

Claims Resolution Act Engagement Reporting

On February 14, 2011, the Department of Health and Human Services (HHS) issued a Program Instruction (TANF-ACF-PI-2011-03) and a new reporting form (Form ACF-812, the “Report on Engagement in Additional Work Activities for Families Receiving Assistance under the TANF and SSP-MOE Programs”) to implement the work participation-related data collection requirements of the Claims Resolution Act of 2010. The Claims Resolution Act required States to report on the activities of work-eligible individuals (WEIs) on their caseloads.

All States, except the Territory of Guam, submitted the required data on the ACF-812 by June 15, 2011; however, Puerto Rico is also excluded from this report due to data errors.

Throughout the United States, there were 1,276,633 WEIs, in approximately 1.9 million families receiving assistance through TANF or State programs counting toward TANF maintenance-of-effort (MOE) requirements. The number of individuals in each of the categories below should sum to more than 100 percent of WEIs since a WEI could fall into more than one of the following categories. States reported the following statuses for WEIs in the month of March.:

- *WEIs Meeting Federal Participation Rate Standards:* Nationally, there were 300,983 WEIs counting toward the participation rate (23.6 percent). Note that in most States, the percentage of WEIs counting toward the participation rate is likely to be lower than the official work participation rate. This is due to methodological differences between the calculations. For example, a family may include more than one WEI and the participation rate calculation excludes families with a WEI that can be disregarded, e.g., single parent families with a child under the age of one and those who are subject to a work-related sanction (for up to three months in a 12-month period). The WEIs in these “disregarded” families are included in the analysis here but not counted in the Federal participation rate calculation unless they are actually participating (with no more than one WEI counted per family).
- *WEIs with Zero Hours of Participation:* Nationally, 668,181 WEIs (52.3 percent of all WEIs) had zero hours of participation in a countable or non-countable work activity. The data from States indicate that this represents a range of situations. Among WEIs who are reported as having zero hours of participation:
 - 19.5 percent are non-compliant and are in the sanction process (and are not disregarded);
 - 15.2 percent are individuals the State or local agency has failed to engage;
 - 13.3 percent are in families disregarded from the participation rate because they were caring for a child under age one, were subject to a work-related sanction, or were participating in a Tribal work program
 - 12.3 percent are exempt due to illness or disability;
 - 9.1 percent are exempt due to other State policies;
 - 4.4 percent are exempt by the State because they are single-custodial parents with a child under the age of one, but not disregarded from the work participation rate;
 - 4.4 percent are in families in their first month of assistance with no activities yet assigned;
 - 2.8 percent have been assigned an activity that has not yet begun;
 - 1.8 percent are single custodial parents with a child under the age of six with no child care available;
 - 1.5 percent are exempt by the State due to illness of a child or other family member;
 - 0.6 percent are exempt by the State due to a good cause;
 - 0.5 percent are under a domestic violence waiver;
 - 0.5 percent have relocated from one jurisdiction within the State to another;
 - 0.4 percent have work activity reports that were received too late for inclusion; and
 - 13.6 percent have zero hours of participation but are in other statuses.
- *WEIs with Unreported Countable Hours:* Sixteen States reported that there were 17,963 WEIs (1.4 percent of all WEIs) with unreported countable hours of participation, totaling 568,454 hours of unreported participation. The total number of unreported hours of participation in countable work activities was greatest in job search/job readiness assistance and in vocational educational training. A State may choose not to report hours of

participation for purposes of the work participation rate if the individual does not meet the standard for counting toward the work participation rate calculation.

- *WEIs with Insufficient Hours*: Fifty States reported a total of 195,904 WEIs (15.3 percent of all WEIs) with insufficient hours to satisfy the work participation requirements. The total number of insufficient hours of participation in countable work activities was 10,412,930. Nearly half of the “insufficient” hours were in unsubsidized employment, reflecting the extent of part-time employment among WEIs.
- *WEIs with Uncountable Hours Due to Statutory Time Limits on Participation*: Thirty-two States reported having a total of 29,464 WEIs (2.3 percent of all WEIs) participating in time-limited activities beyond a statutory limit. Nationally, the total number of hours beyond the statutory limit reported by States was 1,554,041 hours, with most of these hours in job search/job readiness assistance (1,262,408 hours). The remaining hours beyond the limit are in vocational educational training (291,633 hours).
- *WEIs with Hours that Do Not Meet Verification Standards*: Twenty-six States reported a total of 70,323 WEIs (5.5 percent) with unverified hours, totaling 5,109,821 unverified hours. The data submitted in response to the Claims Resolution Act requirements may understate the number of States and WEIs with unverified hours of participation because States and/or their vendors typically do not collect information about non-verified hours of participation and there is little incentive to invest resources in doing so.
- *WEIs with Hours in Non-Countable Activities*: Thirty-three States reported 71,323 WEIs (5.6 percent of WEIs) with hours of participation in non-countable activities that move families toward self-sufficiency, with a total of 2,198,744 hours of participation in non-countable activities reported by States. Three activities accounted for over 85 percent of the hours spent in these activities:
 - 36.1 percent for activities related to obtaining a high school diploma or GED;
 - 31.3 percent of these hours were in treatment activities; and
 - 18.6 percent for family life skills activities

Claims Resolution Act Financial Data Reporting

The Claims Resolution Act required additional State reporting concerning two expenditure categories for which there is only limited reported information – “other non-assistance” and “authorized solely under prior law,” which may be either “assistance” or “non-assistance.”

“Other non-assistance” involves expenditures that meet a TANF purpose, but do not fall within the definition of “assistance” or any other listed category. However, past research on TANF financial data indicates that States sometimes report certain expenditures as “other” non-assistance even though they could report them in other categories on the ACF-196.

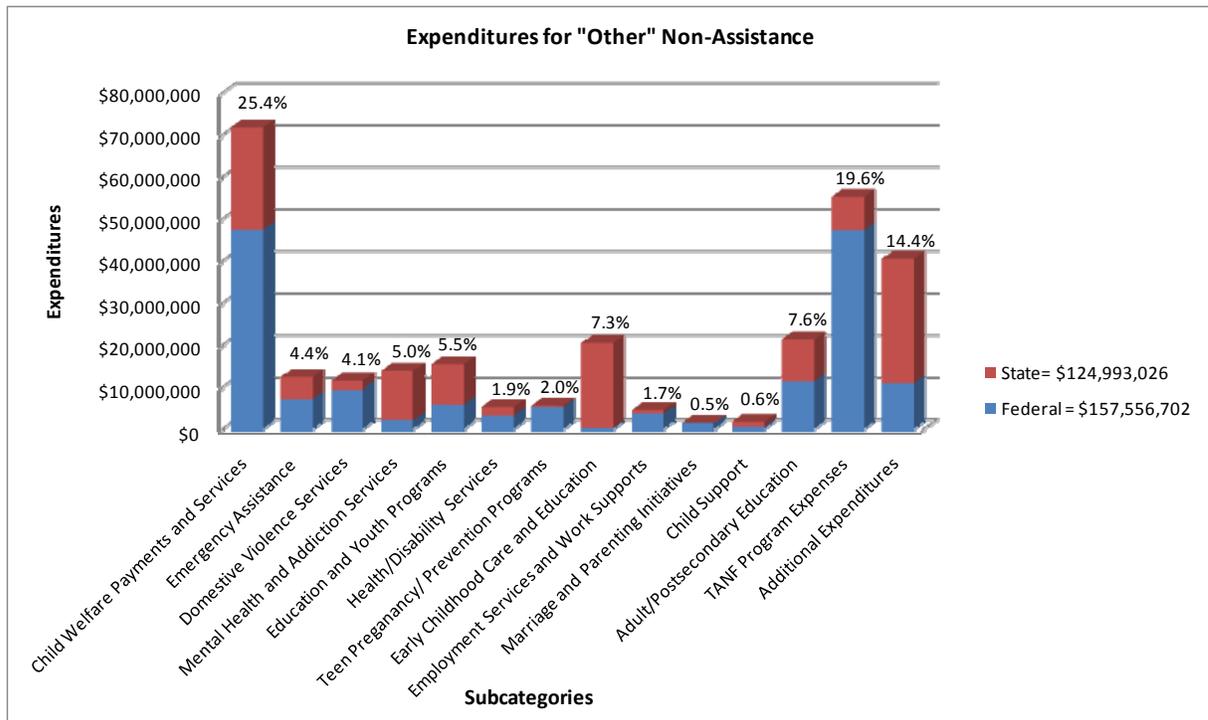
Expenditures “authorized solely under prior law” do not meet a TANF purpose, but are allowed pursuant to Section 404(a)(2) of the Social Security Act, which permits States to use TANF funds in any manner that was allowed under the prior Title IV-A (the Aid to Families with Dependent Children Program) or IV-F (Job Opportunities and Basic Skills Training Program) on September 30, 1995, or at State option, August 21, 1996.

On February 14, 2011, HHS issued a Program Instruction (TANF-ACF-PI-2011-04) and a new reporting form -- the Detailed Expenditure Form: ACF-196 Supplement (ACF-196(SUP)) -- to implement the spending-related reporting requirements of the Claims Resolution Act.

Every State submitted the ACF-196(SUP) form by June 15, 2011.

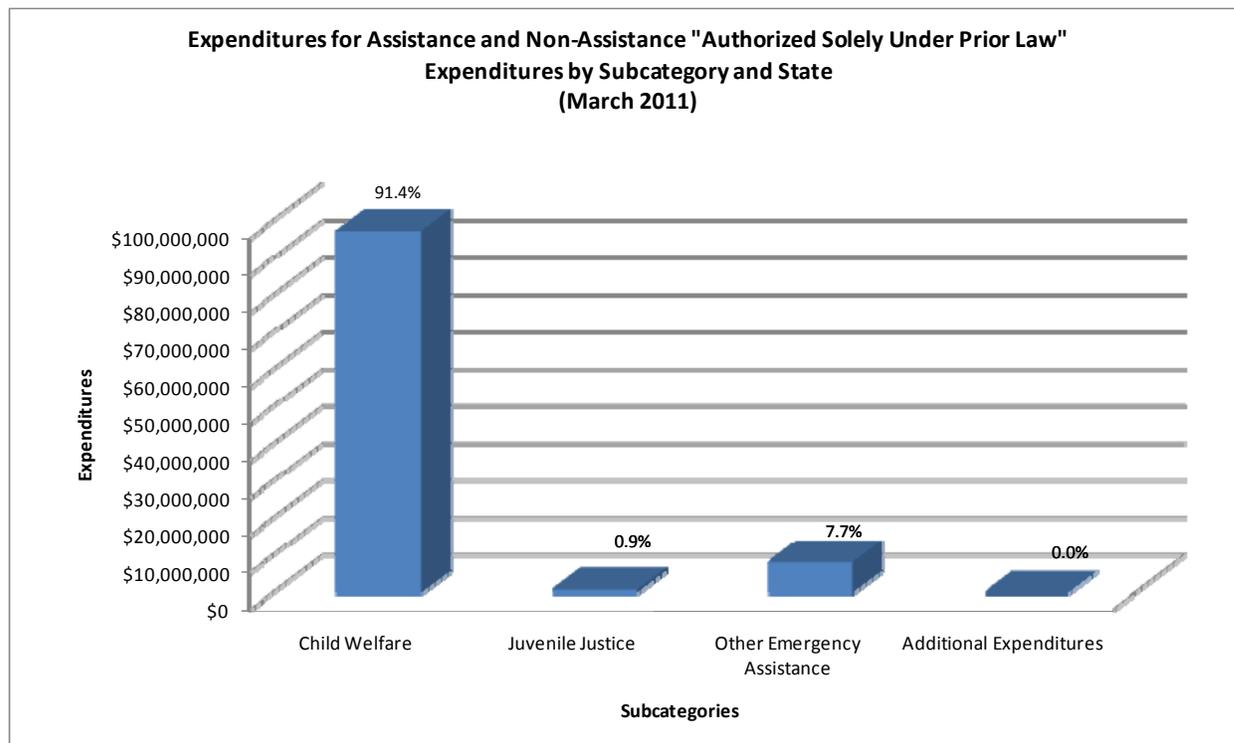
Nationally, “other” non-assistance expenditures totaled \$282,477,383 for March 2011, while States spent a total of \$106,609,367 for assistance and non-assistance “authorized solely under prior law.” Note that while States may expend either Federal TANF or State MOE on “other” non-assistance, only Federal funding may be expended on programs “authorized solely under prior law.”

- *“Other” Non-Assistance:* Forty-four States reported expenditures in “other” non-assistance.



- *Child Welfare Payments and Services*: Twenty-three States reported expenditures in either Child Welfare Payments or Child Welfare Services. Total spending equaled \$71,790,857, or 25.4 percent of “other” non-assistance.
- *Emergency Assistance*: Nineteen States reported expenditures for Emergency Assistance. Total spending equaled \$12,497,516, or 4.4 percent of “other” non-assistance. Expenditures ranged from \$403 (West Virginia) to \$2,781,484 (Massachusetts).
- *Domestic Violence Services*: Sixteen States reported expenditures for Domestic Violence Services. Total spending equaled \$11,595,674, or 4.1 percent of “other” non-assistance.
- *Mental Health and Addiction Services*: Fourteen States reported expenditures for Mental Health and Addiction Services. Total spending equaled \$13,987,555, or 5.0 percent of “other” non-assistance.
- *Education and Youth Programs*: Nine States reported expenditures for Education and Youth Programs. Total spending equaled \$15,597,278, or 5.5 percent of “other” non-assistance.
- *Health/Disability Services*: Eleven States reported expenditures for Health/Disability Services. Total spending equaled \$5,414,668, or 1.9 percent of “other” non-assistance.
- *Teen Pregnancy/Prevention Programs*: Eight States reported expenditures for Teen Pregnancy/Prevention Programs. Total spending equaled \$5,716,247, or 2.0 percent of “other” non-assistance.
- *Early Childhood Care and Education*: Twelve States reported expenditures for Early Childhood Care and Education. Total spending equaled \$20,521,808, or 7.3 percent of “other” non-assistance.
- *Employment Services and Work Supports*: Thirteen States reported expenditures for Employment Services and Work Supports. Total spending equaled \$4,702,260, or 1.7 percent of “other” non-assistance.
- *Marriage and Parenting Initiatives*: Seven States reported expenditures for Marriage and Parenting Initiatives. Total spending equaled \$1,510,640, or 0.5 percent of “other” non-assistance.
- *Child Support*: Six States reported expenditures for Child Support. Total spending equaled \$1,774,060, or 0.6 percent of “other” non-assistance for March 2011.
- *Adult/Postsecondary Education*: Four States reported expenditures for Adult/Postsecondary Education. Total spending equaled \$21,367,613, or 7.6 percent of “other” non-assistance.
- *TANF Program Expenses*: Twenty States reported expenditures for TANF Program Expenses. Total spending equaled \$55,430,992, or 19.6 percent of “other” non-assistance.
- *Additional Expenditures*: Twenty-four States reported expenditures for additional expenditures. This category totaled \$40,570,215, representing 14.4 percent of “other” non-assistance.

- *Assistance and Non-Assistance “Authorized Solely Under Prior Law”*: Twenty-one States reported expenditures in assistance and non-assistance “authorized solely under prior law.”



- *Child Welfare*: Seventeen States reported expenditures for Child Welfare activities “authorized solely under prior law.” Total spending equaled \$97,420,734, or 91.4 percent of assistance or non-assistance “authorized solely under prior law.”
- *Juvenile Justice*: Two States reported expenditures for Juvenile Justice activities “authorized solely under prior law.” Total spending equaled \$963,758, or 0.9 percent of assistance or non-assistance “authorized solely under prior law.”
- *Other Emergency Assistance*: Eight States reported expenditures for Other Emergency Assistance “authorized solely under prior law.” Total spending equaled \$8,224,875, or 7.7 percent of assistance or non-assistance “authorized solely under prior law.”
- *Additional Expenditures*: Zero States reported expenditures in this subcategory.

As noted, in a number of cases, expenditures reported as “other” non-assistance could appropriately be reported under other existing reporting categories on the ACF-196 TANF reporting form.

Recommendations for Engagement and Financial Data Reporting

The Claims Resolution Act directed HHS to include in this report such recommendations for administrative or legislative changes as the Secretary determines would be necessary to require States to report Claims Resolution Act data on a recurring basis.

HHS lacks the administrative authority to require States to collect the Claims Resolution Act data related to work activities on an ongoing basis without statutory change. When Congress takes up TANF reauthorization, it may wish to consider issues related to engagement data reporting in conjunction with consideration of which activities should count toward the participation requirements and for what period of time, whether individuals participating for some number of hours should partially count toward the participation rates, and what information should be collected about individuals not counting toward participation rates and under what circumstances. Consideration should also be given to a broader set of questions about which outcomes should be tracked for States and families, and the data collection needed to have a clearer picture of progress toward sustained employment and self-sufficiency, and of child and family well-being.

If Congress does determine to add additional engagement-related reporting, the Department recommends that that reporting be integrated with existing participation requirements so that States are reporting in a single system, with one set of time frames for data submission. Any data reporting requirements should also include a reasonable time period for States to collect and report data.

With respect to financial data, HHS originally established the current categories for financial reporting in FY 1999, and they have not been modified since that time. It would be possible to make some revisions to the categories through modification of existing reporting categories, either administratively or through legislative directive. HHS will further analyze the March reporting data, along with the April-June data, and consider whether it would be appropriate to develop new reporting categories, require additional narratives from States in connection with reporting, or take other actions to improve the data reported by States in their usage of TANF funds. Additional discussion of these issues will be included in the April-June report.

OVERVIEW

The Claims Resolution Act of 2010 (Public Law 111-291) was signed by President Obama on December 8, 2010. The Act extended the Temporary Assistance for Needy Families (TANF) block grant through the end of fiscal year (FY) 2011. The extension included two new reporting requirements, requiring States, the District of Columbia, and Territories (henceforth referred to as “States”) to provide additional detail about: (1) work participation for families that currently do not meet the TANF program’s requirements to count toward State work participation rates; and (2) TANF spending in two broad categories known simply as “other non-assistance” and “authorized solely under prior law.”

States are required to submit two reports with these data – one for the month of March 2011 and a second for the months of April, May, and June 2011. The March report was due no later than May 31, 2011, and the April - June report is due no later than August 31, 2011. A State that fails to submit either report by the applicable deadline is subject to a penalty of up to four percent of its block grant, although the law provides that the penalty must be rescinded if the report is filed by an extension deadline of June 15, 2011, and September 15, 2011, respectively.

Section 812 of the Claims Resolution Act requires the Secretary to submit a report to Congress on the information submitted by States. This report reflects State reports for March 2011. A subsequent report will cover the April-June period.

WORK PARTICIPATION DATA

The TANF statute specifies the work participation rate requirements for States. States must meet both an overall and a two-parent work participation rate or face a financial penalty. The overall work participation rate for a State requires that at least 50 percent of TANF families with a work-eligible individual (WEI) engage in one or more of 12 specified work activities (see Table 1) for a minimum average of 30 hours per week (20 hours for a single parent with a child under six) in a month. The two-parent work participation rate requires States to have at least 90 percent of two-parent families with two WEIs in work activities for at least an average of 35 hours per week (55 hours for a family receiving federally subsidized child care) in a month. The hours of participation must meet verification standards established by the States in their Work

Verification Plans. The law also includes a caseload reduction credit, which reduces a State's required participation rate by one percentage point for each percentage that the State's assistance caseload the prior year (the comparison year) falls below the caseload in FY 2005 (the base year). The Deficit Reduction Act of 2005 (DRA) required the work participation rates to include families in separate State programs funded with maintenance-of-effort funds (SSP-MOE) (i.e., programs funded with State dollars counting toward the State's cost sharing requirements). This change took effect with the FY 2007 work participation rates.

The law specifies the activities that may count for work participation purposes and imposes certain restrictions on when they may count. Specifically, under the law, for a family to count in the State's overall work participation rate for a month, a WEI in the family must participate for an average of 30 hours per week, of which at least an average of 20 hours per week must be in one or more of the nine "core" activities. The three other "non-core" activities may count for any remaining hours beyond the "core hours" requirement. Please refer to Table 1 for a list of the countable work activities. Similarly for the two-parent rate, 30 of the 35 average weekly hours (or 50 of 55 hours for a family receiving federally subsidized child care) must come from the same nine work activities.

A teen parent (under age 20) who is a WEI may count toward the work participation rate without regard to the hours and activities requirements if he or she maintains satisfactory attendance in secondary school (or the equivalent) or participates in education directly related to employment for an average of at least 20 hours per week in the month.

Current law restricts a State's ability to count toward the participation rate hours of participation in certain activities. It limits counting participation in job search/job readiness assistance to no more than six weeks (12 weeks if a State meets the definition of a "needy State" for the TANF Contingency Fund) and no more than four consecutive weeks. Similarly, vocational educational training is limited to a lifetime of 12 months for any individual for participation rate purposes.¹

¹ In addition, not more than 30 percent of those counting toward each participation rate for a month may do so because they are participating in vocational educational training or the teen parent educational activities (i.e., satisfactory secondary school attendance and at least 20 hours per week in education directly related to employment). This limitation is not reflected in this data collection, as that calculation is performed by ACF in the preparation of final work participation rate data and is based on families with a WEI, rather than individual WEIs.

As described below, these restrictions may affect how some States report hours of work activity participation by some WEIs.

Table 1: Current Countable Work Activities	
“Core” Activities (at least 20 hours/week from these)	“Non-Core” Activities (only countable for hours in excess of 20)
Unsubsidized employment	Job skills training directly related to employment
Subsidized private sector employment	Education directly related to employment
Subsidized public sector employment	Satisfactory attendance at secondary school or in a GED program
Work experience	
On-the-job training	
Job search /job readiness assistance	
Community service programs	
Vocational educational training	
Providing child care to a participant in a community service program	

In accordance with the DRA, the Department of Health and Human Services (HHS) defined each of the countable work activities and established verification requirements that a State must meet in order to count an hour of participation in an interim rule published on June 29, 2006, and revised on February 5, 2008, with publication of the final rule. The work activities are defined at 45 CFR 261.2 and included as Appendix III of this report.

Work Participation Reporting Requirements

Since the beginning of TANF, States have been required to collect data on work participation activities on a monthly basis for both TANF (ACF-199 form) and SSP-MOE (ACF-209 form) cases; these data are reported to HHS on a quarterly basis. These data include disaggregated case record information on the families receiving assistance, including hours of participation in the 12 statutory TANF work activities. For each of these countable work activities, States report the average hours of participation per week for the report month. A State may comply with these requirements by collecting and submitting case record information for its entire caseload or by collecting and submitting the case record information obtained through the use of scientifically acceptable sampling methods for a portion of the caseload.

Participation Data Trends in Past Years

States have submitted data on work participation since FY 1997. These data are used to calculate a State's work participation rate. Since FY 2002, the work participation data has been reported in a manner that allows for the presentation of the share of families required to participate that have insufficient hours to count as participants and the share with no reported hours of participation. Until the special data collection provisions of the Claims Resolution Act were established, States were not required to submit data that explained why a WEI was not engaged in activities, nor whether an individual not counting toward participation rates was involved in other self-sufficiency-related activities. HHS lacked authority to require such reporting because, pursuant to Section 417 of the Social Security Act, HHS cannot require data reporting beyond the reporting required by statute.

Federal participation rates are calculated based on families subject to and meeting participation requirements. The Claims Resolution Act, on the other hand, requires reporting on an individual rather than a family basis, i.e., it requires reporting for all WEIs. Because there may be one or more WEIs in a family, the number of WEIs is greater than the number of families with a WEI. For example, in FY 2009, there were 1,166,322 WEIs receiving assistance, versus 1,035,213 families including a WEI.² Furthermore, the TANF statute allows States to disregard from the work participation rate families with a WEI: that include a single custodial parent caring for a child under age one (for not more than 12 months over the WEI's lifetime); that are subject to a penalty for refusing to work in that month, unless that family has been penalized for refusal to participate in work activities for more than three of the last 12 months; and that are participating in a Tribal work program. For the Claims Resolution Act, however, States were instructed to include these individuals when reporting total WEIs, and were able to cite the disregards as a reason for zero hours of participation (see Tables 7, 8, and 9 below).³ These distinctions matter because data presented by families "required to participate" will look somewhat different than

² This figure is based on Table 3A, Status of TANF and SSP-MOE Families as Relates to All Families Work Participation Rates, (available at <http://www.acf.hhs.gov/programs/ofa/particip/indexparticip.htm>) which subtracts "number of families with no work-eligible individual" and "number of families listed in error" from the total number of TANF and SSP-MOE families.

³ Some disregarded families may also be included within other categories of WEIs, e.g., those participating in non-countable activities and those whose hours of participation could not be verified.

data presented by WEI. For instance, in FY 2009, 45.2 percent of families with a WEI that were “required to participate” had one or more reported hours of participation (see columns two and three in Table 2 below), while 41.8 percent of WEIs had one or more reported hours of participation (see column six in Table 2).

Regardless of the unit of analysis, the trend is the same. With the exception of one year (FY 1999), the TANF participation rate has ranged between 29.5 percent and 35.3 percent in every year since TANF began. The share of families “required to participate” (i.e., with a WEI and not disregarded) with no reported hours of participation has ranged between 50.9 percent (FY 2001) and 56.7 percent (FY 2007) in every year between FY 2000 and FY 2009; the share of WEIs with no reported hours of participation has ranged between 55.3 percent (FY 2006) and 62.1 percent (FY 2007) in each year between FYs 2000 and 2009.⁴

Fiscal Year	Families with a Work-Eligible Individual (WEI)				Work-Eligible Individuals (WEIs)		
	1: Required to Participate	2: Participating & Counting Toward Rates	3: Insufficient Hours	4: Zero Hours of reported participation	5: Total WEIs	6: Any Hours of Reported Participation	7: Zero Hours of Reported Participation
1997	2,077,815	30.7%	NA	NA	NA	NA	NA
1998	2,104,265	35.3%	NA	NA	NA	NA	NA
1999	1,612,477	38.3%	NA	NA	NA	NA	NA
2000	1,260,392	33.4%	14.6%	51.4%	1,588,651	39.7%	60.3%
2001	1,112,577	34.4%	14.7%	50.9%	1,403,089	43.2%	56.8%
2002	1,042,990	33.5%	13.1%	53.4%	1,311,607	41.7%	58.3%
2003	1,014,123	31.6%	13.2%	55.2%	1,242,473	41.2%	58.8%
2004	952,523	32.3%	13.6%	54.1%	1,164,873	42.5%	57.5%
2005	885,730	33.5%	13.6%	52.9%	1,095,346	43.4%	56.6%
2006	817,937	33.1%	14.3%	52.6%	992,734	44.7%	55.3%
2007	882,613	29.9%	13.4%	56.7%	1,124,351	37.9%	62.1%
2008	827,322	29.5%	14.4%	56.1%	1,049,558	39.5%	60.5%
2009	931,738	29.6%	15.6%	54.8%	1,166,322	41.8%	58.2%

Source: various tables available at <http://www.acf.hhs.gov/programs/ofa/particip/indexparticip.htm>

Prior Research on Engagement and Non-Participation

While the percentage of TANF cases with zero hours of participation has always exceeded 50 percent of those “required to participate” (or, more precisely, those included in the denominator

⁴ Prior to FY 2007, work participation rates were based on adults receiving assistance in the TANF program. The DRA extended participation requirements to certain non-recipient parents and included families receiving assistance in a separate State program funded with MOE dollars.

of the work participation rate calculation), there also has been considerable anecdotal evidence that many families are engaged in a range of activities that do not meet TANF's work participation requirements. To learn more about these strategies, the Office of the Assistant Secretary for Planning and Evaluation at the Department of Health and Human Services contracted with Mathematica Policy Research, Inc., (MPR) in FY 2003 to conduct the *Study of Work Participation and Full Engagement Strategies*, an examination of seven State and local programs that attempt to engage all or nearly all TANF recipients in work and work-related activities.⁵ While the sites selected were not representative of TANF sites in general, the range of activities found in these sites shows the importance that at least some States were placing on non-countable activities designed to promote self-sufficiency.

Table 3 shows the types of "engagement" activities that were identified in the MPR study, including those that do not count toward TANF's work participation requirements.

⁵ Jacqueline Kauff, Michelle K. Derr, and LaDonna Pavetti, *A Study of Work Participation and Full Engagement Strategies: Final Report* (Washington, DC: Mathematica Policy Research, Inc., September 2004), available at <http://aspe.hhs.gov/hsp/full-engagement04/report.pdf>

Employment-Related	Education and Training	Treatment	Life Skills	Accessing Work Supports	Child-Related Activities	Miscellaneous
Unsubsidized employment (including self-employment)	High school or GED	Physical or mental health treatment	Family life skills	Finding and arranging child care	Attending after-school appointments	Commuting to, from, or between activities
Public and private sector subsidized employment	Adult basic education	Substance abuse treatment	Teen parent services	Obtaining a driver's license	Helping with homework	Complying with various requirements (e.g., child support enforcement)
On-the-job training	English as a Second Language	Domestic violence	Parenting programs	Applying for transportation	Attending to physical or mental health conditions (e.g., immunizations)	Attending court (for personal reasons or jury duty)
Job search/ job readiness assistance	Vocational education	Physical or developmental disabilities	Mentoring	Obtaining work-related equipment or clothing	Volunteering for child-related activities (e.g., sports, classroom, etc.)	Applying for SSI, housing assistance, or other income support programs
Work experience	Vocational rehabilitation	Prenatal programs	Personal development activities (e.g., journal writing)		Home schooling	Caring for a disabled family member
Community service	College	Services for learning disabilities	Organizational skills workshops			In conciliation
	Homework		Budgeting skills workshops			In sanction status
						In assessment

Sources: Adapted from Jacqueline Kauff, Michelle K. Derr, and LaDonna Pavetti, *A Study of Work Participation and Full Engagement Strategies: Final Report* (Washington, DC: Mathematica Policy Research, Inc., September 2004), available at <http://aspe.hhs.gov/hsp/full-engagement04/report.pdf>; includes additional activities suggested by States and other interested parties in comments provided on the interim final rule for the Deficit Reduction Act of 2005.

Beginning with FY 2000, HHS incorporated an “Other Work Activities” data element to its data collection system to allow States to report, on a voluntary basis, hours of participation in activities that cannot count toward the TANF work participation rates. While some States have been providing data in this category since FY 2000, on June 2, 2010, HHS issued an Information Memorandum (IM), TANF-ACF-IM-2010-01, to further encourage all States to make reporting all non-countable activities in the “Other Work Activities” data field a regular practice (note: aside from reporting requirements in the Claims Resolution Act, HHS lacks the authority to *require* States to report hours of participation that do not count toward meeting participation rates). HHS expects States to increase their reporting of WEIs with hours of participation in “Other Work Activities” for the FY 2011 reporting period as a result of the IM.

Claims Resolution Act Engagement Reporting

On February 14, 2011, HHS issued a Program Instruction (TANF-ACF-PI-2011-03) and a new reporting form (Form ACF-812, the “Report on Engagement in Additional Work Activities for Families Receiving Assistance under the TANF and SSP-MOE Programs”) to implement the work participation-related data collection requirements of the Claims Resolution Act of 2010 (see Appendix I).

The Claims Resolution Act required States to report on the activities of WEIs on their caseloads. The regulatory definition of a “work-eligible individual” is found at 45 CFR 261.2(n); it refers to “an adult (or minor child head-of-household) receiving assistance under TANF or a separate State program or a non-recipient parent living with a child receiving such assistance unless the parent is: (i) a minor parent and not the head of household; (ii) a non-citizen who is ineligible to receive assistance due to his or her immigration status; or (iii) at State option on a case-by-case basis, a recipient of Supplemental Security Income (SSI) benefits or Aid to the Aged, Blind, or Disabled in the Territories. The term also excludes: (i) a parent providing care for a disabled family member in the home, provided that there is medical documentation to support the need for the parent to remain in the home to care for this disabled family member; (ii) at State option on a case-by-case basis, a parent who is the recipient of Social Security Disability Insurance (SSDI) benefits; and (iii) an individual in a family receiving MOE-funded assistance under an approved Tribal TANF plan, unless the State includes the Tribal family in calculating work participation rates under §261.25.”

For the ACF-812, with respect to each WEI in a family receiving TANF or SSP-MOE assistance during the reporting period, each State must collect and report for each WEI the specific activities that (1) do not qualify as countable work activities, but are otherwise reasonably calculated to help the family move to self-sufficiency; (2) that are countable work activities, but for the fact that the State chose not to report the hours of participation; or (3) that could be countable work activities, but for the fact that the WEI: (a) has not engaged in such activities for a sufficient number of hours to count toward participation rates; (b) has reached a maximum time limit allowed for having participated in the activity count; or (c) has hours of participation that do not meet the standards needed to comply with work verification requirements. If a WEI has

no hours of participation in any activity, the State is to select from a variety of possible reasons for non-participation.

As specified by statute, States were permitted to use samples. For a State that currently submits the TANF Data Report (and, if applicable, the SSP-MOE Data Report) based on a sample, the State must generally use the same selected cases for the report month in this report. For a State that submits the TANF Data Report (and, if applicable, the SSP-MOE Data Report) for all cases receiving assistance for a report month, the State has the option to submit this report for the entire caseload or submit this report based on a sample. The applicable sampling procedures are described in the aforementioned Program Instruction (see Appendix I for ACF-812 instructions).

All States, except the Territory of Guam, submitted the required data by June 15, 2011; however, Puerto Rico is excluded from this report due to data errors.

In addition to submitting data to HHS on the ACF-812, the Claims Resolution Act also required each State to publish a summary report of engagement in additional activities on a website maintained by the State concurrently with the submission of data to HHS. States were not required to submit these reports to HHS. Appendix II of this report provides a list of the website addresses where these reports may be accessed. Despite the statutory requirement to make posting concurrent with the data submission, some States have not yet posted their reports; as of July 27th, North Carolina and Guam had not posted a summary report of engagement in additional activities on their State's website.

The Claims Resolution Act specified that this report to Congress should identify "any States with missing or incomplete reports." In the immediate aftermath of the report deadline, HHS identified a number of data anomalies in selected States and worked with those States to correct the data. Nevertheless, some State ACF-812 reports still contain missing information. For example, several State reports showing the distribution of WEIs by major categories of participation or non-participation failed to account for all WEIs. The number of individuals in these categories should sum to at least 100 percent of WEIs since a WEI could fall into more than one of the following categories: (1) WEIs meeting Federal participation rate standards, (2) WEIs with zero reported hours of participation, (3) WEIs with unreported countable hours, (4)

WEIs with insufficient hours, (5) WEIs with hours beyond the statutory limit, (6) WEIs with hours that do not meet verification standards, and (7) WEIs with hours in non-countable activities. However, Georgia and North Carolina fall short of accounting for all WEIs, reporting for only 83.4 percent and 90.6 percent of WEIs, respectively.

Initially, there also was a problem with three States including “zero hours” within the “insufficient hours” category, but this problem was identified and corrected. A similar problem occurred with data related to reasons for non-participation, but most of these omissions were corrected soon after the ACF-812 was submitted.

Only Puerto Rico’s data was judged sufficiently incomplete that its data were completely excluded from this report. The key deficiencies included:

- A total of 11,921 WEIs are reported, but the State erroneously includes zero hours with insufficient hours; these are mutually exclusive categories.
- All WEIs are reported as having “insufficient hours,” with a total of 52 hours of missed participation for the whole group, which means, on average, each WEI participated less than one minute. It is not likely that all WEIs have insufficient hours – there are probably some who have enough hours to count and some who have zero hours. Also, the total hours of participation is obviously an error.
- All WEIs also are reported in the “zero hours” category, with 9,864 supposedly in the first month of assistance. This suggests an implausible level of turnover in the caseload. Once the number of non-participating WEIs is identified, Puerto Rico should be able to do a better job identifying the reason for nonparticipation.

It appears that Puerto Rico did not report any WEIs that had sufficient hours to meet minimum work requirements.

There are likely other areas of omission and other errors. HHS will work with States in the coming months to help improve the data submission for the April-June period.

There are several caveats to consider in the analysis of the work and engagement data presented in this report:

- Most States provided data using a sample, typically derived from the same sample used for current TANF data reporting requirements (or following similar procedures). Since current sampling procedures are based on sample size needs for an annual data collection, sampling error will be considerably larger for the March data than for the ongoing annual data reports. For example, as New York observes:

It is important that readers of this report regard the findings here as preliminary, mostly because they are based on a limited sample of a single month's data. For instance, some of the figures listed above are based on a single weighted observation, and activities that WEIs may be engaging in or circumstances they are experiencing may not appear here simply because no such individuals were sampled this month.

California's engagement report also cautions about sample size and the inability to resubmit data when updates or corrections become available.

California's TANF sample is an annual sample and only valid with twelve complete months of sample data. This report is based upon 1/12th of the annual sample and is not a statistically valid representation of California's TANF caseload. In addition, for the normal quarterly TANF Data Report to [HHS], states have the opportunity to resubmit data if new information is received about the TANF case or data entry errors are found. For the Report on Engagement in Additional Work Activities, states are not allowed this option. For this reason, these data may be inconsistent with what will be reported for the comparable period in the TANF Data Report.

Thus, the findings should be considered suggestive only.

- The data reported here are not directly comparable to most of the data published when the official work participation rate data are released. The official TANF work participation rates are based on TANF and SSP-MOE families with a WEI and States are permitted, by statute, to "disregard" certain families from the participation rate calculation. Many of the detailed tabulations released as part of the work participation rate series also are based on this subgroup of families. In contrast, this special data collection is based on all WEIs. Thus, a family with two WEIs might count as one unit in the analysis of the

official work participation data (if not disregarded), but as two units in this analysis. And, a WEI that is part of a family disregarded from the participation requirements because he or she has a child under the age of one or is subject to a sanction for no more than three months in the preceding 12-month period, is included in this analysis.

- Comparisons of data submitted on the ACF-812 to State-specific reports (available in Appendix II) may not be possible because the data reported in this report are weighted to reflect caseload size, whereas individual States took a variety of approaches to presenting the data in the reports they published on the State website. For example, some States simply reported numbers from the sample, while other States used weights to reflect the statewide caseload. In some cases, the weighting procedures used by the State and those used by HHS differed, thus resulting in somewhat different numbers.
- There seems to have been some underreporting, possibly the result of requirements that mandated reporting of certain categories of information which States did not normally collect. For example, 26 States reported that zero individuals failed to count toward the participation rate due to insufficient verification, and 19 States reported that zero individuals were engaged in self-sufficiency related activities that did not count toward participation rates.
- The short timeframe provided for reporting this data may have limited the capacities of States to collect certain information. For example, with additional time to verify work hours, it is possible that States might have attained verification for some WEIs that were reported as having hours of participation that do not meet verification standards or as having zero hours. Thus, WEIs with at least some verified hours of participation may be underreported. The short timeframe also meant that some States were unable to modify automated data collection systems to include information that is not collected for regular monthly reports, such as participation in non-countable activities.

It is also important to note that States took various approaches to collecting the data for the ACF-812 report. Some engagement reports posted by States on their websites described the methodology used to comply with reporting requirements. In certain States, the data elements were able to be added to the automated systems already in place, while others stated that there was insufficient time and resources to modify the system. In the latter cases, the data had to be

collected manually; this involved methods such as sending out a survey to county welfare departments to complete data elements for WEIs in the sample, examining individual case notes, and even contacting each sampled TANF client via telephone to conduct an in-depth interview. For example, after recognizing that its automated system could not be programmed to capture the information required for this report, Florida implemented intensive data collection strategies; the State explains in its engagement report:

We scrubbed data elements in each system for any hours that might have been miscoded or overlooked, searched the systems' running record comments for any information in discussions with participants, used local program office case records and even made phone calls and sent emails to individual case managers at the local level requesting that they track down and/or re-interview persons, if possible, seeking additional information.

New York implemented a comprehensive methodology that used both automated systems as well as manual examination of case records; its engagement report states:

In order to collect the additional information on the sampled WEIs, the Bureau of Data Management and Analysis (BDMA) constructed a data spreadsheet containing space for each of the required data elements, instructions and, where possible, prefilled the responses with data available from OTDA data systems, including hours in work activities and reasons for non-participation. This spreadsheet was then provided to staff at the OTDA Bureau of Employment and Advancement Services (EAS) and the New York City Human Resources Administration Office of Data Reporting and Analysis (ODRA), who in turn examined systems and case record data to get a more full picture of the circumstances of the selected WEIs than could be determined from systems at the time of sample selection. In addition, BDMA performed a match of the sampled WEIs to the State Data Exchange (SDX) to determine if any were applicants for, or newly eligible for, the SSI disability program. Once gathered, these data were integrated into a single data set, then re-examined by BEAS and BDMA staff for accuracy and consistency.

Total Number of Work Eligible Individuals

Table 4 shows the total number of WEIs reported by States for the month of March 2011.

Throughout the United States, there were 1,276,633 WEIs⁶, ranging from 111 in Wyoming to 477,614 in California.

⁶ Total TANF caseload for March 2009 was 1,716,968 families.

Table 4 also provides a State-by-State breakdown of the number of WEIs in each of the following seven categories, while Table 5 shows the percent distribution of WEIs in each respective category: (1) WEIs meeting Federal participation rate standards (23.6 percent), (2) WEIs with zero reported hours of participation (52.3 percent), (3) WEIs with unreported countable hours (1.4 percent), (4) WEIs with insufficient hours (15.3 percent), (5) WEIs with hours beyond the statutory limit (2.3 percent), (6) WEIs with hours that do not meet verification standards (5.5 percent), and (7) WEIs with hours in non-countable activities (5.6 percent). An individual can appear in more than one category, so the sum (and percent) of individuals in the seven categories may exceed the total number of WEIs (100 percent). A summary analysis of each category is provided below.

Table 4. Total Number of Work-Eligible Individuals (WEIs) by Participation Status, by State: March 2011

STATE	Total Number of WEIs	WEIs Meeting Federal Participation Rate Standards	WEIs with Zero Hours of Participation	WEIs with Unreported Countable Hours	WEIs with Insufficient Hours	WEIs with Uncountable Hours Due to Statutory Time Limits on Participation	WEIs with Hours that Do Not Meet the Verification Standards	WEIs with Hours in Non-Countable Activities
UNITED STATES	1,276,633	300,983	668,181	17,963	195,904	29,464	70,323	71,323
ALABAMA	14,913	4,614	8,487	0	906	0	494	412
ALASKA	2,179	1,469	711	0	0	0	0	0
ARIZONA	13,429	2,501	10,139	0	1,291	0	10	789
ARKANSAS	5,463	1,074	3,616	0	1,253	0	0	0
CALIFORNIA	477,614	111,458	262,744	3,168	80,413	6,337	33,718	8,264
COLORADO	8,624	2,385	4,648	0	1,350	131	0	716
CONNECTICUT	9,580	4,066	3,918	0	1,562	225	0	385
DELAWARE	2,374	617	1,274	241	282	0	134	0
DIST. OF COL.	4,983	859	3,666	315	115	0	258	0
FLORIDA	17,726	6,549	6,476	757	1,827	614	196	2,603
GEORGIA	3,541	1,882	1,072	0	0	0	0	0
GUAM	NR	NR	NR	NR	NR	NR	NR	NR
HAWAII	5,500	3,117	1,436	0	2,383	80	36	53
IDAHO	206	97	7	42	45	2	30	76
ILLINOIS	13,624	6,285	7,339	0	1,062	0	0	0
INDIANA	20,873	2,722	14,098	0	4,001	248	0	0
IOWA	14,267	4,780	4,566	0	4,566	357	0	143
KANSAS	12,430	2,404	4,285	0	3,123	312	566	3,128
KENTUCKY	13,114	5,226	5,744	0	1,288	9	708	139
LOUISIANA	3,460	1,385	1,434	0	374	0	0	457
MAINE	15,042	2,205	8,760	0	2,738	397	3,026	13
MARYLAND	15,770	6,182	7,423	0	1,833	222	0	0
MASSACHUSETTS	31,667	3,004	23,279	0	2,334	0	2,953	96
MICHIGAN	52,614	11,812	28,161	2,673	9,735	2,152	2,916	74
MINNESOTA	14,266	4,298	5,460	0	4,150	215	0	859
MISSISSIPPI	4,233	3,359	251	0	874	0	0	0
MISSOURI	30,337	5,920	23,137	0	964	0	331	0
MONTANA	2,450	525	1,118	0	732	0	0	275
NEBRASKA	4,329	1,815	2,053	367	316	144	0	8
NEVADA	6,755	2,140	2,071	350	1,274	49	289	968
NEW HAMPSHIRE	3,958	1,469	2,255	167	234	0	0	0
NEW JERSEY	25,309	4,594	17,361	561	1,806	1,012	88	0
NEW MEXICO	15,381	6,258	7,484	0	1,621	18	0	0
NEW YORK	98,783	22,211	43,976	746	15,481	4,012	5,624	11,703
NORTH CAROLINA	5,381	2,559	1,580	0	445	0	99	194
NORTH DAKOTA	968	512	265	0	157	7	13	14
OHIO	51,370	9,340	29,836	0	7,524	1,816	1,297	2,335
OKLAHOMA	3,567	1,158	1,468	0	666	101	0	372
OREGON	30,263	2,399	9,361	0	3,284	2,082	0	14,391
PENNSYLVANIA	37,895	7,967	17,463	414	5,298	765	3,466	6,437
PUERTO RICO	E	E	E	E	E	E	E	E
RHODE ISLAND	4,775	433	3,233	0	864	65	183	0
SOUTH CAROLINA	7,009	2,349	3,825	22	663	43	213	0
SOUTH DAKOTA	1,123	470	395	0	258	0	0	0
TENNESSEE	53,317	9,168	32,858	0	11,290	3,524	0	0
TEXAS	20,468	6,014	12,783	0	1,671	0	0	0
UTAH	5,976	1,972	2,268	0	1,285	379	0	504
VERMONT	2,360	753	696	43	258	76	9	715
VIRGIN ISLANDS	439	46	354	0	39	0	0	0
VIRGINIA	23,088	9,708	10,752	597	956	717	119	119
WASHINGTON	43,802	2,712	18,765	0	7,131	3,258	13,547	8,217
WEST VIRGINIA	5,921	1,696	3,437	0	553	95	0	155
WISCONSIN	14,006	2,387	370	7,500	3,615	0	0	6,693
WYOMING	111	58	23	0	14	0	0	16

NR = Not reported.

E= Excluded from this report due to data errors.

Table 5. Percentage of Work-Eligible Individuals (WEIs) by Participation Status, by State: March 2011

STATE	Total Number of WEIs	WEIs Meeting Federal Participation Rate Standards	WEIs with Zero Hours of Participation	WEIs with Unreported Countable Hours	WEIs with Insufficient Hours	WEIs with Uncountable Hours Due to Statutory Time Limits on Participation	WEIs with Hours that Do Not Meet the Verification Standards	WEIs with Hours in Non-Countable Activities
UNITED STATES	1,276,633	23.6%	52.3%	1.4%	15.3%	2.3%	5.5%	5.6%
ALABAMA	14,913	30.9%	56.9%	0.0%	6.1%	0.0%	3.3%	2.8%
ALASKA	2,179	67.4%	32.6%	0.0%	0.0%	0.0%	0.0%	0.0%
ARIZONA	13,429	18.6%	75.5%	0.0%	9.6%	0.0%	0.1%	5.9%
ARKANSAS	5,463	19.7%	66.2%	0.0%	22.9%	0.0%	0.0%	0.0%
CALIFORNIA	477,614	23.3%	55.0%	0.7%	16.8%	1.3%	7.1%	1.7%
COLORADO	8,624	27.7%	53.9%	0.0%	15.7%	1.5%	0.0%	8.3%
CONNECTICUT	9,580	42.4%	40.9%	0.0%	16.3%	2.3%	0.0%	4.0%
DELAWARE	2,374	26.0%	53.7%	10.2%	11.9%	0.0%	5.6%	0.0%
DIST. OF COL.	4,983	17.2%	73.6%	6.3%	2.3%	0.0%	5.2%	0.0%
FLORIDA	17,726	36.9%	36.5%	4.3%	10.3%	3.5%	1.1%	14.7%
GEORGIA	3,541	53.1%	30.3%	0.0%	0.0%	0.0%	0.0%	0.0%
GUAM	NR	NR	NR	NR	NR	NR	NR	NR
HAWAII	5,500	56.7%	26.1%	0.0%	43.3%	1.5%	0.7%	1.0%
IDAHO	206	47.1%	3.4%	20.4%	21.8%	1.0%	14.6%	36.9%
ILLINOIS	13,624	46.1%	53.9%	0.0%	7.8%	0.0%	0.0%	0.0%
INDIANA	20,873	13.0%	67.5%	0.0%	19.2%	1.2%	0.0%	0.0%
IOWA	14,267	33.5%	32.0%	0.0%	32.0%	2.5%	0.0%	1.0%
KANSAS	12,430	19.3%	34.5%	0.0%	25.1%	2.5%	4.6%	25.2%
KENTUCKY	13,114	39.9%	43.8%	0.0%	9.8%	0.1%	5.4%	1.1%
LOUISIANA	3,460	40.0%	41.4%	0.0%	10.8%	0.0%	0.0%	13.2%
MAINE	15,042	14.7%	58.2%	0.0%	18.2%	2.6%	20.1%	0.1%
MARYLAND	15,770	39.2%	47.1%	0.0%	11.6%	1.4%	0.0%	0.0%
MASSACHUSETTS	31,667	9.5%	73.5%	0.0%	7.4%	0.0%	9.3%	0.3%
MICHIGAN	52,614	22.5%	53.5%	5.1%	18.5%	4.1%	5.5%	0.1%
MINNESOTA	14,266	30.1%	38.3%	0.0%	29.1%	1.5%	0.0%	6.0%
MISSISSIPPI	4,233	79.4%	5.9%	0.0%	20.6%	0.0%	0.0%	0.0%
MISSOURI	30,337	19.5%	76.3%	0.0%	3.2%	0.0%	1.1%	0.0%
MONTANA	2,450	21.4%	45.6%	0.0%	29.9%	0.0%	0.0%	11.2%
NEBRASKA	4,329	41.9%	47.4%	8.5%	7.3%	3.3%	0.0%	0.2%
NEVADA	6,755	31.7%	30.7%	5.2%	18.9%	0.7%	4.3%	14.3%
NEW HAMPSHIRE	3,958	37.1%	57.0%	4.2%	5.9%	0.0%	0.0%	0.0%
NEW JERSEY	25,309	18.2%	68.6%	2.2%	7.1%	4.0%	0.3%	0.0%
NEW MEXICO	15,381	40.7%	48.7%	0.0%	10.5%	0.1%	0.0%	0.0%
NEW YORK	98,783	22.5%	44.5%	0.8%	15.7%	4.1%	5.7%	11.8%
NORTH CAROLINA	5,381	47.6%	29.4%	0.0%	8.3%	0.0%	1.8%	3.6%
NORTH DAKOTA	968	52.9%	27.4%	0.0%	16.2%	0.7%	1.3%	1.4%
OHIO	51,370	18.2%	58.1%	0.0%	14.6%	3.5%	2.5%	4.5%
OKLAHOMA	3,567	32.5%	41.2%	0.0%	18.7%	2.8%	0.0%	10.4%
OREGON	30,263	7.9%	30.9%	0.0%	10.9%	6.9%	0.0%	47.6%
PENNSYLVANIA	37,895	21.0%	46.1%	1.1%	14.0%	2.0%	9.1%	17.0%
PUERTO RICO	E	E	E	E	E	E	E	E
RHODE ISLAND	4,775	9.1%	67.7%	0.0%	18.1%	1.4%	3.8%	0.0%
SOUTH CAROLINA	7,009	33.5%	54.6%	0.3%	9.5%	0.6%	3.0%	0.0%
SOUTH DAKOTA	1,123	41.9%	35.2%	0.0%	23.0%	0.0%	0.0%	0.0%
TENNESSEE	53,317	17.2%	61.6%	0.0%	21.2%	6.6%	0.0%	0.0%
TEXAS	20,468	29.4%	62.5%	0.0%	8.2%	0.0%	0.0%	0.0%
UTAH	5,976	33.0%	38.0%	0.0%	21.5%	6.3%	0.0%	8.4%
VERMONT	2,360	31.9%	29.5%	1.8%	10.9%	3.2%	0.4%	30.3%
VIRGIN ISLANDS	439	10.5%	80.6%	0.0%	8.9%	0.0%	0.0%	0.0%
VIRGINIA	23,088	42.0%	46.6%	2.6%	4.1%	3.1%	0.5%	0.5%
WASHINGTON	43,802	6.2%	42.8%	0.0%	16.3%	7.4%	30.9%	18.8%
WEST VIRGINIA	5,921	28.6%	58.0%	0.0%	9.3%	1.6%	0.0%	2.6%
WISCONSIN	14,006	17.0%	2.6%	53.5%	25.8%	0.0%	0.0%	47.8%
WYOMING	111	52.3%	20.7%	0.0%	12.6%	0.0%	0.0%	14.4%

NR = Not reported.

E = Excluded from this report due to data errors.

WEIs Meeting Federal Participation Rate Standards

Nationally, there were 300,983 WEIs, or 23.6 percent of total WEIs, meeting the Federal participation rate standards (see Tables 4 and 5). These WEIs were engaged in a countable work activity for a sufficient number of hours for his or her family to count toward the work participation rate.

In fact, in most States, as described above, the percentage of WEIs counting toward the participation rate is likely to be lower than the official work participation rate. This is due to methodological differences between the calculations. For example, a family may include more than one WEI and the participation rate calculation excludes families with a WEI that can be disregarded, e.g., single parent families with a child under the age of one and those who are subject to a work-related sanction (for up to three months in a 12-month period). The WEIs in these “disregarded” families are included in the analysis here but not counted in the Federal participation rate calculation unless they are actually participating (with no more than one WEI counted per family). As New York observes in its engagement report, its data show:

. . . that 22.5 percent of the WEIs are engaged in federally-allowable activities for sufficient hours to meet the core and total requirements. Again, because this is an individual analysis, this 22.5 percent should not be interpreted as the official participation rate for the month, since that measure is case based, and the denominator would exclude many cases with a WEI. In fact, New York’s participation rate for the first three months of the current FFY is estimated to be 32.2 percent.

California reported the largest number of WEIs meeting Federal participation rate standards, with 111,458 (23.3 percent of the State’s WEIs). Mississippi reported the highest percentage of its WEIs meeting Federal participation rate standards (79.4 percent), while Washington reported the lowest percentage (6.2 percent), though Washington’s rate may be underestimated because many hours in countable activities could not be verified by the deadline for this report.

WEIs with Zero Hours of Participation

Every State that submitted an ACF-812 form reported WEIs with zero hours of participation. Nationally, 668,181 WEIs (52.3 percent of all WEIs) had zero hours of participation in a countable or non-countable work activity. The data from States indicate that this represents a range of situations, including individuals who are non-compliant and are in the sanction process; individuals who the State or local agency has failed to engage; individuals who are not

participating due to illness, disability, having a very young child, lack of needed child care; individuals not participating because they are in their first month of assistance or are awaiting the beginning of activity; and others. The reported data provides new detail on the share of those without hours of participation who fall into each of these, and other, categories.

Table 6 shows the number of WEIs with zero hours of participation broken down by principal reason; Table 7 expresses this number as a percent of WEIs with zero hours, while Table 8 shows the number as a percent of all WEIs. Below is a list of the status categories for WEIs with no reported hours in a countable or non-countable activity (listed in order of importance based on the percentage of WEIs falling into the respective category, except “other,” which is listed last), and a summary of the data reported by States:

- **The WEI is: (1) in the process of being sanctioned (including fair hearing process); (2) is subject to a sanction for refusing to work (i.e., WEI’s assistance grant has been reduced) but is not disregarded due to the statutory limit on the disregard, or (3) subject to a non-work sanction:**⁷ (130,264; 19.5 percent of WEIs with zero hours; and 10.2 percent of all WEIs). WEIs in this category have not been compliant with requirements, and the State has imposed or is in the process of imposing a sanction; however, this category does not include those WEIs who have been sanctioned, but disregarded from the participation rate (because they have not been sanctioned for more than three months in the preceding 12-month period). Forty-five States listed this as the status of an individual with zero hours, with up to 37.4 percent of WEIs in Arizona falling into this category. Although States can disregard individuals subject to a work-related sanction for up to three months in a 12-month period, there is often a due process and conciliation period that occurs prior to the imposition

⁷ According to the Urban Institute’s “The Welfare Rules Databook: State Policies as of July 2009” (http://www.acf.hhs.gov/programs/opre/welfare_employ/state_tanf/databook09/databook09.pdf), some States impose several types of behavioral requirements on individuals in the assistance unit, and non-compliance may result in a “non-work” sanction. These requirements may affect adults and/or children in the unit and may include requiring adult recipients to submit to drug testing, requiring dependent children to maintain adequate attendance in school, and immunization requirements. Fulfilling behavioral requirements can be a condition of initial and/or continuing eligibility.

of a sanction as the State and the WEI work to resolve issues of non-compliance. Some States have recommended that the disregard for a sanction begin as soon as participants have been told that their benefits will be reduced or terminated due to noncompliance with work requirements because of the time it takes to actually impose a sanction. Florida explains:

For example, if a person refused to participate in work on February 25th and was given notice on March 1 that her assistance would be terminated, she would receive assistance on March 1 for the month of March. Due to ‘Adverse Action Notice’ requirements, the first opportunity the state would have to actually impose the penalty would be April 1. In March, the person would be subject to a penalty. She would have no incentive to cooperate with work requirements in March and the state would have taken all action possible to compel her participation. The state believes this was the situation contemplated by the statute and that the family should be excluded from the calculation of the participation rate in March.

This category also includes individuals who are not engaged and have been subject to a work-related sanction for more than three months, as well as those subject to any non-work-related sanction.

- **The State or local agency failed to engage the WEI:** (101,298 WEIs; 15.2 percent of WEIs with zero hours; and 7.9 percent of all WEIs). Thirty-three States reported that they failed to engage WEIs on their caseload. The highest percentages of WEIs not engaged were reported by the Virgin Islands, Rhode Island, and Missouri (65.1 percent, 43.0 percent, and 40.4 percent, respectively).
- **The family was disregarded from the participation rate:**⁸ (89,159 WEIs; 13.3 percent of WEIs with zero hours; and 7.0 percent of all WEIs). Forty States reported disregarding WEIs that were caring for a child under age one, were subject to a work-related sanction for no more than three months in the preceding 12-month period, or were participating in a Tribal work program. Montana reported the largest share of WEIs in this category with 32.5 percent of their WEIs being disregarded from the participation rate for one or more of these reasons. Nationally, data from monthly work participation reporting in FY 2009 indicate that

⁸ As per 407(b)(1)(B)(ii)(II) of the Social Security Act, a State may disregard from the work participation rate families with a WEI that are subject to a penalty for refusing to work in that month, unless that family has been penalized for refusal to participate in work activities for more than three of the last 12 months. As per 407(b)(5) of the Act, a State may, at its option, not require an individual who is single custodial parent caring for a child who has not attained 12 months of age to engage in work, and may disregard such an individual in determining the participation rates for not more than 12 months over the WEI’s lifetime. As per 407(b)(4) of the Act, a State has the option to include individuals receiving assistance under a Tribal family assistance plan or Tribal work program.

approximately 82 percent of this group is comprised of single parents with children under age one; 16 percent are subject to sanction; and 2 percent are in Tribal work programs.

- **The State exempted the WEI due to illness or disability:** (82,080 WEIs; 12.3 percent of WEIs with zero hours; and 6.4 percent of all WEIs). Although individuals who are ill or disabled (and who do not receive Supplemental Security Disability Insurance [SSDI] or Social Security Income [SSI]) remain subject to Federal work participation requirements, 39 States exempt such WEIs from work requirements at the State level. In some cases, these individuals may be referred to SSDI or SSI.
- **Other State exemptions,** meaning State policies to exempt certain individuals from work requirements: (60,914 WEIs; 9.1 percent of WEIs with zero hours; and 4.8 percent of all WEIs). States are free to develop their own exemption policies, though a State's participation rate is still calculated based on the number of WEIs in the State, even if they are exempt under State law, e.g. individuals over the age of 60, or living in a remote area. Twenty-two States listed this as a factor for non-participation, with up to 17.6 percent of WEIs in Massachusetts falling into this category.
- **The State chose to exempt the WEI from work requirements because he or she is a single parent with a child under one, but is not disregarded from the work participation rate:** (29,647 WEIs; 4.4 percent of WEIs with zero hours; and 2.3 percent of all WEIs). The disregard for a child under one for the Federal work participation rate is limited to 12 months lifetime per WEI. WEIs classified in this category may include those who are no longer eligible for this disregard due to this limit, or the State may simply have chosen not to use the disregard because it does not need to disregard the family to meet the work participation rate (thereby "saving up" months for which this disregard is in effect for a WEI). Fifteen States listed this as a factor for non-participation, with up to 23.2 percent of WEIs in Michigan falling into this category.
- **The family is in its first month on assistance and no activity has been assigned:** (29,351 WEIs; 4.4 percent of WEIs with zero hours; and 2.3 percent of all WEIs). During the first month of assistance, case managers often work with WEIs to develop an employment plan, including addressing issues related to child care, transportation, and other needs related to engaging in program activities or employment. Forty-two States listed this as a factor for

non-participation, with up to 11.0 percent of WEIs in North Carolina falling into this category.

- **The WEI has been assigned to an activity that has not yet begun:** (18,723 WEIs; 2.8 percent of WEIs with zero hours; and 1.5 percent of all WEIs). This can occur when WEIs are between semesters at school or between activities, e.g., waiting for a work experience/community service position to be created after participating in job search/job readiness assistance. Thirty-one States listed this as a factor for non-participation, with up to 21.3 percent of WEIs in West Virginia falling into this category.
- **The State exempted the WEI because he or she has a child under the age of six and needed child care is not available:** (11,888 WEIs; 1.8 percent of WEIs with zero hours; and 0.9 percent of all WEIs). If an individual is a single custodial parent caring for a child under six, the State may not reduce or terminate assistance based on the parent's refusal to engage in required work if he or she demonstrates an inability to obtain needed child care. Nine States also exempt these individuals from work participation rates at the State level, even though they remain in the calculation of the Federal work participation rate.
- **The State exempted the WEI due to illness or disability of child or other family member:** (10,346 WEIs; 1.5 percent of WEIs with zero hours; and 0.8 percent of all WEIs). Twenty-one States listed this as a factor for non-participation, with up to 4.0 percent of WEIs in Texas falling into this category.
- **Good cause exemption**, meaning that the WEI has demonstrated "good cause" (as defined by the State) to explain why he or she did not participate in an activity, e.g., lack of access to transportation, natural disaster: (3,943 WEIs; 0.6 percent of WEIs with zero hours; and 0.3 percent of all WEIs). Sixteen States listed this as a factor for non-participation, with up to 8.8 percent of WEIs in Oklahoma falling into this category.
- **The WEI is exempted under a domestic violence waiver:** (3,624 WEIs; 0.5 percent of WEIs with zero hours; and 0.3 percent of all WEIs).⁹ Sixteen States listed this as a factor for non-participation, with up to 6.7 percent of WEIs in New Jersey falling into this category.
- **The WEI relocated from one jurisdiction within the State to another:** (3,408 WEIs; 0.5 percent of WEIs with zero hours; and 0.3 percent of all WEIs). Twenty-two States listed this

⁹ Under section 402(a)(7) of the Social Security Act, under its TANF plan, a State may elect to implement a special program to serve victims of domestic violence and to waive program requirements for such individuals.

as a factor for non-participation, with up to 5.7 percent of WEIs in Maine falling into this category.

- **The work activity reports were received too late for inclusion:** (2,723 WEIs; 0.4 percent of WEIs with zero hours; and 0.2 percent of all WEIs). Nine States listed this as a factor for non-participation, with up to 9.1 percent of WEIs in South Carolina falling into this category.
- **Other:** (90,807 WEIs; 13.6 percent of WEIs with zero hours; and 7.4 percent of all WEIs). States also were able to list other reasons for WEI having zero hours of participation. Some additional explanations for why WEIs had zero hours of participation include that an assessment was scheduled in late March or is pending; the WEI was in his or her last month of assistance or reached time limit for assistance; the case was closed mid-month; the WEI missed his or her appointment to update employment plan; WEI did not attend a scheduled activity; or the WEI is a member of a two-parent family where the other WEI adult is meeting work requirements; and a lack of transportation or housing. In some cases, other reasons provided suggest a need to engage the WEI in an activity that will move his or her family towards self-sufficiency; these included that the WEI lacked vocational skills; the WEI lacked a high school diploma or GED; or the WEI reached the time limit for assistance receipt in a prior month.¹⁰

Some of the reasons listed for zero hours of participation demonstrate inconsistencies with data reporting. States listed explanations that were either provided as options on the ACF-812 form, or that indicate that the WEI did not have zero hours of participation in any activity. For example, some States specified that the WEI was caring for a dependent with a learning disability or that the WEI was in his or her first month of assistance to explain why the WEI had zero hours of participation, even though they had the option of selecting these explanations among the pre-populated options. States also frequently listed that a WEI was in pre-placement work support activities, or that the WEI was participating but not meeting minimum requirements; these WEIs should have been reported as engaged in a non-countable activity that moves that family toward self-sufficiency, and as having insufficient hours of participation, respectively.

¹⁰ It is possible these individuals continue be WEIs as non-recipient parents living with a child receiving assistance (i.e., a “child-only” cases), even though they have reached the time limit on assistance.

Table 6. Number of Work-Eligible Individuals (WEIs) With Zero Hours of Participation By Principal Reason, by State: March 2011

STATE	Number of WEIs with Zero Hours of Participation	Family's First Month on Assistance and No Activity Assigned	WEI Assigned to an Activity That Has Not Yet Begun	State/Local Agency Failed to Engage WEI	WEI Relocated from One Jurisdiction Within the State to Another	Work Activity Reports Received Too Late for Inclusion	Family Disregarded from Participation Rate	State Exempt, Single Custodial Parent with Child Under Age One, but Not Disregarded	WEI in Process of Being Sanctioned, or is Sanctioned and Not Disregarded	State Exempt, Single Custodial Parent with Child Under Age Six and No Child Care Available	State Exempt Due to Illness or Disability of the WEI	State Exempt Due to Illness or Disability of a Child or Other Family Member	State Exempt Under a Domestic Violence Waiver	Good Cause Exemption	Other State Exemptions	Other
UNITED STATES	668,181	29,351	18,723	101,299	3,408	2,723	89,159	29,647	130,264	11,888	82,080	10,346	3,624	3,943	60,914	90,807
ALABAMA	8,487	1,565	412	0	0	82	2,142	0	989	0	1,236	0	0	0	1,154	906
ALASKA	711	118	0	142	24	0	0	0	355	0	71	0	0	0	0	0
ARIZONA	10,139	0	0	0	0	1	0	501	5,025	0	748	147	282	0	0	3,435
ARKANSAS	3,616	54	0	0	64	126	1,562	10	660	0	254	0	94	0	410	382
CALIFORNIA	262,744	8,436	1,433	37,163	0	0	8,707	7,274	66,834	10,911	26,779	7,301	0	964	44,933	42,009
COLORADO	4,648	41	0	0	187	0	963	0	92	20	748	0	0	0	0	2,597
CONNECTICUT	3,918	186	601	618	0	0	1,688	0	300	0	0	0	0	0	526	0
DELAWARE	1,274	0	0	27	0	0	617	0	268	0	282	0	13	0	67	0
DIST. OF COL.	3,666	0	0	0	0	0	1,547	0	0	0	0	0	0	0	0	2,119
FLORIDA	6,476	98	1,959	344	30	0	1,793	0	1,386	0	644	0	15	0	0	207
GEORGIA	1,072	20	81	0	0	0	870	0	0	0	0	0	0	0	0	101
GUAM	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
HAWAII	1,436	10	198	1,002	1	0	0	1	125	0	66	3	0	30	0	0
IDAHO	7	0	0	0	0	0	0	0	7	0	0	0	0	0	0	0
ILLINOIS	7,339	643	34	2,208	0	0	1,717	0	402	0	0	245	0	0	1,184	905
INDIANA	14,098	1,946	2,615	1,414	0	0	1,612	197	1,872	0	1,933	548	0	335	548	1,078
IOWA	4,566	571	0	713	0	0	571	0	1,284	0	0	0	0	0	0	1,427
KANSAS	4,285	322	197	1,075	173	0	950	0	773	0	435	0	58	0	303	0
KENTUCKY	5,744	589	0	0	0	12	2,356	0	1,111	1	695	8	37	0	935	0
LOUISIANA	1,434	101	23	860	3	0	313	0	0	0	49	0	1	84	0	0
MAINE	8,760	564	468	386	855	0	257	0	547	3	2,572	261	4	45	100	2,698
MARYLAND	7,423	0	0	597	155	0	3,443	0	1,368	0	1,087	0	0	155	288	331
MASSACHUSETTS	23,279	308	96	285	0	0	5,096	0	5,949	0	5,674	0	0	0	5,585	285
MICHIGAN	28,161	0	74	7,900	0	0	0	12,203	2,841	0	307	307	0	689	922	2,916
MINNESOTA	5,460	573	72	72	0	0	2,649	72	1,074	0	0	0	0	0	143	807
MISSISSIPPI	251	45	0	45	0	0	0	0	107	0	0	0	0	8	0	45
MISSOURI	23,137	489	31	12,241	158	0	5,104	790	1,264	0	1,387	158	316	0	15	1,183
MONTANA	1,118	0	0	0	0	0	796	0	254	1	67	0	0	0	0	0
NEBRASKA	2,053	407	34	287	0	0	586	0	245	0	34	17	0	0	442	0
NEVADA	2,071	436	0	162	16	0	0	49	571	0	468	16	0	32	0	321
NEW HAMPSHIRE	2,255	95	0	0	0	0	711	0	239	0	908	7	29	0	160	106
NEW JERSEY	17,361	1,778	1,058	3,217	0	420	3,151	150	999	0	1,176	0	1,704	0	1,184	2,524
NEW MEXICO	7,484	155	0	2,412	0	0	2,361	0	1,144	0	917	0	0	0	477	18
NEW YORK	43,976	789	3,576	5,055	162	0	8,283	0	14,481	0	10,774	316	539	0	0	0
NORTH CAROLINA	1,580	592	988	0	0	0	0	0	0	0	0	0	0	0	0	0
NORTH DAKOTA	265	6	3	12	1	0	93	0	100	0	19	0	1	1	1	28
OHIO	29,836	1,297	259	11,416	778	0	3,373	0	5,708	778	0	0	0	0	0	6,227
OKLAHOMA	1,468	24	159	0	8	0	561	0	342	0	60	1	0	313	0	0
OREGON	9,361	2,239	636	1,145	0	0	0	5,341	0	0	0	0	0	0	0	0
PENNSYLVANIA	17,463	382	64	3,996	414	0	6,657	0	1,416	0	1,531	28	414	303	14	2,243
PUERTO RICO	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E
RHODE ISLAND	3,233	150	103	2,051	38	9	474	0	0	0	44	34	55	0	275	0
SOUTH CAROLINA	3,825	132	256	448	65	639	1,196	0	256	0	128	0	0	43	0	664
SOUTH DAKOTA	395	10	0	0	0	0	245	0	36	0	75	0	0	29	0	0
TENNESSEE	32,858	361	1,448	897	10	975	9,646	590	2,686	0	8,008	5	0	0	2,354	5,879
TEXAS	12,783	1,323	0	0	0	0	0	0	1,467	0	6,332	821	0	581	0	2,258
UTAH	2,268	0	0	0	0	0	532	0	1,135	0	601	0	0	0	0	0
VERMONT	696	243	9	69	34	0	43	17	9	0	56	0	0	0	0	217
VIRGIN ISLANDS	354	20	0	286	0	0	0	0	29	0	16	3	0	0	0	0
VIRGINIA	10,752	956	478	2,748	0	0	0	239	2,150	119	3,345	119	0	0	119	478
WASHINGTON	18,765	1,272	93	0	224	459	5,034	2,213	2,250	39	2,082	1	62	331	0	4,705
WEST VIRGINIA	3,437	0	1,263	0	0	0	1,193	0	111	16	472	0	0	0	80	302
WISCONSIN	370	0	2	6	8	0	252	0	0	0	0	0	0	0	0	101
WYOMING	23	5	0	0	0	0	15	0	3	0	0	0	0	0	0	0

NR = Not reported.

E= Excluded from this report due to data errors.

Table 7. Percent of Work-Eligible Individuals (WEIs) With Zero Hours of Participation By Principal Reason, by State: March 2011

STATE	Number of WEIs with Zero Hours of Participation	Family's First Month on Assistance and No Activity Assigned	WEI Assigned to an Activity That Has Not Yet Begun	State/Local Agency Failed to Engage WEI	WEI Relocated from One Jurisdiction Within the State to Another	Work Activity Reports Received Too Late for Inclusion	Family Disregarded from Participation Rate	State Exempt, Single Custodial Parent with Child Under Age One, but Not Disregarded	WEI in Process of Being Sanctioned, or is Sanctioned and Not Disregarded	State Exempt, Single Custodial Parent with Child Under Age Six and No Child Care Available	State Exempt Due to Illness or Disability of the WEI Member	State Exempt Due to Illness or Disability of a Child or Other Family Member	State Exempt Under a Domestic Violence Waiver	Good Cause Exemption	Other State Exemptions	Other
UNITED STATES	668,181	4.4%	2.8%	15.2%	0.5%	0.4%	13.3%	4.4%	19.5%	1.8%	12.3%	1.5%	0.5%	0.6%	9.1%	13.6%
ALABAMA	8,487	18.4%	4.9%	0.0%	0.0%	1.0%	25.2%	0.0%	11.7%	0.0%	14.6%	0.0%	0.0%	0.0%	13.6%	10.7%
ARIZONA	711	16.6%	0.0%	20.0%	3.4%	0.0%	0.0%	0.0%	49.9%	0.0%	10.0%	0.0%	0.0%	0.0%	0.0%	0.0%
ARIZONA	10,139	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.9%	49.6%	0.0%	7.4%	1.4%	2.8%	0.0%	0.0%	33.9%
ARKANSAS	3,616	1.5%	0.0%	0.0%	1.8%	3.5%	43.2%	0.3%	18.3%	0.0%	7.0%	0.0%	2.6%	0.0%	11.3%	10.6%
CALIFORNIA	262,744	3.2%	0.5%	14.1%	0.0%	0.0%	3.3%	2.8%	25.4%	4.2%	10.2%	2.8%	0.0%	0.4%	17.1%	16.0%
COLORADO	4,648	0.9%	0.0%	0.0%	4.0%	0.0%	20.7%	0.0%	2.0%	0.4%	16.1%	0.0%	0.0%	0.0%	0.0%	55.9%
CONNECTICUT	3,918	4.7%	15.3%	15.8%	0.0%	0.0%	43.1%	0.0%	7.7%	0.0%	10.0%	0.0%	0.0%	0.0%	13.4%	0.0%
DELAWARE	1,274	0.0%	0.0%	2.1%	0.0%	0.0%	48.4%	0.0%	21.0%	0.0%	22.1%	0.0%	1.0%	0.0%	0.0%	5.3%
DIST. OF COL.	3,666	0.0%	0.0%	0.0%	0.0%	0.0%	42.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	57.8%
FLORIDA	6,476	1.5%	30.3%	5.3%	0.5%	0.0%	27.7%	0.0%	21.4%	0.0%	9.9%	0.0%	0.2%	0.0%	0.0%	3.2%
GEORGIA	1,072	1.9%	7.6%	0.0%	0.0%	0.0%	81.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	9.4%
GUAM	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
HAWAII	1,436	0.7%	13.8%	69.8%	0.1%	0.0%	0.0%	0.1%	8.7%	0.0%	4.6%	0.2%	0.0%	2.1%	0.0%	0.0%
IDAHO	7	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
ILLINOIS	7,339	8.8%	0.5%	30.1%	0.0%	0.0%	23.4%	0.0%	5.5%	0.0%	0.0%	3.3%	0.0%	0.0%	16.1%	12.3%
INDIANA	14,098	13.8%	18.5%	10.0%	0.0%	0.0%	11.4%	1.4%	13.3%	0.0%	13.7%	3.9%	0.0%	2.4%	3.9%	7.6%
IOWA	4,566	12.5%	0.0%	15.6%	0.0%	0.0%	12.5%	0.0%	28.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	31.3%
KANSAS	4,285	7.5%	4.6%	25.1%	4.0%	0.0%	22.2%	0.0%	18.0%	0.0%	10.2%	0.0%	1.4%	0.0%	0.0%	7.1%
KENTUCKY	5,744	10.3%	0.0%	0.0%	0.0%	0.2%	41.0%	0.0%	19.3%	0.0%	12.1%	0.1%	0.6%	0.0%	0.0%	16.3%
LOUISIANA	1,434	7.0%	1.6%	60.0%	0.2%	0.0%	21.8%	0.0%	0.0%	0.0%	3.4%	0.0%	0.1%	5.9%	0.0%	0.0%
MAINE	8,760	6.4%	5.3%	4.4%	9.8%	0.0%	2.9%	0.0%	6.2%	0.0%	29.4%	3.0%	0.0%	0.5%	1.1%	30.8%
MARYLAND	7,423	0.0%	0.0%	8.0%	2.1%	0.0%	46.4%	0.0%	18.4%	0.0%	14.6%	0.0%	0.0%	2.1%	3.9%	4.5%
MASSACHUSETTS	23,279	1.3%	0.4%	1.2%	0.0%	0.0%	21.9%	0.0%	25.6%	0.0%	24.4%	0.0%	0.0%	0.0%	24.0%	1.2%
MICHIGAN	28,161	0.0%	0.3%	28.1%	0.0%	0.0%	0.0%	43.3%	10.1%	0.0%	1.1%	1.1%	0.0%	2.4%	3.3%	10.4%
MINNESOTA	5,460	10.5%	1.3%	1.3%	0.0%	0.0%	48.5%	1.3%	19.7%	0.0%	0.0%	0.0%	0.0%	0.0%	2.6%	14.8%
MISSISSIPPI	251	17.9%	0.0%	17.9%	0.0%	0.0%	0.0%	0.0%	42.6%	0.0%	0.0%	0.0%	0.0%	3.2%	0.0%	17.9%
MISSOURI	23,137	2.1%	0.1%	52.9%	0.7%	0.0%	22.1%	3.4%	5.5%	0.0%	6.0%	0.7%	1.4%	0.0%	0.1%	5.1%
MONTANA	1,118	0.0%	0.0%	0.0%	0.0%	0.0%	71.2%	0.0%	22.7%	0.1%	6.0%	0.0%	0.0%	0.0%	0.0%	0.0%
NEBRASKA	2,053	19.8%	1.7%	14.0%	0.0%	0.0%	28.5%	0.0%	11.9%	0.0%	1.7%	0.8%	0.0%	0.0%	21.5%	0.0%
NEVADA	2,071	21.1%	0.7%	7.8%	0.8%	0.0%	0.0%	2.4%	27.6%	0.0%	22.6%	0.8%	0.0%	1.5%	0.0%	15.5%
NEW HAMPSHIRE	2,255	4.2%	0.0%	0.0%	0.0%	0.0%	31.5%	0.0%	10.6%	0.0%	40.3%	0.3%	1.3%	0.0%	7.1%	4.7%
NEW JERSEY	17,361	10.2%	6.1%	18.5%	0.0%	2.4%	18.1%	0.9%	5.8%	0.0%	6.8%	0.0%	9.8%	0.0%	6.8%	14.5%
NEW MEXICO	7,484	2.1%	0.0%	32.2%	0.0%	0.0%	31.5%	0.0%	15.3%	0.0%	12.3%	0.0%	0.0%	0.0%	6.4%	0.2%
NEW YORK	43,976	1.8%	8.1%	11.5%	0.4%	0.0%	18.8%	0.0%	32.9%	0.0%	24.5%	0.7%	1.2%	0.0%	0.0%	0.0%
NORTH CAROLINA	1,580	37.5%	62.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
NORTH DAKOTA	265	2.3%	1.1%	4.5%	0.4%	0.0%	35.1%	0.0%	37.7%	0.0%	7.2%	0.0%	0.4%	0.4%	0.4%	10.6%
OHIO	29,836	4.3%	0.9%	38.3%	2.6%	0.0%	11.3%	0.0%	19.1%	2.6%	0.0%	0.0%	0.0%	0.0%	0.0%	20.9%
OKLAHOMA	1,468	1.6%	10.8%	0.0%	0.5%	0.0%	38.2%	0.0%	23.3%	0.0%	4.1%	0.1%	0.0%	21.3%	0.0%	0.0%
OREGON	9,361	23.9%	6.8%	12.2%	0.0%	0.0%	0.0%	57.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
PENNSYLVANIA	17,463	2.2%	0.4%	22.9%	2.4%	0.0%	38.1%	0.0%	8.1%	0.0%	8.8%	0.2%	2.4%	1.7%	0.1%	12.8%
PUERTO RICO	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E
RHODE ISLAND	3,233	4.6%	3.2%	63.4%	1.2%	0.0%	14.7%	0.0%	0.0%	0.0%	1.4%	1.1%	1.7%	0.0%	8.5%	0.0%
SOUTH CAROLINA	3,825	3.5%	6.7%	11.7%	1.7%	16.7%	31.3%	0.0%	6.7%	0.0%	3.3%	0.0%	0.0%	1.1%	0.0%	17.4%
SOUTH DAKOTA	395	2.5%	0.0%	0.0%	0.0%	0.0%	62.0%	0.0%	9.1%	0.0%	19.0%	0.0%	0.0%	7.3%	0.0%	0.0%
TENNESSEE	32,858	1.1%	4.4%	2.7%	0.0%	3.0%	29.4%	1.8%	8.2%	0.0%	24.4%	0.0%	0.0%	0.0%	7.2%	17.9%
TEXAS	12,783	10.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	11.5%	0.0%	49.5%	6.4%	0.0%	4.5%	0.0%	17.7%
UTAH	2,268	0.0%	0.0%	0.0%	0.0%	0.0%	23.5%	0.0%	50.0%	0.0%	26.5%	0.0%	0.0%	0.0%	0.0%	0.0%
VERMONT	696	34.9%	1.3%	9.9%	4.9%	0.0%	6.2%	2.4%	1.3%	0.0%	8.0%	0.0%	0.0%	0.0%	0.0%	31.2%
VIRGIN ISLANDS	354	5.6%	0.0%	80.8%	0.0%	0.0%	0.0%	0.0%	8.2%	0.0%	4.5%	0.8%	0.0%	0.0%	0.0%	0.0%
VIRGINIA	10,752	8.9%	4.4%	25.6%	0.0%	0.0%	0.0%	2.2%	20.0%	1.1%	31.1%	1.1%	0.0%	0.0%	1.1%	4.4%
WASHINGTON	18,765	6.8%	0.5%	0.0%	1.2%	2.4%	26.8%	11.8%	12.0%	0.2%	11.1%	0.0%	0.3%	1.8%	0.0%	25.1%
WEST VIRGINIA	3,437	0.0%	36.7%	0.0%	0.0%	0.0%	34.7%	0.0%	3.2%	0.5%	13.7%	0.0%	0.0%	0.0%	2.3%	8.8%
WISCONSIN	370	0.0%	0.5%	1.6%	2.2%	0.0%	68.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	27.3%
WYOMING	23	21.7%	0.0%	0.0%	0.0%	0.0%	65.2%	0.0%	13.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

NR = Not reported.
E = Excluded from this report due to data errors.

Table 8. Work-Eligible Individuals (WEIs) With Zero Hours of Participation by Principal Reason as a Percent of All Work-Eligible Individuals, by State: March 2011

STATE	Number of WEIs with Zero Hours of Participation	Family's First Month on Assistance and No Activity Assigned	WEI Assigned to an Activity That Has Not Yet Begun	State/Local Agency Failed to Engage WEI	WEI Relocated from One Jurisdiction Within the State to Another	Work Activity Reports Received Too Late for Inclusion	Family Disregarded from Participation Rate	State Exempt, Single Custodial Parent with Child Under Age One, but Not Disregarded	WEI in Process of Being Sanctioned, or is Sanctioned and Not Disregarded	State Exempt, Single Custodial Parent with Child Under Age Six and No Child Care	State Exempt Due to Illness or Disability of a Child or Other Family Member	State Exempt Under a Domestic Violence Waiver	Good Cause Exemption	Other State Exemptions	Other	
UNITED STATES	52.3%	2.3%	1.5%	7.9%	0.3%	0.2%	7.0%	2.3%	10.2%	0.9%	6.4%	0.8%	0.3%	0.3%	4.8%	7.1%
ALABAMA	56.9%	10.5%	2.8%	0.0%	0.0%	0.5%	14.4%	0.0%	6.6%	0.0%	8.3%	0.0%	0.0%	0.0%	7.7%	6.1%
ALASKA	32.6%	5.4%	0.0%	6.5%	1.1%	0.0%	0.0%	0.0%	16.3%	0.0%	3.3%	0.0%	0.0%	0.0%	0.0%	0.0%
ARIZONA	75.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.7%	37.4%	0.0%	5.6%	1.1%	2.1%	0.0%	0.0%	25.6%
ARKANSAS	66.2%	1.0%	0.0%	0.0%	1.2%	2.3%	28.6%	0.2%	12.1%	0.0%	4.6%	0.0%	1.7%	0.0%	7.5%	7.0%
CALIFORNIA	55.0%	1.8%	0.3%	7.8%	0.0%	0.0%	1.8%	1.5%	14.0%	2.3%	5.6%	1.5%	0.0%	0.2%	9.4%	8.8%
COLORADO	53.9%	0.5%	0.0%	0.0%	2.2%	0.0%	11.2%	0.0%	1.1%	0.2%	8.7%	0.0%	0.0%	0.0%	0.0%	30.1%
CONNECTICUT	40.9%	1.9%	6.3%	6.5%	0.0%	0.0%	17.6%	0.0%	3.1%	0.0%	0.0%	0.0%	0.0%	0.0%	5.5%	0.0%
DELAWARE	53.7%	0.0%	0.0%	1.1%	0.0%	0.0%	26.0%	0.0%	11.3%	0.0%	11.9%	0.0%	0.5%	0.0%	0.0%	2.8%
DIST. OF COL.	73.6%	0.0%	0.0%	0.0%	0.0%	0.0%	31.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	42.5%
FLORIDA	36.5%	0.6%	11.1%	1.9%	0.2%	0.0%	10.1%	0.0%	7.8%	0.0%	3.6%	0.0%	0.1%	0.0%	0.0%	1.2%
GEORGIA	30.3%	0.6%	2.3%	0.0%	0.0%	0.0%	24.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.9%
GUAM	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
HAWAII	26.1%	0.2%	3.6%	18.2%	0.0%	0.0%	0.0%	0.0%	2.3%	0.0%	1.2%	0.1%	0.0%	0.5%	0.0%	0.0%
IDAHO	3.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
ILLINOIS	53.9%	4.7%	0.2%	16.2%	0.0%	0.0%	12.6%	0.0%	3.0%	0.0%	0.0%	1.8%	0.0%	0.0%	8.7%	6.6%
INDIANA	67.5%	9.3%	12.5%	6.8%	0.0%	0.0%	7.7%	0.9%	9.0%	0.0%	9.3%	2.6%	0.0%	1.6%	2.6%	5.2%
IOWA	32.0%	4.0%	0.0%	5.0%	0.0%	0.0%	4.0%	0.0%	9.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	10.0%
KANSAS	34.5%	2.6%	1.6%	8.6%	1.4%	0.0%	7.6%	0.0%	6.2%	0.0%	3.5%	0.0%	0.5%	0.0%	0.0%	2.4%
KENTUCKY	43.8%	4.5%	0.0%	0.0%	0.0%	0.1%	18.0%	0.0%	8.5%	0.0%	5.3%	0.1%	0.3%	0.0%	0.0%	7.1%
LOUISIANA	41.4%	2.9%	0.7%	24.9%	0.1%	0.0%	9.0%	0.0%	0.0%	0.0%	1.4%	0.0%	0.0%	2.4%	0.0%	0.0%
MAINE	58.2%	3.7%	3.1%	2.6%	5.7%	0.0%	1.7%	0.0%	3.6%	0.0%	17.1%	1.7%	0.0%	0.3%	0.7%	17.9%
MARYLAND	47.1%	0.0%	0.0%	3.8%	1.0%	0.0%	21.8%	0.0%	8.7%	0.0%	6.9%	0.0%	0.0%	1.0%	1.8%	2.1%
MASSACHUSETTS	73.5%	1.0%	0.3%	0.9%	0.0%	0.0%	16.1%	0.0%	18.8%	0.0%	17.9%	0.0%	0.0%	0.0%	17.6%	0.9%
MICHIGAN	53.5%	0.0%	0.1%	15.0%	0.0%	0.0%	0.0%	23.2%	5.4%	0.0%	0.6%	0.6%	0.0%	1.3%	1.8%	5.5%
MINNESOTA	38.3%	4.0%	0.5%	0.5%	0.0%	0.0%	18.6%	0.5%	7.5%	0.0%	0.0%	0.0%	0.0%	0.0%	1.0%	5.7%
MISSISSIPPI	5.9%	1.1%	0.0%	1.1%	0.0%	0.0%	0.0%	0.0%	2.5%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	1.1%
MISSOURI	76.3%	1.6%	0.1%	40.4%	0.5%	0.0%	16.8%	2.6%	4.2%	0.0%	4.6%	0.5%	1.0%	0.0%	0.0%	3.9%
MONTANA	45.6%	0.0%	0.0%	0.0%	0.0%	0.0%	32.5%	0.0%	10.4%	0.0%	2.7%	0.0%	0.0%	0.0%	0.0%	0.0%
NEBRASKA	47.4%	9.4%	0.8%	6.6%	0.0%	0.0%	13.5%	0.0%	5.7%	0.0%	0.8%	0.4%	0.0%	0.0%	10.2%	0.0%
NEVADA	30.7%	6.5%	0.0%	2.4%	0.2%	0.0%	0.0%	0.7%	8.5%	0.0%	6.9%	0.2%	0.0%	0.5%	0.0%	4.8%
NEW HAMPSHIRE	57.0%	2.4%	0.0%	0.0%	0.0%	0.0%	18.0%	0.0%	6.0%	0.0%	22.9%	0.2%	0.7%	0.0%	4.0%	2.7%
NEW JERSEY	68.6%	7.0%	4.2%	12.7%	0.0%	1.7%	12.5%	0.6%	3.9%	0.0%	4.6%	0.0%	6.7%	0.0%	4.7%	10.0%
NEW MEXICO	48.7%	1.0%	0.0%	15.7%	0.0%	0.0%	15.4%	0.0%	7.4%	0.0%	6.0%	0.0%	0.0%	0.0%	3.1%	0.1%
NEW YORK	44.5%	0.8%	3.6%	5.1%	0.2%	0.0%	8.4%	0.0%	14.7%	0.0%	10.9%	0.3%	0.5%	0.0%	0.0%	0.0%
NORTH CAROLINA	29.4%	11.0%	18.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
NORTH DAKOTA	27.4%	0.6%	0.3%	1.2%	0.1%	0.0%	9.6%	0.0%	10.3%	0.0%	2.0%	0.0%	0.1%	0.1%	0.1%	2.9%
OHIO	58.1%	2.5%	0.5%	22.2%	1.5%	0.0%	6.6%	0.0%	11.1%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%	12.1%
OKLAHOMA	41.2%	0.7%	4.5%	0.0%	0.2%	0.0%	15.7%	0.0%	9.6%	0.0%	1.7%	0.0%	0.0%	8.8%	0.0%	0.0%
OREGON	30.9%	7.4%	2.1%	3.8%	0.0%	0.0%	0.0%	17.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
PENNSYLVANIA	46.1%	1.0%	0.2%	10.5%	1.1%	0.0%	17.6%	0.0%	3.7%	0.0%	4.0%	0.1%	1.1%	0.8%	0.0%	5.9%
PUERTO RICO	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E
RHODE ISLAND	67.7%	3.1%	2.2%	43.0%	0.8%	0.2%	9.9%	0.0%	0.0%	0.0%	0.9%	0.7%	1.2%	0.0%	5.8%	0.0%
SOUTH CAROLINA	54.6%	1.9%	3.7%	6.4%	0.9%	9.1%	17.1%	0.0%	3.7%	0.0%	1.8%	0.0%	0.0%	0.6%	0.0%	9.5%
SOUTH DAKOTA	35.2%	0.9%	0.0%	0.0%	0.0%	0.0%	21.8%	0.0%	3.2%	0.0%	6.7%	0.0%	0.0%	2.6%	0.0%	0.0%
TENNESSEE	61.6%	0.7%	2.7%	1.7%	0.0%	1.8%	18.1%	1.1%	5.0%	0.0%	15.0%	0.0%	0.0%	0.0%	4.4%	11.0%
TEXAS	62.5%	6.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7.2%	0.0%	30.9%	4.0%	0.0%	2.8%	0.0%	11.0%
UTAH	38.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.9%	0.0%	19.0%	0.0%	10.1%	0.0%	0.0%	0.0%	0.0%	0.0%
VERMONT	29.5%	10.3%	0.4%	2.9%	1.4%	0.0%	1.8%	0.7%	0.4%	0.0%	2.4%	0.0%	0.0%	0.0%	0.0%	9.2%
VIRGIN ISLANDS	80.6%	4.6%	0.0%	65.1%	0.0%	0.0%	0.0%	0.0%	6.6%	0.0%	3.6%	0.7%	0.0%	0.0%	0.0%	0.0%
VIRGINIA	46.6%	4.1%	2.1%	11.9%	0.0%	0.0%	0.0%	1.0%	9.3%	0.5%	14.5%	0.5%	0.0%	0.0%	0.5%	2.1%
WASHINGTON	42.8%	2.9%	0.2%	0.0%	0.5%	1.0%	11.5%	5.1%	5.1%	0.1%	4.8%	0.0%	0.1%	0.8%	0.0%	10.7%
WEST VIRGINIA	58.0%	0.0%	21.3%	0.0%	0.0%	0.0%	20.1%	0.0%	1.9%	0.3%	8.0%	0.0%	0.0%	0.0%	1.4%	5.1%
WISCONSIN	2.6%	0.0%	0.0%	0.0%	0.1%	0.0%	1.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.7%
WYOMING	20.7%	4.5%	0.0%	0.0%	0.0%	0.0%	13.5%	0.0%	2.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

NR = Not reported.

E = Excluded from this report due to data errors.

The previous sections have described either WEIs with sufficient hours to meet minimum work requirements, or WEIs with zero hours of participation. The next five sections will present data for WEIs that had hours of participation in an activity, but did not meet the criteria to count toward the Federal work participation rate.

WEIs with Unreported Countable Hours

Under limited circumstances, a WEI may have verified hours of participation in a work activity that could count toward the work participation rate, but which the State chose not to report on the TANF (ACF-199) or SSP-MOE (ACF-209) data reports. This may occur, for example, because a family can only count toward participation rates through engagement in vocational educational training for 12 months in a lifetime, and because job search/job readiness assistance can only count for six weeks in a year or twelve weeks if the State meet's the definition of "needy state." Accordingly, if the State does not "need" the individual's hours in order to meet participation rates, the State might choose not to report them in order to "save" hours in one of these time-limited activities. And, for example, if the individual only has 15 hours of engagement in vocational educational training and lacks sufficient hours to count toward the rates, there is no advantage to the State in reporting the hours; while reporting the hours will not help the State meet the rates, it would "use up" one of the months in which the individual could count through participation in vocational educational training.

Table 9 summarizes the total number of WEIs with unreported countable hours of participation, broken down by the number of hours in each countable work activity that were not reported by the State (see Appendix III for definitions of work activities). Sixteen States reported that there were 17,963 WEIs (1.4 percent of all WEIs) with unreported countable hours of participation, totaling 568,454 hours of unreported participation.

Wisconsin reported both the largest number and the highest percentage of WEIs with unreported countable hours of participation (7,500 WEIs, or 53.5 percent of the State's total WEIs) among States reporting in this category. (See Table 5 for percentages).

The total number of unreported hours of participation in countable work activities was greatest in job search/job readiness assistance (425,142 hours) and in vocational educational training

(59,062hours). This is not surprising, because these are the two time-limited activities for State participation rate purposes. On average, States reported that 32 hours of participation in the month per WEI with such hours went unreported.

As Alaska’s engagement report explains, participation in some activities is “strategically underreported in order to maximize participation rates when activities are limited in the number of weeks or months that may be counted”:

States are allowed to “under-report” hours that do not contribute to a family meeting the participation standard. In some cases this is done strategically to conserve the number of reportable hours of weeks of activity for an individual case until a week during which that activity contributes to them meeting the participation standard.

The State goes on to explain that it does not report unneeded hours in job search/job readiness assistance and vocational educational training when the hours are either not needed or not sufficient to help the individual meet the work rate. It provides the following example:

Example: A parent who is working 30 verified hours is also looking for a new job with higher wages and spends 5 hours a week in Work Search. Work Search would not be reported for that week as the parent already met the participation standards with their verified countable activity of Unsubsidized Employment.

Other States’ reports also indicated that they apply this strategy to “preserve” hours for activities that are time-limited.

Nevertheless, these data also suggest that strategic underreporting is a relatively small phenomenon. As described in the next section, States reported a total of nearly 2.8 million hours of participation in these two activities (see Table 10), even though the individual’s hours of participation were insufficient to be counted in the work participation rates. If these States did not report these hours, there would be less risk that they would run into situations where they cannot count hours because they exceed the statutory limits (see Table 11).

Table 9. Total Number of Unreported Countable Hours of Participation, by State: March 2011

STATE	WEIs with Unreported Hours of Participation	Unsubsidized Employment	Subsidized Private Employment	Subsidized Public Employment	Work Experience	On-The-Job Training	Job Search/Job Readiness Assistance	Community Service	Vocational Educational Training	Job Skills Training	Education Directly Related to Employment	Satisfactory School Attendance	Providing Child Care to a Participant in a Community Service Program	Total Unreported Hours in Countable Work Activities	Average Unreported, Countable Hours Per WEI With Unreported Hours
UNITED STATES	17,963	73,209	0	0	326	0	425,142	3,181	59,062	0	0	7,534	0	568,454	31.65
ALABAMA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
ALASKA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
ARIZONA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
ARKANSAS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
CALIFORNIA	3,168	0	0	0	0	0	6,337	0	0	0	0	0	0	6,337	2.00
COLORADO	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
CONNECTICUT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
DELAWARE	241	0	0	0	0	0	8,288	0	0	0	0	0	0	8,288	34.39
DIST. OF COL.	315	0	0	0	0	0	3,408	0	430	0	0	0	0	3,838	12.18
FLORIDA	757	0	0	0	0	0	13,732	0	39,142	0	0	0	0	52,874	69.85
GEORGIA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
GUAM	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
HAWAII	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
IDAHO	42	0	0	0	0	0	1,278	0	101	0	0	0	0	1,379	32.83
ILLINOIS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
INDIANA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
IOWA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
KANSAS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
KENTUCKY	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
LOUISIANA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
MAINE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
MARYLAND	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
MASSACHUSETTS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
MICHIGAN	2,673	0	0	0	0	0	93,772	0	0	0	0	0	0	93,772	35.08
MINNESOTA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
MISSISSIPPI	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
MISSOURI	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
MONTANA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
NEBRASKA	367	3,164	0	0	282	0	7,157	3,181	7,217	0	0	0	0	21,001	57.22
NEVADA	350	0	0	0	0	0	3,941	0	2,017	0	0	0	0	5,958	17.02
NEW HAMPSHIRE	167	0	0	0	0	0	5,125	0	0	0	0	0	0	5,125	30.69
NEW JERSEY	561	0	0	0	0	0	838	0	6,455	0	0	0	0	7,293	13.00
NEW MEXICO	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
NEW YORK	746	70,045	0	0	0	0	1,580	0	0	0	0	7,534	0	79,159	106.11
NORTH CAROLINA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
NORTH DAKOTA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
OHIO	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
OKLAHOMA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
OREGON	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
PENNSYLVANIA	414	0	0	0	0	0	22,439	0	64	0	0	0	0	22,503	54.36
PUERTO RICO	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E
RHODE ISLAND	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
SOUTH CAROLINA	22	0	0	0	44	0	0	0	0	0	0	0	0	44	2.00
SOUTH DAKOTA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
TENNESSEE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
TEXAS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
UTAH	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
VERMONT	43	0	0	0	0	0	1,837	0	0	0	0	0	0	1,837	42.72
VIRGIN ISLANDS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
VIRGINIA	597	0	0	0	0	0	19,950	0	0	0	0	0	0	19,950	33.42
WASHINGTON	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
WEST VIRGINIA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
WISCONSIN	7,500	0	0	0	0	0	235,460	0	3,636	0	0	0	0	239,096	31.88
WYOMING	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00

NR = Not reported.

E= Excluded from this report due to data errors.

WEIs with Insufficient Hours

If a WEI does not meet the minimum hourly participation requirements (i.e., he or she has insufficient hours of participation), his or her family cannot be included in the numerator of a State's overall work participation rate (unless another WEI in the family can satisfy fully the minimum requirements).¹¹

Table 10 summarizes the total number of WEIs with insufficient hours that were reported on monthly TANF and SSP data reports, broken down by the number of hours in each countable work activity that were not reported by the State (see Appendix III for definitions of work activities). It shows that States reported a total of 195,904 WEIs (15.3 percent of all WEIs) with insufficient hours to satisfy the work participation requirements. Alaska and Georgia were the only States that reported zero WEIs with insufficient hours of participation.

California reported the largest number of WEIs with insufficient hours of participation (80,413 WEIs, or 16.8 percent of the State's WEIs). Hawaii reported the highest percentage of its State's WEIs as having insufficient hours in a countable activity (43.3 percent). (See Table 5 for percentages).

The total number of insufficient hours of participation in countable work activities was 10,412,930. Nearly half of the "insufficient" hours were in unsubsidized employment, reflecting the extent of part-time employment among WEIs. This also reflects, in part, the fact that in many States, an individual entering full-time employment will lose eligibility for TANF assistance and therefore no longer count in the participation rate calculation. Part-time employment also may be highly variable as work schedules are often unpredictable, making scheduling additional "wrap-around" activities difficult; a State may prioritize helping the parent stay employed, even if only on a part-time basis. Furthermore, California observes:

Insufficient participation is often attributable to situations such as when the employer does not offer enough hours of work to fully meet federal participation requirements, or when part-time employment is unpredictable and varies greatly from month to month.

¹¹ For the two-parent work participation rate, the hours of both WEIs can be included in the numerator of the participation rate calculation.

In some cases, the shortfall in hours might reflect the failure to complete all scheduled hours of participation. If so, some State engagement reports note that these families would be subject to a financial sanction unless they have good cause or are otherwise excused from participation. In addition, other States noted that “insufficient hours” could stem from WEIs not completing their work activity plans and a variety of other reasons. For example, the Tennessee engagement report states:

Insufficient work hours could result from a number of situations beyond client non-cooperation. Our Federal Reporting system does not pro-rate activity requirements in months when an individual begins or exits TANF. Consequently, an individual may begin a full-time work activity in the middle of a month while having, for Federal Reporting purposes, a full month of work requirement hours. Holidays which are not allowed for TANF may close a work site or educational facility, causing a deficit of hours for the month. In addition, Tennessee allows some individuals to operate under a modified work plan with fewer hours.

Job search/job readiness assistance accounted for 1,888,519 hours in this category and vocational educational training accounted for 951,683 hours, nearly 18.1 percent and 9.1 percent of total “insufficient” hours, respectively, reflecting the often part-time nature of these activities. It also highlights that while some States are strategic about whether they report hours in these activities (i.e., they report hours in time-limited activities only when the WEI has sufficient hours to be counted toward the State’s Federal work participation rate), for many States this is apparently not a factor. Indeed, 46 States reported at least some individuals in these categories, even though doing so did not help their participation rate and would count against the individual’s limited hours (job search/job readiness assistance) or months (vocational education training) of countability.

Table 10. Total Number of Insufficient Countable Hours of Participation, by State: March 2011

STATE	WEIs with Insufficient Hours of Participation	Unsubsidized Employment	Subsidized Private Employment	Subsidized Public Employment	Work Experience	On-The-Job Training	Job Search/Job Readiness Assistance	Community Service	Vocational Educational Training	Job Skills Training	Education Directly Related to Employment	Satisfactory School Attendance	Providing Child Care to a Participant in a Community Service Program	Total Insufficient Hours in Countable Work Activities	Average Insufficient, Countable Hours Per WEI With Insufficient Hours
UNITED STATES	195,904	5,039,003	103,045	39,687	692,010	8,137	1,888,519	518,881	951,683	351,339	747,020	73,580	26	10,412,930	53.15
ALABAMA	906	12,854	0	9,640	0	0	8,899	0	9,640	1,813	0	742	0	43,588	48.11
ALASKA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
ARIZONA	1,291	3,653	0	0	2,763	42	2,879	1,940	3,246	1,270	333	857	0	16,983	13.15
ARKANSAS	1,253	6,544	0	0	2,040	27	1,960	80	1,113	0	0	5,220	0	16,984	13.55
CALIFORNIA	80,413	2,173,676	0	0	7,711	0	851,426	150,193	218,795	0	615,031	0	0	4,016,832	49.95
COLORADO	1,350	12,172	0	0	21,301	0	12,742	4,975	4,563	367	717	12,971	0	69,808	51.71
CONNECTICUT	1,562	46,469	0	0	0	0	48,979	1,201	19,753	0	4,805	0	0	121,207	77.60
DELAWARE	282	8,798	0	0	7,457	0	0	0	0	215	0	0	0	16,470	58.40
DIST. OF COL.	115	1,060	0	0	573	0	0	0	0	0	0	0	0	1,633	14.20
FLORIDA	1,827	17,355	0	0	6,223	7,795	15,193	59,771	1,729	38,479	0	2,235	0	148,780	81.43
GEORGIA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
GUAM	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
HAWAII	2,383	6,796	358	102	1,668	1	1,037	511	855	295	134	18	0	11,775	4.94
IDAHO	45	512	0	0	344	0	1,278	0	218	0	0	35	0	2,387	53.04
ILLINOIS	1,062	271	0	0	9,893	0	0	0	0	34	0	0	0	10,198	9.60
INDIANA	4,001	128,900	1,455	0	12,260	35	42,205	140	19,040	1,675	1,195	6,750	0	213,655	53.40
IOWA	4,566	67,628	5,636	0	0	0	44,657	0	39,235	0	143	0	0	157,299	34.45
KANSAS	3,123	66,291	0	0	13,976	0	27,303	1,375	52,210	3,105	491	688	0	165,439	52.97
KENTUCKY	1,288	27,842	715	0	10,402	0	1,278	17,193	9,080	14,448	6,317	0	0	87,275	67.76
LOUISIANA	374	5,712	0	194	3,518	0	675	2,893	10,887	162	0	378	0	24,419	65.29
MAINE	2,738	30,796	0	0	378	0	2,964	4,954	0	0	8,891	662	0	48,645	17.77
MARYLAND	1,833	15,666	0	0	24,948	0	31,396	6,730	12,455	7,155	0	0	0	98,350	53.66
MASSACHUSETTS	2,334	87,697	0	0	0	0	5,413	0	9,055	0	0	0	0	102,165	43.77
MICHIGAN	9,735	324,896	0	13,219	40,420	0	151,400	19,385	40,066	0	0	0	0	589,386	60.54
MINNESOTA	4,150	124,200	0	0	11,095	0	73,482	0	15,533	10,809	0	0	0	235,119	56.66
MISSISSIPPI	874	5,877	0	0	13,775	0	364	5,078	5,066	0	364	0	0	30,524	34.92
MISSOURI	964	1,331	0	0	0	0	8,377	15,647	4,742	0	474	0	0	30,571	31.71
MONTANA	732	10,439	0	695	30,607	0	7,923	5,587	8,780	162	174	683	0	65,050	88.87
NEBRASKA	316	11,930	0	0	872	0	479	3,694	154	0	0	0	0	17,129	54.21
NEVADA	1,274	39,017	0	0	13,977	0	6,754	9,934	4,334	8,618	0	0	0	82,634	64.86
NEW HAMPSHIRE	234	4,823	0	0	440	0	238	2,020	0	1,698	0	204	0	9,423	40.27
NEW JERSEY	1,806	10,009	0	0	10,960	0	0	54	0	2,361	336	0	0	23,720	13.13
NEW MEXICO	1,621	31,453	0	0	17,934	0	18,787	12,684	3,585	373	0	3,407	0	88,223	54.43
NEW YORK	15,481	450,263	0	0	166,177	0	122,123	0	82,627	22,735	31,517	0	0	875,442	56.55
NORTH CAROLINA	445	7,674	0	167	1,667	0	6,604	1,156	2,463	0	0	0	0	19,731	44.34
NORTH DAKOTA	157	4,820	0	38	2,535	0	237	4	729	24	201	30	17	8,635	55.00
OHIO	7,524	266,710	0	0	57,078	0	42,809	0	11,935	19,718	0	0	0	398,250	52.93
OKLAHOMA	666	2,780	0	0	5,954	0	11,897	2,172	14,759	0	0	0	0	37,562	56.40
OREGON	3,284	135,010	0	0	47,871	0	9,728	3,561	23,908	11,700	0	11,191	0	242,969	73.99
PENNSYLVANIA	5,298	157,570	28,430	15,383	0	0	34,055	14,350	79,558	66,405	0	0	0	395,751	74.70
PUERTO RICO	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E
RHODE ISLAND	864	22,345	0	0	1,757	0	17,203	0	3,752	0	0	0	0	45,057	52.15
SOUTH CAROLINA	663	8,260	0	0	4,304	0	13,973	5,454	4,858	0	0	0	0	36,849	55.58
SOUTH DAKOTA	258	3,705	0	0	0	0	1,018	7,235	793	0	1,196	0	0	13,947	54.06
TENNESSEE	11,290	468,770	0	0	27,986	0	132,791	142,770	180,184	70,323	50,692	0	0	1,073,516	95.09
TEXAS	1,671	25,425	0	0	9,679	0	13,958	713	0	0	0	0	0	49,775	29.79
UTAH	1,285	18,977	273	249	11,386	0	0	5,121	4,935	20,896	0	3,804	0	65,641	51.08
VERMONT	258	2,041	0	0	0	0	137	704	5	9	9	9	9	2,923	11.33
VIRGIN ISLANDS	39	0	0	0	3,133	0	193	216	5,129	148	115	0	0	8,934	229.08
VIRGINIA	956	24,131	0	0	0	0	8,123	7,048	8,960	0	0	0	0	48,262	50.48
WASHINGTON	7,131	121,529	66,178	0	1,242	237	96,257	684	20,798	44,440	549	14,969	0	366,883	51.45
WEST VIRGINIA	553	5,042	0	0	2,338	0	9,165	1,654	12,156	0	0	3,387	0	33,742	61.02
WISCONSIN	3,615	29,019	0	0	82,898	0	0	0	0	1,902	23,056	5,340	0	142,215	39.34
WYOMING	14	265	0	0	470	0	160	0	0	0	280	0	0	1,175	83.93

NR = Not reported.

E= Excluded from this report due to data errors.

WEIs with Uncountable Hours Due to Statutory Time Limits on Participation

Where activities are time-limited (such as job search/job readiness assistance and vocational educational training), a State is prohibited by law from counting toward participation rates the hours that exceed the time limit for Federal work participation purposes. Note that States are free to require or allow individuals to participate in these activities beyond the period in which the activities count toward Federal participation rates; the law only restricts the extent to which they can count toward Federal participation rates. Current instructions specify that if the time limit is reached, the State should report “zero hours” in the respective category and that the State may then choose to report the actual hours in “other work activities” on its monthly data reports. However, States are not required to report these hours, and because they receive no work participation credit for these hours, may choose not to do so.

As described above in the introduction of work participation data, the statute limits job search/job readiness assistance participation to no more than six weeks per year (12 weeks when the State meets a “needy State” definition),¹² and vocational educational training to a lifetime limit of 12 months for any individual for participation rate purposes.¹³

Table 11 summarizes the total number of WEIs with uncountable hours due to statutory time limits on participation, broken down by the number of hours in each countable work activity that were not reported by the State (see Appendix III for definitions of work activities).¹⁴ It shows that 32 States reported having a total of 29,464 WEIs (2.3 percent of all WEIs) participating in time-limited activities beyond a statutory limit.

¹² The final rule implementing the DRA defined one week equal to 20 hours for a WEI who is a single custodial parent with a child under six years of age and equal to 30 hours for all other WEIs. Thus, six weeks of job search/job readiness assistance equates to 120 hours for the first group and 180 hours for all others. For those months in which a State can count 12 weeks of this activity, these limits are 240 hours and 360 hours, respectively.

¹³ For individuals age 20 and over, the principal way that postsecondary education can count as a “core” TANF activity is as vocational educational training, which is subject to a 12-month lifetime limit for the State to count as participation. In addition, for parents under 20, postsecondary education can count as a core activity as “education directly related to employment.”

¹⁴ As noted above, the table does not capture the 30 percent limit that applies to vocational educational and teen education activities, but only the 12-month lifetime limit on vocational educational training.

California reported the largest number of WEIs participating in time-limited activities beyond the statutory limit (6,337 WEIs, or 1.3 percent of the State's WEIs). Washington reported the highest percentage of its State's WEIs as having insufficient hours in a countable activity (7.4 percent). (See Table 5 for percentages). It is possible that States reported zero WEIs in this category because the data has never been collected since there is no reason to do so. Montana explains that it "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."

Nationally, the total number of hours beyond the statutory limit reported by States was 1,554,041 hours, with most of these hours in job search/job readiness assistance (1,262,408 hours). This is not surprising given that this involves one of the more commonly used TANF activities and it has the shortest time limit. The remaining 291,633 hours beyond the limit are in vocational educational training.

The effect of these limits may be understated for several reasons. First, most job readiness assistance activities also can be classified as non-countable activities that move a family toward self-sufficiency. For example, some States could consider treatment activities to be "job readiness assistance" if offered within the activity's statutory time limits, or "beyond the statutory limit" otherwise, while others may classify them as "non-countable activity that moves a family toward self-sufficiency." In such circumstances, the activity would not count regardless of the classification. Second, a State may choose not to verify the hours, because they would not count, so some of the hours also could be classified as "hours of participation that do not meet the verification standards" or simply as "unreported hours."

In their submissions to HHS, some States suggested that the time limits be expanded or eliminated to better reflect a State's efforts in moving a family toward self-sufficiency. For example, Vermont stated, "The current [statutory] limitations mask the efforts of WEIs to gain employment and the state's efforts to support them in seeking and preparing for work; there is no official recognition of these efforts."

Other States noted administrative problems in tracking these time-limited provisions. For example, Indiana's engagement report described a problem related to the lifetime limit for counting participation in vocational educational training:

Most individuals have been attending classes on and off for several years. In the spring of 2010, the Division of Family Resources implemented a new case management system to track assigned work activity hours and participation. Unfortunately, information of prior months of vocational training was not loaded into the new system. As such, case managers were unaware that the individual has exceeded the twelve-month limit.

While the State will rectify this problem, this example highlights how the complexity of some existing provisions can lead to data error.

Table 11. Total Number of Uncountable Hours due to Statutory Time Limits on Participation, by State:
March 2011

STATE	WEIs with Uncountable Hours Due to Statutory Time Limits on Participation	Job Search/Job Readiness Assistance	Vocational Educational Training	Total Hours in Countable Activities Beyond Statutory Limits	Average Hours of Participation Beyond Limit
UNITED STATES	29,464	1,262,408	291,633	1,554,041	52.74
ALABAMA	0	0	0	0	0.00
ALASKA	0	0	0	0	0.00
ARIZONA	0	0	0	0	0.00
ARKANSAS	0	0	0	0	0.00
CALIFORNIA	6,337	269,310	0	269,310	42.50
COLORADO	131	11,912	0	11,912	90.93
CONNECTICUT	225	4,580	0	4,580	20.36
DELAWARE	0	0	0	0	0.00
DIST. OF COL.	0	0	0	0	0.00
FLORIDA	614	3,984	7,795	11,779	19.18
GEORGIA	0	0	0	0	0.00
GUAM	NR	NR	NR	NR	NR
HAWAII	80	652	30	682	8.53
IDAHO	2	150	0	150	75.00
ILLINOIS	0	0	0	0	0.00
INDIANA	248	3,820	1,930	5,750	23.19
IOWA	357	0	37,595	37,595	105.31
KANSAS	312	8,502	0	8,502	27.25
KENTUCKY	9	0	89	89	9.89
LOUISIANA	0	0	0	0	0.00
MAINE	397	0	11,077	11,077	27.90
MARYLAND	222	6,178	0	6,178	27.83
MASSACHUSETTS	0	0	0	0	0.00
MICHIGAN	2,152	134,343	0	134,343	62.43
MINNESOTA	215	22,262	0	22,262	103.54
MISSISSIPPI	0	0	0	0	0.00
MISSOURI	0	0	0	0	0.00
MONTANA	0	0	0	0	0.00
NEBRASKA	144	342	13,055	13,397	93.03
NEVADA	49	0	4,584	4,584	93.55
NEW HAMPSHIRE	0	0	0	0	0.00
NEW JERSEY	1,012	5,607	10,119	15,726	15.54
NEW MEXICO	18	355	0	355	19.72
NEW YORK	4,012	148,890	36,602	185,492	46.23
NORTH CAROLINA	0	0	0	0	0.00
NORTH DAKOTA	7	81	162	243	34.71
OHIO	1,816	103,778	60,710	164,488	90.58
OKLAHOMA	101	13,514	0	13,514	133.80
OREGON	2,082	88,001	6,613	94,614	45.44
PENNSYLVANIA	765	43,884	0	43,884	57.36
PUERTO RICO	E	E	E	E	E
RHODE ISLAND	65	4,251	191	4,442	68.34
SOUTH CAROLINA	43	1,278	0	1,278	29.72
SOUTH DAKOTA	0	0	0	0	0.00
TENNESSEE	3,524	122,301	40,205	162,506	46.11
TEXAS	0	0	0	0	0.00
UTAH	379	0	845	845	2.23
VERMONT	76	788	0	788	10.37
VIRGIN ISLANDS	0	0	0	0	0.00
VIRGINIA	717	80,040	0	80,040	111.63
WASHINGTON	3,258	183,605	43,631	227,236	69.75
WEST VIRGINIA	95	0	16,400	16,400	172.63
WISCONSIN	0	0	0	0	0.00
WYOMING	0	0	0	0	0.00

NR = Not reported.

E= Excluded from this report due to data errors.

WEIs with Hours that Do Not Meet Verification Standards

In order for an hour of participation in a work activity to count towards meeting an individual's work requirements, it must be verified.

Under the original TANF law and implementing regulations, HHS chose not to define the 12 statutory work activities but instead provided program design flexibility to States. Similarly, there were few guidelines on many other aspects of the work participation rate calculation, including the counting and verification of hours of participation.

The DRA required each State to establish and maintain work participation verification procedures through a Work Verification Plan. Accordingly, with the publication of the final rule on February 5, 2008, each State was required to: (1) determine which work activities may count for participation rate purposes; (2) determine how to count and verify reported hours of work; and (3) identify who is a WEI. The State also must develop and use internal controls to ensure compliance with its procedures and submit them in a complete Work Verification Plan to the Secretary for approval. The purpose of the Work Verification Plan is to ensure that States report participation data that is consistent with the law and regulations and that States adequately verify the accuracy of that participation data.

Table 12 summarizes the total number of hours of reported participation that did not meet verification standards, broken down by countable work activity (see Appendix III for definitions of work activities). Nationally, 26 States reported WEIs with unverified hours, with 70,323 WEIs (5.5 percent of WEIs) reporting 5,109,821 unverified hours.

California reported the largest number of WEIs with hours that do not meet verification standards (33,718 WEIs, or 7.1 percent of the State's WEIs), while Washington reported the highest percentage of its WEIs as having insufficient hours in a countable activity (30.9 percent). (See Table 5 for percentages).

States have often asserted that the existing verification requirements are onerous and lead to uncounted hours of participation. Several examples from the State engagement reports illustrate these concerns:

- Alabama: "...a client is not countable in the work participation rate until after the first pay check is received by the client and submitted to [Department of Human Resources]. 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 requirements."
- Alaska: "A parent receiving TANF gets a new job. Unsubsidized Employment meets the definition of a countable activity. However, if the Division of Public Assistance and/or its Work Services (case management) Provider have not yet received collateral verification from the employer or its representative documenting the number of hours the parent has worked or has been hired to work per week, then the activity is not verified as per regulation."

The data submitted in response to the Claims Resolution Act requirements may understate the number of States and WEIs with unverified hours of participation, because States and/or their vendors typically do not collect information about non-verified hours of participation and there is little incentive to invest resources in doing so. Indeed, there are likely circumstances in all States that preclude verifying all hours of participation, yet 28 States did not report any individuals with unverified hours of participation. On the other hand, the number of unverified hours may be artificially overstated in comparison to the regular TANF data reporting because of the very short timeframe imposed on them by the Claims Resolution Act; several States reported difficulties in verifying all the hours by the established timeframe for the ACF-812.

For example, the Pennsylvania report describes the challenges associated with verification problems as follows:

While the timeframe for completing the ACF-812 was very short and it is possible some of the required documentation will eventually be obtained, the number of hours reported in this category speaks to the high level of difficulty states have in meeting the current federally mandated documentation requirements. States expend a high level of resources to try to obtain the very difficult level of verification required federally and often to no avail.

Similarly, California officials noted:

Due to the abbreviated reporting time frame for collection of the March 2011 data sample, it was particularly challenging to verify participation, as it limited the opportunity for counties to recall and resubmit data. Additionally, the onerous nature of the current standards prevents verification from being achieved even when additional time to report is allowed. For example, paychecks often do not include hours worked, and therefore creates additional challenges requiring further follow up. [This data collection] validates the need for the federal verification standards to be reexamined, specifically the administrative reporting challenges inherent in the verification requirements, as close to 10 percent of the total work-eligible individuals had unverifiable hours for the month of March 2011, in countable activities.

Table 12. Total Number of Hours of Participation That Do Not Meet the Verification Standards, by State: March 2011

STATE	WEIs with Hours of Participation That Do Not Meet the Verification Standards	Unsubsidized Employment	Subsidized Private Employment	Subsidized Public Employment	Work Experience	On-The-Job Training	Job Search/Job Readiness Assistance	Community Service	Vocational Educational Training	Job Skills Training	Education Directly Related to Employment	Satisfactory School Attendance	Providing Child Care to a Participant in a Community Service Program	Total Hours in Countable Activities That Do Not Meet the Verification Standard	Average Non-Verified Hours of Participation Per WEI with Non-Verified Hours
UNITED STATES	70,323	2,021,993	274,547	706	143,658	25,966	761,241	82,639	1,182,343	348,639	30,556	236,790	743	5,109,821	72.66
ALABAMA	494	52,980	0	0	0	0	0	0	0	0	0	0	0	52,980	107.25
ALASKA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
ARIZONA	10	105	0	0	30	0	38	0	113	0	0	0	0	286	28.60
ARKANSAS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
CALIFORNIA	33,718	1,027,691	4,687	0	7,711	0	392,875	0	694,249	199,517	0	0	0	2,326,730	69.01
COLORADO	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
CONNECTICUT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
DELAWARE	134	1,100	0	0	268	0	2,132	0	1,676	0.00	0	268	0	5,444	40.63
DIST. OF COL.	258	8,392	0	0	916	0	2,234	0	4,983	0	0	3,408	0	19,933	77.26
FLORIDA	196	9,018	0	0	0	0	3,431	0	0	0	0	0	0	12,449	63.52
GEORGIA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
GUAM	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
HAWAII	36	78	0	0	105	0	36	16	64	9	10	1	0	319	8.86
IDAHO	30	106	0	0	33	0	241	8	4	0	0	3	0	395	13.17
ILLINOIS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
INDIANA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
IOWA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
KANSAS	566	0	0	0	82	0	10,116	0	3,193	2,235	0	0	0	15,626	27.61
KENTUCKY	708	9,685	1,018	0	15,654	0	2,126	23,957	15,726	1,824	1,513	1,715	0	73,218	103.42
LOUISIANA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
MAINE	3,026	3,493	0	0	0	0	3,733	326	2,092	0	388	122	0	10,154	3.36
MARYLAND	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
MASSACHUSETTS	2,953	82,716	0	0	0	0	52,728	0	83,055	7,981	0	0	0	226,480	76.69
MICHIGAN	2,916	0	0	0	12,297	24,594	17,523	6,763	60,254	0	0	76,382	0	197,813	67.84
MINNESOTA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
MISSISSIPPI	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
MISSOURI	331	10,273	0	0	13,118	0	0	0	0	3,161	0	0	0	26,552	80.22
MONTANA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
NEBRASKA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
NEVADA	289	15,247	0	706	0	0	544	0	1,204	0	0	2,440	0	20,141	69.69
NEW HAMPSHIRE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
NEW JERSEY	88	0	0	0	0	0	0	0	2,282	0	0	0	0	2,282	25.93
NEW MEXICO	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
NEW YORK	5,624	223,166	0	0	474	0	25,924	10,270	59,200	0	10,776	81,898	0	411,708	73.21
NORTH CAROLINA	99	0	0	0	0	0	0	0	379	0	0	3,466	0	3,845	38.84
NORTH DAKOTA	13	50	0	0	34	0	36	0	0	33	2	0	0	155	11.92
OHIO	1,297	0	0	0	2,076	0	21,793	0	20,237	38,917	0	0	0	83,023	64.01
OKLAHOMA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
OREGON	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
PENNSYLVANIA	3,466	12,197	9,467	0	56,098	0	2,104	23,392	22,084	5,610	13,767	418	0	145,137	41.87
PUERTO RICO	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E
RHODE ISLAND	183	0	0	0	0	0	18,280	0	0	0	0	0	0	18,280	99.89
SOUTH CAROLINA	213	0	0	0	0	852	4,261	0	5,965	0	0	0	0	11,078	52.01
SOUTH DAKOTA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
TENNESSEE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
TEXAS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
UTAH	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
VERMONT	9	0	0	0	0	0	0	0	0	0	1,202	0	1,202	133.56	
VIRGIN ISLANDS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
VIRGINIA	119	0	0	0	0	0	0	3,584	0	0	0	0	0	3,584	30.12
WASHINGTON	13,547	565,696	259,375	0	34,762	520	201,086	14,323	207,865	90,231	939	65,467	743	1,441,007	106.37
WEST VIRGINIA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
WISCONSIN	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
WYOMING	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00

NR = Not reported.

E= Excluded from this report due to data errors.

WEIs with Hours in Non-Countable Activities

As described above, the law specifies the activities that count toward the participation rates, and imposes certain restrictions on when activities can count. Yet many States have indicated that they engage WEIs in a many other activities that they are not currently able to count toward the work participation rate, but that nevertheless move the family toward self-sufficiency. In addition, an individual may be in a self-initiated activity, e.g., an education program, that does not count toward the participation rate requirements, but that may help the individual move toward self-sufficiency.

Non-countable engagement activities that promote self-sufficiency include a variety of activities that cannot generally be counted as “core” activities: obtaining a high school diploma or GED; adult basic education/English as a Second Language¹⁵; post-secondary education; treatment activities (e.g., physical or mental health services, substance abuse treatment, domestic violence services, attending to physical or mental health disabilities or conditions); family life skills activities (e.g., teen parent skill-building, parenting programs, mentoring, personal development activities, organizations skills workshops, and financial literacy/budgeting workshops); accessing work support activities (e.g., finding and arranging childcare, obtaining a driver’s license); and in assessment (i.e., the process of identifying a WEI’s skills, goals, needs, and any barriers to employment).

Table 13 summarizes the total number of hours of participation in non-countable activities that move families toward self-sufficiency by the type of activity in which the WEI was engaged. Thirty-three States reported 71,323 WEIs (5.6 percent of WEIs) with hours of participation in non-countable activities that move families toward self-sufficiency.

Oregon reported the largest number of WEIs with non-countable hours (14,391 WEIs, or 47.6 percent of the State’s WEIs). Wisconsin reported the highest percentage of its State’s WEIs as having hours in non-countable activities that move a family toward self-sufficiency (47.8 percent). (See Table 5 for percentages).

¹⁵ Basic education and English as a Second Language are not stand-alone core activities under the TANF statute, but they can count under vocational educational training, if they are a necessary and regular part of the work activity; they also can count under education directly related to employment (a non-core activity). Furthermore, a State may count up to one year of post-secondary education as vocational education training.

Again, it is likely that some of the differences among States stem from differences in the extent to which such activities are tracked effectively.

The total number of hours of participation in non-countable activities that move families toward self-sufficiency reported by States was 2,198,744. Three activities accounted for over 85 percent of the hours spent in these activities:

- 36.1 percent for activities related to obtaining a high school diploma or GED;
- 31.3 percent of these hours were in treatment activities; and
- 18.6 percent for family life skills activities.

States also were able to list other types of non-countable activities in which they are engaging families in order to move them toward self-sufficiency. Other activities frequently listed included “working on a family issue;” extended care of a family member; attending jury duty or a court date; conducting a housing search; completing court mandated activities, e.g., probation or child welfare; receiving intensive in-home services or case management; going to doctor appointments; providing child care; and obtaining a medical evaluation.

When specifying other non-countable activities, States also listed uncountable job search/job readiness assistance and vocational educational training as an uncountable activity that moves a family toward self-sufficiency; thus, there may be some inconsistencies in reporting between States as it is possible that many States only reported these hours as “hours of participation beyond the statutory limit,” and not also as “hours of participation in non-countable activities that move the family toward self-sufficiency.”

These data may understate the number of WEIs with participation in non-countable activities, because States and/or their vendors typically do not collect information about such activities and there is little incentive to invest resources in doing so. As New Hampshire explained:

This is a significant change for field staff. We were not able to set this new expectation for field staff until May of this year, so March data did not get entered into the computer system. Unfortunately, for the month of March, we are not able to fully document all the

efforts our families make to move towards self-sufficiency. It is expected that we will see non-countable hours reported in the quarterly submission of this data due in August of this year.

Similarly, officials in Nevada observed:

It is important to note States have not been required to report on non-countable activities or non-reported countable activities prior to this date. This was a new concept for our staff in March and may have resulted in underreporting of some activity hours. Additional clarification has been provided to staff for the upcoming report period. In addition, our employment and training case management system utilized to collect TANF Data Reporting data is not designed to capture this additional data, nor was there sufficient time and resources to modify the system. All data for this report was reported and collated manually.

And, in Georgia:

The new requirement for States to record hours of non-countable activities that move the family toward self-sufficiency have been documented by Georgia, but have not been a part of its reporting requirements. What that means is that these non-countable activities although documented by the local County DFCS Field staff, the State does not have coding system or structured report that captures this data, so Georgia will not be able to report those hours to the [HHS].

Georgia is expecting to better document and report the hours for non-countable activities in the near future. Local County DFCS Field staff work diligently to gather paper verifications for the hours clients participate in countable activities.

Table 13. Total Number of Hours of Participation in Non-Countable Activities that Move the Family toward Self-Sufficiency, by State: March 2011

STATE	WEIs with Hours of Participation in Non-Countable Activities That Move a Family Toward Self-Sufficiency	High School or GED	Adult Basic Education	Post-Secondary Education	Treatment Activities	Family Life Skills Activities	Accessing Work Support Activities	In Assessment	Other	Total Hours in Non-Countable Activities That Move a Family Toward Self-Sufficiency	Average Hours of Participation in Activities That Move a Family Toward Self-Sufficiency
UNITED STATES	71,323	792,826	49,985	60,885	687,239	408,303	69,136	75,898	54,472	2,198,744	30.83
ALABAMA	412	0	0	17,880	0	0	0	0	15,161	33,041	80.20
ALASKA	0	0	0	0	0	0	0	0	0	0	0.00
ARIZONA	789	1,794	549	0	142	2,458	0	72	7,142	12,157	15.41
ARKANSAS	0	0	0	0	0	0	0	0	0	0	0.00
CALIFORNIA	8,264	348,518	0	0	0	0	0	33,058	1,928	383,504	46.41
COLORADO	716	12,853	645	0	2,035	0	0	245	0	15,778	22.04
CONNECTICUT	385	0	0	0	0	2,628	68	1,172	0	3,868	10.05
DELAWARE	0	0	0	0	0	0	0	0	0	0	0.00
DIST. OF COL.	0	0	0	0	0	0	0	0	0	0	0.00
FLORIDA	2,603	0	1,621	0	0	0	113	11,090	0	12,824	4.93
GEORGIA	0	0	0	0	0	0	0	0	0	0	0.00
GUAM	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
HAWAII	53	0	0	107	15	0	0	178	0	300	5.66
IDAHO	76	0	0	0	18	0	0	0	8,243	8,261	108.70
ILLINOIS	0	0	0	0	0	0	0	0	0	0	0.00
INDIANA	0	0	0	0	0	0	0	0	0	0	0.00
IOWA	143	0	0	0	0	499	0	0	0	499	3.49
KANSAS	3,128	0	1,031	0	58,150	748	0	2,925	0	62,854	20.09
KENTUCKY	139	0	453	0	4,338	0	0	0	0	4,791	34.47
LOUISIANA	457	0	0	324	1,466	507	222	343	1,044	3,906	8.55
MAINE	13	32	177	0	0	0	0	0	0	209	16.08
MARYLAND	0	0	0	0	0	0	0	0	0	0	0.00
MASSACHUSETTS	96	0	0	0	4,110	0	0	902	0	5,012	52.21
MICHIGAN	74	1,117	0	0	0	0	0	0	0	1,117	15.09
MINNESOTA	859	0	0	0	1,861	429	0	1,646	1,646	5,582	6.50
MISSISSIPPI	0	0	0	0	0	0	0	0	0	0	0.00
MISSOURI	0	0	0	0	0	0	0	0	0	0	0.00
MONTANA	275	0	0	0	5,304	7,044	0	0	0	12,348	44.90
NEBRASKA	8	0	0	1,084	0	0	0	0	0	1,084	135.50
NEVADA	968	903	722	0	5,173	46	211	995	1,378	9,428	9.74
NEW HAMPSHIRE	0	0	0	0	0	0	0	0	0	0	0.00
NEW JERSEY	0	0	0	0	0	0	0	0	0	0	0.00
NEW MEXICO	0	0	0	0	0	0	0	0	0	0	0.00
NEW YORK	11,703	247,247	0	24,015	31,284	0	16,157	9,403	17,138	345,244	29.50
NORTH CAROLINA	194	9,298	0	0	0	0	568	164	0	10,030	51.70
NORTH DAKOTA	14	88	47	0	144	4	14	0	85	382	27.29
OHIO	2,335	0	0	0	25,945	4,929	0	0	0	30,874	13.22
OKLAHOMA	372	0	30,179	0	0	0	0	0	0	30,179	81.13
OREGON	14,391	2,798	0	0	953	5,716	0	0	0	9,467	0.66
PENNSYLVANIA	6,437	128,877	1,234	17,243	37,647	65,102	11,719	127	0	261,949	40.69
PUERTO RICO	E	E	E	E	E	E	E	E	E	E	E
RHODE ISLAND	0	0	0	0	0	0	0	0	0	0	0.00
SOUTH CAROLINA	0	0	0	0	0	0	0	0	0	0	0.00
SOUTH DAKOTA	0	0	0	0	0	0	0	0	0	0	0.00
TENNESSEE	0	0	0	0	0	0	0	0	0	0	0.00
TEXAS	0	0	0	0	0	0	0	0	0	0	0.00
UTAH	504	20,784	3,605	0	18,037	796	1,181	7,087	0	51,490	102.16
VERMONT	715	0	129	232	3,260	1,233	1,125	712	500	7,191	10.06
VIRGIN ISLANDS	0	0	0	0	0	0	0	0	0	0	0.00
VIRGINIA	119	18,517	0	0	0	0	0	0	0	18,517	155.61
WASHINGTON	8,217	0	9,593	0	30,705	253,749	7,175	5,640	10	306,872	37.35
WEST VIRGINIA	155	0	0	0	0	1,034	963	139	32	2,168	13.99
WISCONSIN	6,693	0	0	0	453,742	61,381	29,620	0	165	544,908	81.41
WYOMING	16	0	0	0	2,910	0	0	0	0	2,910	181.88

NR = Not reported.

E= Excluded from this report due to data errors.

Conclusions for Engagement Reporting

The data collection provided by the ACF-812 provided a more comprehensive understanding of how States are engaging WEIs on their caseloads and applying different methods (outside of the Federal work participation structure) for moving a family towards self-sufficiency; we also gained some clarity as to why some WEIs have zero hours of participation. Taking Pennsylvania as an example, it explains:

In addition to the clients that would meet the current WPR goals if the hours from the ACF-812 were countable toward the WPR, the data gives a broader picture of the overall activities of TANF clients. Many more TANF clients are participating in activities that move them toward self-sufficiency than the narrowly defined WPR requirements would lead one to believe, and this raises long-standing and unresolved questions regarding a fair and accurate method of measuring if and how TANF families are moving themselves toward self-sufficiency.

New York reflected similarly, stating:

Using the approach above, we see a picture of work activity in New York showing substantially more persons engaged in work activities than would be implied by a strict application of the federal work participation rate as a standard of engagement. Here, we found that the percentage of persons engaged in activities increased from 22.5 percent using the federal standard, to 55.5 percent when partial participation, or participation in activities either over the federal allowable time limits, not meeting documentation standards, not reported in the normal federal reporting or not allowed under federal statute, are considered. Further, for another 39.4 percent there is a specific reason for nonparticipation, primarily persons sanctioned or in the process of being sanctioned for failure to engage in work activities, or those exempt from participation. Overall, only 5.1 percent of WEIs are not participating at all without an enumerable reason for their non-participation.

Future Research on Participation and Engagement

The Office of Planning, Research and Evaluation at the Administration for Children and Families will begin a study in October 2011 to describe the circumstances surrounding non-participation in work activities in selected States reflected in data reported to OFA. The objective of the study will be to explain the circumstances of individuals who have no hours of participation and the principal reasons for such non-participation. The research will entail field research in selected States, with a goal of providing additional insight into these issues. HHS plans to issue a report from the study in the summer of 2012.

TANF FINANCIAL DATA

Each year, States receive TANF grants set at about \$16.5 billion total per year. The law establishing TANF also created two additional funding streams: (1) supplemental grants for States with high population growth or low welfare grants (\$319 million per year for the 17 States that have qualified for these grants)¹⁶; and (2) a \$2 billion Contingency Fund for States that experienced rising unemployment rates or food stamp (now SNAP) caseloads.¹⁷ In addition, the American Recovery and Reinvestment Act of 2009 (ARRA) created an additional Emergency Contingency Fund, which provided up to \$5 billion for FY 2009 and FY 2010 for jurisdictions that experienced an increase in assistance caseloads or certain types of expenditures. States are also required to meet a “maintenance-of-effort (MOE) requirement” by demonstrating spending for low-income families with children, of at least 80 percent of the amount of State funds used in FY 1994 for AFDC and related child care and training programs (about \$11 billion, nationally). (The “MOE requirement” is reduced to 75 percent for a State if it meets its work participation rate requirements for the year).

TANF funds can be spent on “assistance” and “non-assistance.” “Assistance” includes cash and other benefits designed to meet a family’s ongoing basic needs. The major TANF program requirements (e.g., work requirements, time limits on Federal assistance, and data reporting) apply only to families receiving “assistance.” “Non-assistance” benefits are those that do not fall within the definition of assistance, and include expenditures such as child care, transportation, and other work supports provided to employed families, non-recurrent short-term benefits, Individual Development Accounts, refundable earned income tax credits, work subsidies to employers, and services such as education and training, case management, job search, and counseling. In FY 2009, total Federal TANF and State MOE expenditures on “assistance” amounted to \$10.8 billion, compared with \$19.7 billion that was spent on “non-assistance.”

¹⁶ These grants were extended through June 30, 2011, resulting in a total of \$211 million being available for FY 2011.

¹⁷ The Continuing Appropriations Act, 2011, appropriated to the fund \$506 million in FY 2011 and \$612 million in FY 2012. Subsequently, the FY 2011 appropriation was reduced to \$334 million by the Claims Resolution Act of 2010.

Financial Data Reporting Requirements

States are required to submit quarterly reports to HHS summarizing the amount and purposes for which TANF and State MOE funds were spent. The ACF-196 Federal reporting form is due 45 days after the end of the reporting quarter, although States often make adjustments or corrections to this data after the deadline. The form requires reporting of five types of expenditures: (1) Federal TANF expenditures, (2) MOE State expenditures in TANF, (3) MOE expenditures in separate State programs, (4) Federal Contingency Fund expenditures, and (5) Federal Emergency Contingency Fund expenditures (beginning with FY 2009). These expenditures are divided into two primary sections: “assistance” and “non-assistance,” as described in Table 14 below. The table includes line references to each type of expenditure.

Table 14: TANF ACF-196 Reporting Categories for Assistance and Non-assistance Expenditures	
Assistance Expenditures (Line 5)	Non-assistance Expenditures (Line 6)
Basic assistance (line 5.a.)	Work related activities (line 6.a.)
Child care (for those not employed) (line 5.b.)	Child care (line 6.b.)
Transportation and other supportive services (for those not employed) (line 5.c.)	Transportation (line 6.c.)
Authorized solely under prior law (line 5.d.)	Individual Development Accounts (line 6.d.)
	Refundable Earned Income Tax Credit (line 6.e.)
	Other refundable tax credits (line 6.f.)
	Non-recurrent short-term benefits (line 6.g.)
	Prevention of out-of-wedlock pregnancies (line 6.h.)
	Two-parent family formation and maintenance (line 6.i.)
	Administration (line 6.j.)
	Systems (line 6.k.)
	Authorized solely under prior law (line 6.l.)
	Other (line 6.m.)

The Claims Resolution Act required additional State reporting concerning two categories for which there is only limited reported information – “other non-assistance” (line 6.m.) and “authorized solely under prior law” (lines 5.d. and 6.l.), which may be either “assistance” or “non-assistance.”

“Other non-assistance” involves expenditures that meet a TANF purpose, but do not fall within the definition of “assistance” or any other listed category. In FY 2009, this accounted for \$4.6 billion in total Federal and State MOE expenditures. As an addendum to the 4th quarter report, States must provide a narrative description of the activities and associated expenditures for such “other” expenditures, although this reporting has often been incomplete. Nevertheless, these

reports suggest that States have used funds reported in this category for a wide variety of benefits and services, including child welfare services, diversion, emergency assistance, substance abuse treatment, services for victims of domestic violence, before- and after-school initiatives, and payments to food banks and homeless shelters.

Expenditures “authorized solely under prior law” do not meet a TANF purpose, but are allowed pursuant to Section 404(a)(2) of the Social Security Act, which permits States to use TANF funds in any manner that was allowed under the prior Title IV-A (the Aid to Families with Dependent Children [AFDC] Program) or IV-F (Job Opportunities and Basic Skills Training Program) on September 30, 1995, or at State option, August 21, 1996.¹⁸

In FY 2009, this category accounted for about \$1.7 billion in total Federal expenditures, with \$600 million for assistance and \$1.1 billion for non-assistance. (MOE expenditures cannot be used for assistance or non-assistance “authorized solely under prior law” category). States reporting expenditures on these lines (i.e., 5.d. or 6.l.) must include a footnote explaining the nature of these benefits and reference the State plan provision under which they were authorized; however, this reporting also has been frequently incomplete. This category mainly involves juvenile justice and non-relative foster care expenditures that were permissible under Emergency Assistance Programs in effect at the time that AFDC was repealed.

Financial Data Trends in Past Years

Historical data provides information concerning trends in the amount of TANF and MOE spending for “other” non-assistance and expenditures “authorized solely under prior law.” Use of TANF funds for “other” non-assistance grew between FY 1997 and FY 2000, but spending in this category has changed little since that time. MOE spending for “other” non-assistance has fluctuated over time, but grew from \$808 million in FY 2004 to \$2.6 billion in FY 2009.

The first year of reported spending for activities “authorized solely under prior law” (both assistance and non-assistance) was in FY 1999, when it accounted for less than one percent of

¹⁸ For example, if a State's approved AFDC plan as of September 30, 1995, allowed it to assist children in the juvenile justice system, then it may continue to use TANF funds for such activities even though the child is not living with a parent or other adult caretaker relative.

total TANF and MOE spending. Since FY 2000, spending in this category has remained virtually stable, growing just one-tenth of one percent of total spending - from \$1.2 billion in FY 2000 (4.9 percent of total TANF and MOE spending, including transfers to Social Services Block Grant and Child Care Development Fund) to \$1.7 billion in FY 2009 (5.0 percent of total TANF and MOE spending, including transfers to Social Services Block Grant and Child Care Development Fund).

Table 16

Total Annual Expenditure Data for United States reported in "Other" and Assistance and Non-assistance "Authorized Solely Under Prior Law" (ASUPL) Categories

YEAR	"Other" Non-Assistance Federal	"Other" Non-Assistance MOE	Total "Other" Non-Assistance	Assistance ASUPL	Non-Assistance ASUPL	Total ASUPL	Total
1997	\$838,088,425	\$940,631,420	\$1,778,719,845	\$0	\$0	\$0	\$1,778,719,845
1998	\$1,451,662,579	\$1,373,984,825	\$2,825,647,404	\$0	\$0	\$0	\$2,825,647,404
1999	\$1,791,154,357	\$1,668,315,530	\$3,459,469,887	\$28,844,617	\$0	\$28,844,617	\$3,488,314,504
2000	\$1,090,607,332	\$877,950,658	\$1,968,557,990	\$900,339,325	\$324,699,801	\$1,225,039,126	\$3,193,597,116
2001	\$2,068,830,649	\$1,085,291,179	\$3,154,121,828	\$960,272,045	\$665,359,544	\$1,625,631,589	\$4,779,753,417
2002	\$1,743,911,551	\$1,018,163,552	\$2,762,075,103	\$1,022,435,536	\$768,881,717	\$1,791,317,253	\$4,553,392,356
2003	\$1,947,499,286	\$941,242,525	\$2,888,741,811	\$801,605,456	\$844,918,075	\$1,646,523,531	\$4,535,265,342
2004	\$2,035,405,641	\$808,404,549	\$2,843,810,190	\$817,146,702	\$973,776,280	\$1,790,922,982	\$4,634,733,172
2005	\$1,831,754,572	\$969,867,473	\$2,801,622,045	\$592,848,551	\$945,359,998	\$1,538,208,549	\$4,339,830,594
2006	\$1,786,988,636	\$1,324,736,275	\$3,111,724,911	\$563,112,172	\$749,946,846	\$1,313,059,018	\$4,424,783,929
2007	\$1,936,346,582	\$1,478,291,375	\$3,414,637,957	\$701,019,338	\$813,695,475	\$1,514,714,813	\$4,929,352,770
2008	\$1,785,028,480	\$1,971,528,861	\$3,756,557,341	\$519,498,379	\$1,102,726,164	\$1,622,224,543	\$5,378,781,884
2009	\$1,936,568,075	\$2,633,080,996	\$4,569,649,071	\$575,016,148	\$1,091,569,269	\$1,666,585,417	\$6,236,234,488

Together, these categories comprised over \$6.2 billion, or 18.6 percent of total TANF and MOE spending in FY 2009.

Given these trends, it is important that we gain a better understanding of how States are actually spending Federal TANF and State MOE funds reported in these categories.

Prior Research on Financial Data

In FY 2008, HHS's Office of Planning Research and Evaluation contracted with MPR to examine how States were spending Federal TANF funds reported as "other" and "authorized

solely under prior law” on the ACF-196, the TANF financial reporting form, in FY 2007.¹⁹ MPR collected data from 47 States about key spending areas, 28 of whom provided dollar amounts as well. The report identified the following key spending areas:

- Child welfare, such as in-home services/family preservation, child protective services, foster care/kinship care, and adoption services (31 States).
- Personal supports, such as mental health and addiction services, health/disabilities services, and domestic violence services (24 States).
- Emergency assistance, such as housing, energy, food, clothing, and transportation (20 States).
- Education and prevention programs, such as education and youth programs, teen pregnancy prevention, and early childhood care and education (19 States).
- Miscellaneous activities, such as services to special populations, employment services and work supports, funds to faith-based and community organizations, marriage/parenting initiatives, child support, and adult/postsecondary education (33 States).

MPR noted that the ACF-196 provides several broad categories for State reporting (see Table 14 above), but some types of expenditures can be listed in more than one category, depending on how the State views the purpose of the expenditures. For example, some States have classified early childhood education programs as “child care,” while others have classified them in the “other” category because they consider the activities to go beyond the provision of child care to include educational instruction and other activities.²⁰

Claims Resolution Act Financial Data Reporting

On February 14, 2011, HHS issued a Program Instruction (TANF-ACF-PI-2011-04) and a new reporting form -- the Detailed Expenditure Form: ACF-196 Supplement (ACF-196(SUP)) -- to implement the spending-related requirements of the Claims Resolution Act. States are required

¹⁹ "Understanding Two Categories of TANF Spending: 'Other' and 'Authorized Under Prior Law'." Washington, DC: Mathematica Policy Research, September 2009, Michelle K. Derr, Tara Anderson, LaDonna Pavetti, and Elizabeth Scott.

²⁰ The flexibility in categorization became particularly obvious with the advent of the Emergency Contingency Fund, where many States shifted expenditures into the non-recurrent, short-term benefits category to qualify for additional funds from the Emergency Contingency Fund. This shift was possible because the expenditure categories are not mutually exclusive.

to collect disaggregated financial expenditure data for funds that have been reported in the “other” (line 6m) and assistance and non-assistance “authorized solely under prior law” (lines 5d and 6l, respectively) categories on the ACF-196, the TANF Financial Report. All States must complete and submit the Detailed Expenditure Form.

When deriving the subcategories for reporting the disaggregated expenditures, HHS used the list of spending categories in the MPR report referenced above as a starting point, making changes to the list based on other reports of State expenditures. The reporting instructions do not define these subcategories, but provide examples of the types of expenditures that could be included or have been included in the past. Part 1 asks States to report expenditures for each subcategory by funding source, e.g. Federal TANF block grant, State MOE expenditures in TANF, etc. In Part 2 of the ACF-196(SUP) form, States are required to provide a short description of the activities included in each subcategory (see Appendix IV for ACF-196(SUP) instructions). Furthermore, for activities “authorized solely under prior law,” they are to provide a reference to the State plan provision under which the activities were authorized.

A copy of the ACF-196(SUP) forms submitted by each State is provided in Appendix V of this report. Every State submitted the form by June 15, 2011.

There are some caveats to consider in analyzing the financial data presented in this report. While ongoing reporting on the ACF-196 requires States to report obligated expenditures for a quarter and may include adjustments to expenditures reported in past quarters for a particular category, the ACF-196(SUP) required States to report actual expenditures for just one month. According to the accompanying instructions, if actual expenditures are not available for the month of March 2011 because data is only available on a quarterly basis, a State could report one-third of its actual January-March 2011 expenditures for each subcategory. Furthermore, some States indicated that it would be difficult to obtain the requested data in the required timeframe, particularly if data had to be first obtained from counties or contractors; as a result, the expenditure data reported as of June 15, 2011, may reflect incomplete data for the month of March.

In addition, it was clear from the MPR report above that in many cases, States were reporting as “other” non-assistance certain expenditures that should more appropriately be reported in other categories on the ACF-196. For example, teen pregnancy prevention was sometimes classified as “other,” even though there is a dedicated reporting category for it. And, emergency assistance expenditures reported as “other” likely could be more appropriately reported as “non-recurrent short term benefits.” However, States were encouraged to submit their reporting for March based on the same categorization approaches that they had most recently been using (i.e., not to revise and reclassify), on the premise that it would be more informative for Congress if States simply described what they were currently doing rather than engage in a reclassification process to better align with the reporting categories.

Claims Resolution Act Financial Data Findings and Analysis

Nationally, “other” non-assistance expenditures totaled \$282,447,383 for March 2011, while States spent a total of \$106,609,367 for assistance and non-assistance “authorized solely under prior law.”

For the entire fiscal year, spending would be \$3.4 billion and \$1.3 billion for “other” non-assistance and assistance and non-assistance “authorized solely under prior law,” respectively, if spending across 12 months were 12 times the spending in March. This is about \$1.5 billion less than total spending in both these categories in FY 2009.

Note that many of the categories included in the ACF-196(SUP) and discussed below are actually delineated on the ACF-196 form (e.g., Teen Pregnancy/Prevention Programs). As explained above, States often report certain expenditures as “other” non-assistance even though they could report them in other categories on the ACF-196. This inconsistency in reporting between States makes it analytically ineffective to aggregate total expenditures in any one spending category and to make accurate comparisons of year-to-year data, as a State may change how it categorizes its expenditures.

A summary analysis of each category is provided below.

“Other” Non-Assistance

Forty-four States reported expenditures in “other” non-assistance, ranging from \$32,712,832 in California to \$403 in West Virginia. Chart 1 shows total expenditures by subcategory, broken down by funding stream, while Chart 2 conveys the number of States that reported expenditures in each subcategory. Federal funds include TANF block grant funds, contingency funds, and ARRA emergency contingency funds. State MOE funds are expended in both the TANF program and separate State programs.

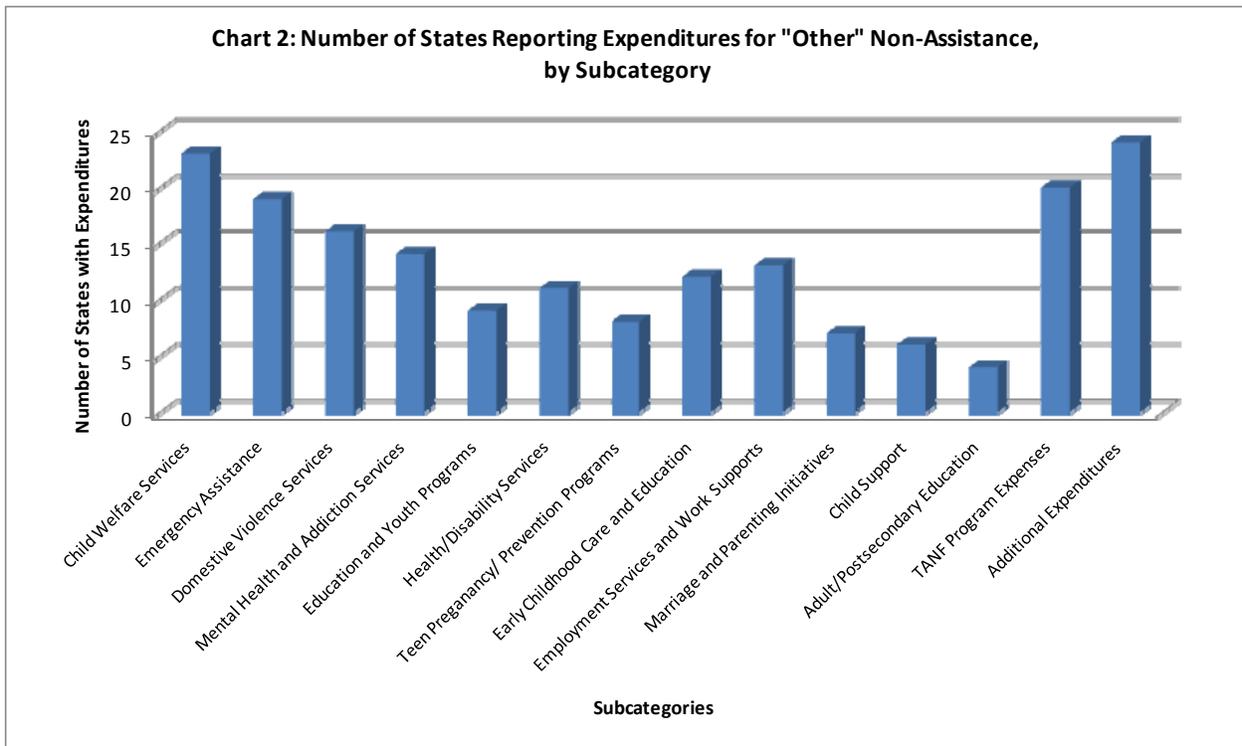
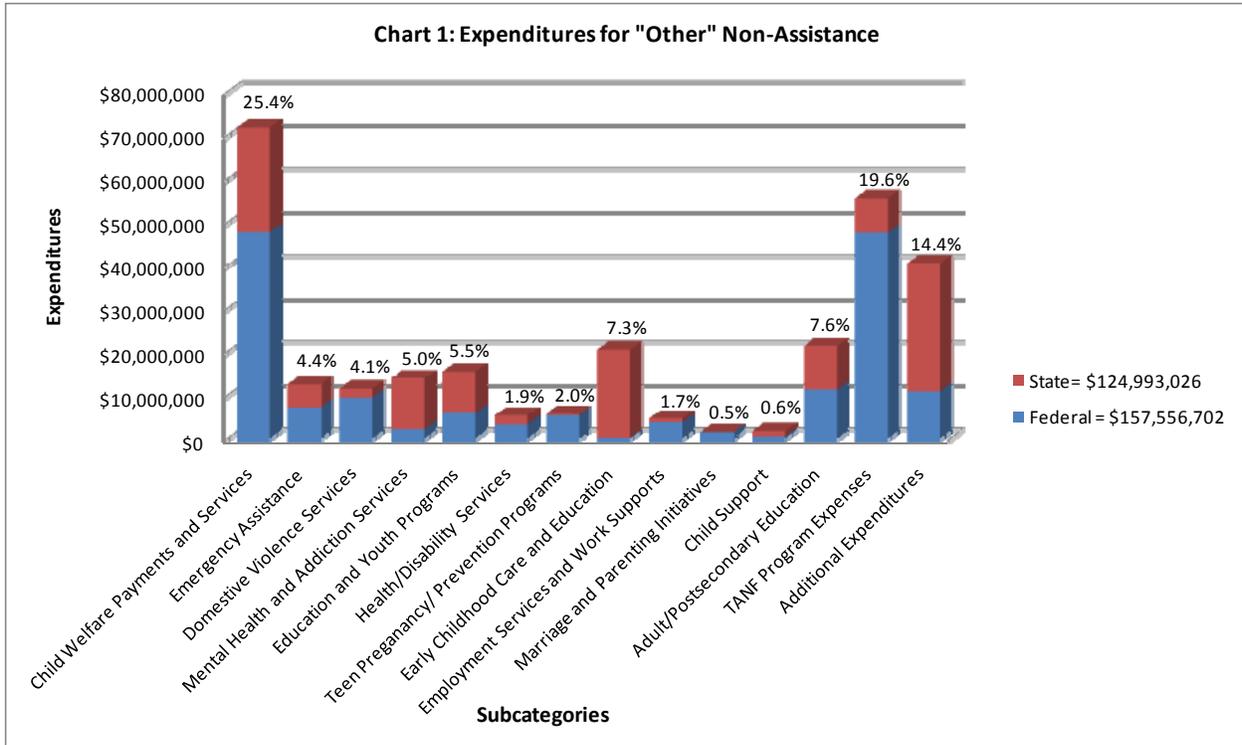


Table 15 below summarizes expenditures in each State by subcategory.

Expenditures for "Other" Non-Assistance by Subcategory and State															
STATE	Total "Other" Non-Assistance	Child Welfare Payments and Services	Emergency Assistance	Domestic Violence Services	Mental Health and Addiction Services	Education and Youth Programs	Health/Disability Services	Teen Pregnancy/Prevention Programs	Early Childhood Care and Education	Employment Services and Work Supports	Marriage and Parenting Initiatives	Child Support	Adult/Postsecondary Education	TANF Program Expenses	Total Additional Expenditures:
UNITED STATES	\$282,477,383	\$71,790,857	\$12,497,516	\$11,595,674	\$13,987,555	\$15,597,278	\$5,414,668	\$5,716,247	\$20,521,808	\$4,702,260	\$1,510,640	\$1,774,060	\$21,367,613	\$55,430,992	\$40,570,215
ALABAMA	\$3,422,743	\$958,257	\$1,257,583	\$0	\$0	\$0	\$117,970	\$0	\$936,025	\$136,342	\$0	\$0	\$0	\$0	\$16,566
ALASKA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ARIZONA	\$13,537,213	\$10,849,754	\$648,297	\$1,969,879	\$8,659	\$0	\$0	\$0	\$0	\$60,624	\$0	\$0	\$0	\$0	\$0
ARKANSAS	\$499,822	\$499,822	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CALIFORNIA	\$32,712,832	\$0	\$0	\$1,872,261	\$10,293,037	\$0	\$0	\$2,517,425	\$0	\$247	\$0	\$45,907	\$0	\$16,693,257	\$1,290,698
COLORADO	\$9,319,708	\$884,914	\$0	\$137,350	\$3,414	\$0	\$0	\$0	\$87,414	\$0	\$0	\$0	\$0	\$7,349,942	\$856,474
CONNECTICUT	\$13,582,623	\$2,937,612	\$45,500	\$0	\$597,793	\$0	\$51,434	\$0	\$5,935,029	\$0	\$0	\$0	\$0	\$98,343	\$3,916,912
DELAWARE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DIST. OF COL.	\$1,153,440	\$0	\$896,996	\$101,384	\$0	\$0	\$0	\$133,334	\$0	\$21,726	\$0	\$0	\$0	\$0	\$0
FLORIDA	\$22,630,765	\$19,206,556	\$22,409	\$429,402	\$1,123,044	\$0	\$0	\$20,000	\$0	\$0	\$902	\$0	\$0	\$1,756,107	\$72,345
GEORGIA	\$23,419,076	\$16,388,641	\$680,795	\$1,316,655	\$48,639	\$4,576,618	\$0	\$0	\$0	\$287,056	\$0	\$0	\$0	\$120,672	\$0
GUAM	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HAWAII	\$2,975,950	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,975,950
IDAHO	\$92,587	\$24,333	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,481	\$0	\$54,773	\$0
ILLINOIS	\$15,813,155	\$416,281	\$32,271	\$3,660,305	\$0	\$3,671,450	\$0	\$2,725,974	\$4,926,390	\$0	\$0	\$0	\$207,953	\$100,271	\$72,260
INDIANA	\$14,480,118	\$9,229,243	\$512,114	\$0	\$0	\$0	\$2,198,666	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,540,095
IOWA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
KANSAS	\$2,291,488	\$1,084,403	\$0	\$271,551	\$97,147	\$0	\$0	\$24,955	\$390,709	\$0	\$0	\$0	\$0	\$0	\$422,723
KENTUCKY	\$3,120,968	\$634,296	\$0	\$160,913	\$0	\$0	\$0	\$112,397	\$630,466	\$0	\$0	\$0	\$0	\$1,538,073	\$44,823
LOUISIANA	\$32,499,119	\$0	\$65,723	\$0	\$0	\$4,067,322	\$277,635	\$0	\$0	\$0	\$0	\$0	\$9,982,817	\$164,299	\$17,941,323
MAINE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
MARYLAND	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
MASSACHUSETTS	\$14,069,723	\$0	\$2,781,484	\$0	\$0	\$0	\$0	\$0	\$183,333	\$0	\$0	\$0	\$11,104,906	\$0	\$0
MICHIGAN	\$13,229,739	\$0	\$1,267,685	\$0	\$0	\$0	\$0	\$0	\$0	\$1,278,285	\$0	\$0	\$0	\$9,076,710	\$1,607,059
MINNESOTA	\$1,048,276	\$0	\$0	\$0	\$0	\$0	\$91,318	\$38,663	\$475,000	\$0	\$0	\$443,295	\$0	\$0	\$0
MISSISSIPPI	\$316,430	\$316,425	\$0	\$0	\$0	\$0	\$0	\$5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
MISSOURI	\$1,961,101	\$0	\$0	\$0	\$0	\$1,961,101	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
MONTANA	\$275,211	\$0	\$0	\$0	\$0	\$60,875	\$0	\$0	\$0	\$0	\$47,998	\$0	\$0	\$0	\$166,338
NEBRASKA	\$318,189	\$301,345	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,844
NEVADA	\$1,926,939	\$0	\$0	\$41,851	\$2,520	\$0	\$230,452	\$10,802	\$0	\$69,945	\$0	\$0	\$0	\$1,474,226	\$97,143
NEW HAMPSHIRE	\$483,088	\$323,613	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$112,812	\$46,663
NEW JERSEY	\$204,114	\$0	\$0	\$204,114	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NEW MEXICO	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NEW YORK	\$8,587,405	\$757,624	\$2,007,647	\$679,350	\$197,040	\$741,551	\$50,450	\$0	\$0	\$354,428	\$8,578	\$0	\$71,937	\$37,791	\$3,681,009
NORTH CAROLINA	\$1,730,367	\$1,465,961	\$1,257	\$24,263	\$3,543	\$212,078	\$363	\$0	\$0	\$21,934	\$0	\$0	\$0	\$968	\$0
NORTH DAKOTA	\$4,042	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,042
OHIO	\$15,371,168	\$0	\$133,951	\$0	\$0	\$129,152	\$0	\$0	\$16,117	\$2,574,555	\$0	\$0	\$0	\$12,517,393	\$0
OKLAHOMA	\$2,801,036	\$414,505	\$0	\$0	\$10,347	\$0	\$494,565	\$0	\$24,102	\$61,928	\$0	\$0	\$684,934	\$1,110,655	
OREGON	\$5,660,162	\$0	\$0	\$433,753	\$456,223	\$0	\$0	\$0	\$820,835	\$0	\$0	\$0	\$0	\$3,601,415	\$347,936
PENNSYLVANIA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PUERTO RICO	\$1,610,759	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,610,759
RHODE ISLAND	\$1,487,514	\$0	\$1,299,810	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$187,704
SOUTH CAROLINA	\$3,948,548	\$3,650,249	\$7,750	\$144,151	\$0	\$0	\$0	\$0	\$0	\$146,398	\$0	\$0	\$0	\$0	\$0
SOUTH DAKOTA	\$109,393	\$0	\$0	\$0	\$57,754	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$51,639
TENNESSEE	\$2,924,925	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,878,685	\$0	\$0	\$1,016,983	\$0	\$29,257	\$0
TEXAS	\$6,840,031	\$880,174	\$0	\$0	\$0	\$0	\$1,196,534	\$0	\$4,759,874	\$0	\$3,449	\$0	\$0	\$0	\$0
UTAH	\$1,707,422	\$0	\$833,333	\$0	\$0	\$0	\$0	\$245,089	\$0	\$0	\$0	\$0	\$0	\$0	\$629,000
VERMONT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VIRGIN ISLANDS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VIRGINIA	\$899,358	\$42,602	\$0	\$148,292	\$0	\$0	\$705,281	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,183
WASHINGTON	\$879,821	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$879,821
WEST VIRGINIA	\$403	\$0	\$403	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
WISCONSIN	\$1,772,167	\$68,749	\$2,508	\$0	\$1,088,395	\$0	\$0	\$0	\$0	\$406,119	\$0	\$206,396	\$0	\$0	\$0
WYOMING	\$758,445	\$455,498	\$0	\$0	\$0	\$177,131	\$0	\$0	\$0	\$114,716	\$11,100	\$0	\$0	\$0	\$0

An analysis of the “other” non-assistance subcategories is provided below; each highlights the narrative provided by the State with the most spending in the subcategory.

Child Welfare Payments and Services

Child Welfare Payment and Child Welfare Services were collected on lines 1.a. and 1.b. on the ACF-196(SUP) data collection form, respectively. According to instructions provided by HHS,

Child Welfare Payments include “services such as foster care maintenance payments, guardianship and adoption subsidies, and associated costs,” while Child Welfare Services consist of “activities such as in-home services, family preservation, child protective services, and adoption services.”

States may allocate TANF funds towards various child welfare activities, including:

- Collaborating with the child welfare agency to identify and serve children in needy families who are at risk of abuse or neglect (e.g., family counseling, vocational and educational counseling, and counseling directed at specific problems such as developmentally disabled needs)
- Providing cash assistance to needy caretaker relatives or providing appropriate supportive services (e.g., referral services, child care, transportation, and respite care) to caregiver relatives who can provide a safe place for a needy child to live and avoid his or her placement in foster care
- Screening families who have been sanctioned under TANF for risk of child abuse or neglect and providing case management services designed to eliminate barriers to compliance.

While States are able to fund many child welfare activities with IV-E funds (i.e., Federal Payments for Foster Care and Adoption Assistance), often times TANF funds may be used to provide payments and services that are not reimbursable under IV-E, or to supplement IV-E-funded assistance.

Upon review of narrative descriptions provided in Part 2 of the ACF-196(SUP) form, we realized that some States confused these two subcategories. For example, Idaho described expenditures listed under Child Welfare Payments as “family preservation activities” while most other States reported these types of expenditures under Child Welfare Services. Conversely, Arkansas reported expenditures related to the following services under Child Welfare Payments: “Kinship Caregivers Services begin with a family support assessment to determine which services are needed mostly by each individual family... services range from stabilization, strengthening and preservation activities, after school activities, tutoring, literacy training and assistance with guardianship petitions for the kinship caregivers.” As a result, we felt that it was most

appropriate to collapse expenditures related to these two subcategories so as to gain a more accurate analysis of the amount States are expending on child welfare activities as a whole.²¹

Twenty-three States reported expenditures in either Child Welfare Payments or Child Welfare Services. Total spending in these two subcategories equaled \$71,790,857, or 25.4 percent of “other” non-assistance for March 2011. Expenditures ranged from \$24,333 in Idaho to \$19,206,556 in Florida.

Georgia states that its expenditures include foster parent and adoptive parent recruitment, legal services, “Grandparents Raising Grandchildren,” supervised family foster care, and family assessment.

The State with the highest expenditures reported under Child Welfare Services was Florida. Florida’s child welfare services include the following activities: “Adoption services, protective investigations, protective investigation training, case management, community based care monitoring, healthy families, prevention services and protective services.”

Emergency Assistance

Under Emergency Assistance, States were instructed to report “activities to remedy emergency or unusual crisis situations such as clothing distributions, remedial care, information referral, counseling, securing family shelter, legal services, and any other services that meet needs attributable to such situations.”

Nineteen States reported expenditures for Emergency Assistance. Total spending equaled \$12,497,516, or 4.4 percent of “other” non-assistance for March 2011. Expenditures ranged from \$403 in West Virginia to \$2,781,484 in Massachusetts.

Massachusetts described its expenditures in this subcategory as related to homelessness prevention and sheltering services. It described two programs: “Housing Search,” which is “a

²¹ While our analysis combines these two subcategories, you may refer to Appendix V to analyze how each State reported the data and described its use of funds.

short-term, supportive service whose goal is to find safe housing for the homeless” and “Housing Stabilization and Flexible Funds,” which “offer rental assistance for up to 1 year.”

Domestic Violence Services

According to instructions for the ACF-196(SUP) form, Domestic Violence Services include “activities such as information and referral services, short-term emergency shelter or transitional supportive housing for those leaving an abusive relationship, case management, counseling, investigations, and other protective services.”

Sixteen States reported expenditures for Domestic Violence Services. Total spending equaled \$11,595,674, or 4.1 percent of “other” non-assistance for March 2011. Expenditures ranged from \$24,263 in North Carolina to \$3,660,305 in Illinois.

Illinois’s expenditures relate to “Services to victims of domestic violence and their children including shelter; hotlines; individual and group counseling; advocacy; information; referral; transportation; school prevention programs; public education, and professional training.”

Mental Health and Addiction Services

On the ACF-196(SUP) form, expenditures related to “activities such as assessment, referral services, individual and group counseling, and residential treatment services” are reported under the subcategory of Mental Health and Addiction Services.

Fourteen States reported expenditures for Mental Health and Addiction Services. Total spending equaled \$13,987,555, or 5.0 percent of “other” non-assistance for March 2011. Expenditures ranged from \$2,520 in Nevada to \$10,293,037 in California.

California described expenditures in this subcategory as “treatment services to Kids (CalWorks) program, [including] medical/mental health exam [and] group counseling.”

Education and Youth Programs

Under Education and Youth Programs, States were instructed to report “activities such as after-school and community-based programs for youth, school-related social services, and mentoring/tutoring programs.”

Nine States reported expenditures for Education and Youth Programs. Total spending equaled \$15,597,278, or 5.5 percent of “other” non-assistance for March 2011. Expenditures ranged from \$60,875 in Montana to \$4,576,617 in Georgia.

Georgia listed numerous programs for which it allocated funds in this subcategory, including “Programs for out-of-school youth initiative; GA Alliance of Boys and Girls Club; State Dept of Ed Comm. Base Org; Afterschool Care - Level 2; Afterschool Service [for] TANF [Eligibles].” It did not provide descriptive detail of the activities involved in each program.

Health/Disability Services

Health/Disability Services include “activities such as outreach to children for immunization, disability assessment and evaluation, vocational rehabilitation services, family service planning for physical and developmental disabilities, respite care for caregivers of those with intellectual disabilities, and non-medical services to allow disabled children to remain in the home.” Note that while TANF funds may not be used for medical services other than pre-pregnancy family planning services, there is no similar restriction on counting expenditures for medical services toward MOE (though a State may not count its State Medicaid match toward MOE requirements).

Eleven States reported expenditures for Health/Disability Services. Total spending equaled \$5,414,668, or 1.9 percent of “other” non-assistance for March 2011. Expenditures ranged from \$363 in North Carolina to \$2,198,666 in Indiana.

Indiana described these expenditures as “‘Early Intervention/First Steps’ for infants, toddlers and their families [and] services for children 0-3 years who are developmentally vulnerable [that are]

intended to prevent or minimize disabilities with the goal of maximizing the potential of these children so they can function as contributing members of society.”

Teen Pregnancy/Prevention Programs

Under Teen Pregnancy/Prevention Programs, States were asked to report expenditures related to “activities such as family-planning, home-visiting services, and parenting education.”

Eight States reported expenditures for Teen Pregnancy/Prevention Programs. Total spending equaled \$5,716,247, or 2.0 percent of “other” non-assistance for March 2011. Expenditures ranged from \$10,802 in Nevada to \$2,725,974 in Illinois.

Illinois stated that these expenditures related to the following programs: “Parents Too Soon,” which involves “counseling and other services for young parents, including counseling to help prevent further teen pregnancies; “Teen Parent,” which provides “services [that] help parents under age 19 stay in school, develop parenting skills, become more self-sufficient and increase self-esteem”; “Healthy Families,” which are “intensive home visiting to families at risk of child abuse or neglect, targeting new parents, and providing services designed to promote healthy child development, strengthen parent-child relationships, prevent further teen pregnancies, as well as coping with stress, and supporting parents as the child’s first teacher”; and “DCFS Teen Parent Services” that provide “the overall planning, delivery and evaluation of comprehensive, quality services to pregnant and parenting wards and their children who reside in the state of Illinois.”

Early Childhood Care and Education

The subcategory of Early Childhood Care and Education includes “activities such as pre-K, Head Start/Early Head Start, other school readiness programs, and early childhood home visitation.”

Twelve States reported expenditures for Early Childhood Care and Education. Total spending equaled \$20,521,808, or 7.3 percent of “other” non-assistance for March 2011. Expenditures ranged from \$16,117 in Ohio to \$5,935,029 in Connecticut.

Connecticut included its “School Readiness” initiative in this subcategory, which “is designed to ensure that children from low-income families have access to high-quality early learning experiences by combining the strengths and resources of the public and private child care and school systems. Funds are made available to School Readiness Councils in communities with large numbers of low-income children. The Councils assess community needs, identify gaps, and allocate funds. Each Council is allocated funds to increase the number of 3- and 4-year old children served in early care and education programs and to improve the quality of those services. The Councils are required to ensure that full-day early childhood care and education services are available year-round. Additionally, funds are made available on a statewide basis to train new early childhood teachers. These services are offered on behalf of families with a gross income less than seventy-five percent (75%) of the State Median Income.”

Employment Services and Work Supports

According to ACF-196(SUP) instructions, States were to report expenditures related to “activities such as employment preparation and work supports (e.g., transportation services and purchase of tools, uniforms, or work clothes)” under Employment Services and Work Supports.

Thirteen States reported expenditures for Employment Services and Work Supports. Total spending equaled \$4,702,260, or 1.7 percent of “other” non-assistance for March 2011. Expenditures ranged from \$247 in California to \$2,574,555 in Ohio.

Ohio’s expenditures were related to “The State of Ohio Works First Program, [which] requires participants to engage in work activities based on a Self-Sufficiency Contract when the assistance group contains an adult or minor head-of-household. The programs encourage employment while it meets temporary needs through the provision of cash assistance. Subsidized employment is also provided to some participants in the program.”

Marriage and Parenting Initiatives

Expenditures for Marriage and Parenting Initiatives related to “activities such as life-skills education, peer-group instruction, and parenting workshops.”

Seven States reported expenditures for Marriage and Parenting Initiatives. Total spending equaled \$1,510,640, or 0.5 percent of “other” non-assistance for March 2011. Expenditures ranged from \$902 in Florida to \$1,278,285 in Michigan.

Michigan allocated these funds for “family support services under [its] Families First program.”

Child Support

According to instructions provided by HHS, Child Support expenditures related to “activities such as child support supplemental payments and other services not covered by the State’s IV-D plan or reimbursed by IV-D.”

Six States reported expenditures for Child Support. Total spending equaled \$1,774,060, or 0.6 percent of “other” non-assistance for March 2011. Expenditures ranged from \$13,481 in Idaho to \$1,016,983 in Tennessee.

Tennessee stated that these expenditures are related to its child support pass-through in TANF.

Adult/Postsecondary Education

On the ACF-196(SUP) form, expenditures related to Adult/Postsecondary Education include “activities such as scholarship programs, tuition payments, college tutoring services, and adult basic education programs.”

Four States reported expenditures for Adult/Postsecondary Education. Total spending equaled \$21,367,613, or 7.6 percent of “other” non-assistance for March 2011. Expenditures ranged from \$71,937 in New York to \$11,104,906 in Massachusetts.

Massachusetts reported that these expenditures are all related to “‘The Scholarship Reserve,’ [which] provides financial assistance to Massachusetts students enrolled in and pursuing a program of higher education in any approved public or independent college, university, school of nursing, or any other approved institution furnishing a program of higher education. The scholarship program covers a portion of the total cost of tuition and others costs associated with

attending the institution. These costs include all related expenses such as room and board, health insurance, travel expenses, personal expenses. The expenditures documented in this claim have been reasonably calculated to include only the cost of attending courses and pursuing higher educational attainment.”

TANF Program Expenses

TANF Program Expenses related to “program management and related expenditures.”

Twenty States reported expenditures for TANF Program Expenses. Total spending equaled \$55,430,992, or 19.6 percent of “other” non-assistance for March 2011. Expenditures ranged from \$968 in North Carolina to \$16,693,257 in California.

California reported that this subcategory includes, “TANF program management and related expenditures including Fraud prevention; quality control, case management, other services and related overhead (operating costs).”

Additional Expenditures

For expenditures that did not fit any of the predetermined subcategories, the ACF-196(SUP) provided additional rows so that States were able to list these additional expenditures.

Twenty-four States reported expenditures for additional expenditures. This category totaled \$40,570,215, representing 14.4 percent of “other” non-assistance for March 2011.

There were some subcategories of additional expenditures provided by States that accounted for relatively significant expenditures. The most prominent additional expenditure was State MOE funds provided to Tribes, which totaled \$1,329,411, largely due to California allocation of over \$1.2 million to its State’s Tribal TANF programs. The most frequently reported additional expenditure was Homeless/Housing Services. Three States (Illinois, New York, and Oregon) reported these services as additional expenditures, totaling \$463,191. While the subcategories listed on the ACF-196(SUP) were admittedly non-exhaustive (since TANF and MOE funds may

be expended on a large array of activities), this perhaps signifies the need for additional predetermined subcategories that were not considered.

At the same time, in many cases, States listed items that could have been included under other subcategories listed on the ACF-196(SUP) form. For example, both Michigan and Nebraska listed expenditures related to support and respite services for caregivers of children and adults with disabilities under Additional Expenditures, even though this was included as part of the description for Health/Disability Services (line 1.g.); Oklahoma included contracted domestic violence and sexual assault programs, despite the availability of the subcategory specifically for these services (line 1.d.); and Puerto Rico and Oregon listed expenditures related to programs that could have been included under Child Welfare Services (line 1.b.), i.e., child abuse and neglect prevention and child protective services, respectively.

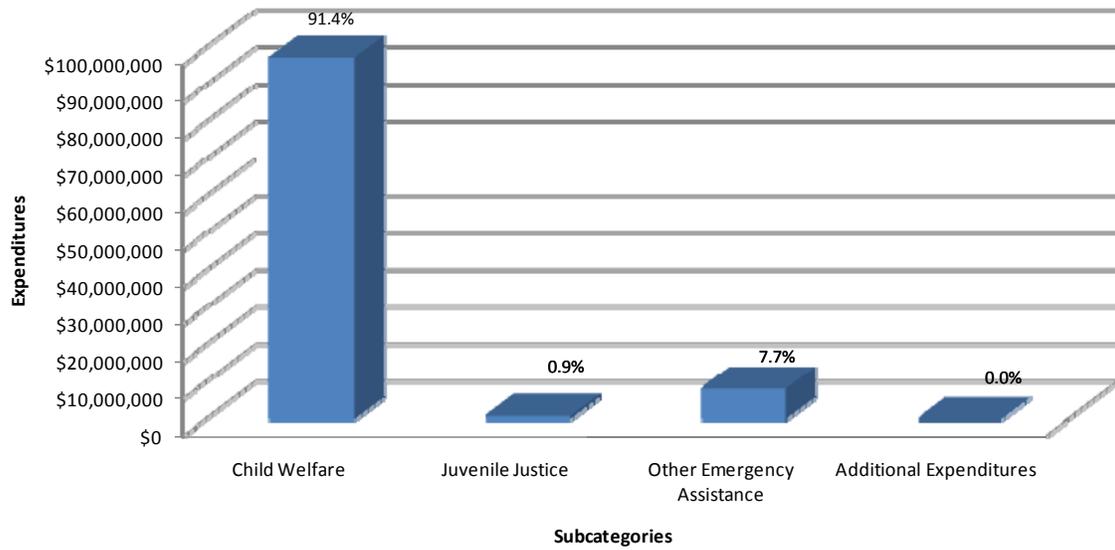
Other States listed additional expenditures that also seem to fit in line items provided on the ACF-196 reporting form. For example, Louisiana included its State's Earned Income Credit and the refundable portion of the Child Care Credit under additional expenditures on the ACF-196(SUP), while it could include the related expenditures under the subcategories, Refundable Earned Income Tax Credits (line 6.e.) and Other Refundable Tax Credits (line 6.f.), on the ACF-196.

As noted above, the presence of an "other" or "additional expenditures" subcategory highlights the ambiguity associated with some predetermined subcategories, as well as the flexibility States have in listing one type of expenditure in more than one category, depending on how it views the activity or purpose of the expenditure. This results in an inability to accurately analyze aggregate data in any one subcategory, and compare expenditures between States and across years.

Assistance and Non-Assistance “Authorized Solely Under Prior Law”

Twenty-one States reported expenditures in assistance and non-assistance “authorized solely under prior law,” ranging from \$75,405 in Maine to \$30,556,152 in Texas. Chart 3 shows total expenditures by subcategory, while Chart 4 conveys the number of States that reported expenditures in each subcategory. Note that only Federal funding, which includes TANF block grant funds, contingency funds, and ARRA emergency contingency funds, may be expended on programs “authorized solely under prior law.” MOE funds cannot be spent in this category.

**Chart 3: Expenditures for Assistance and Non-Assistance "Authorized Solely Under Prior Law"
Expenditures by Subcategory and State
(March 2011)**



**Chart 4: Number of States Reporting Expenditures for Assistance and Non-Assistance
"Authorized Solely Under Prior Law," by Subcategory**

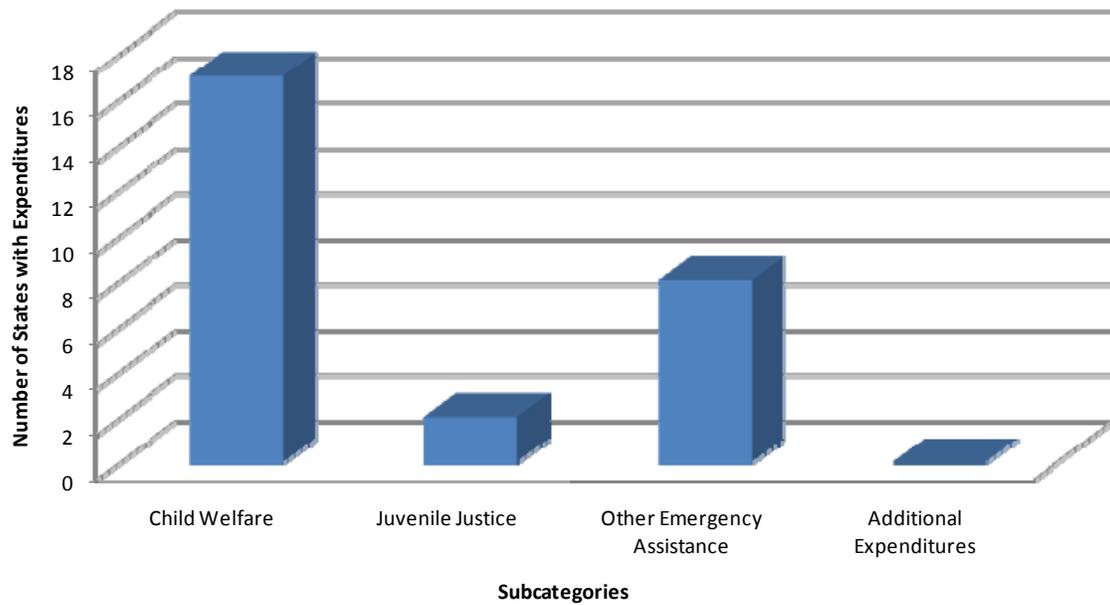


Table 16 below summarizes expenditures in each State by subcategory.

Table: 16					
Expenditures for Assistance and Non-Assistance "Authorized Solely Under Prior Law" by Subcategory and State					
STATE	Total Assistance and Non-Assistance "Authorized Solely Under Prior Law"	Child Welfare	Juvenile Justice	Other Emergency Assistance	Total Additional Expenditures:
UNITED STATES	\$106,609,367	\$97,420,734	\$963,758	\$8,224,875	\$0
ALABAMA	\$0	\$0	\$0	\$0	\$0
ALASKA	\$0	\$0	\$0	\$0	\$0
ARIZONA	\$0	\$0	\$0	\$0	\$0
ARKANSAS	\$0	\$0	\$0	\$0	\$0
CALIFORNIA	\$23,177,652	\$19,375,849	\$0	\$3,801,803	\$0
COLORADO	\$0	\$0	\$0	\$0	\$0
CONNECTICUT	\$1,002,570	\$0	\$0	\$1,002,570	\$0
DELAWARE	\$0	\$0	\$0	\$0	\$0
DIST. OF COL.	\$0	\$0	\$0	\$0	\$0
FLORIDA	\$0	\$0	\$0	\$0	\$0
GEORGIA	\$2,609,670	\$2,609,670	\$0	\$0	\$0
GUAM	\$0	\$0	\$0	\$0	\$0
HAWAII	\$0	\$0	\$0	\$0	\$0
IDAHO	\$552,631	\$552,631	\$0	\$0	\$0
ILLINOIS	\$20,470,987	\$20,470,987	\$0	\$0	\$0
INDIANA	\$0	\$0	\$0	\$0	\$0
IOWA	\$0	\$0	\$0	\$0	\$0
KANSAS	\$476,695	\$476,695	\$0	\$0	\$0
KENTUCKY	\$0	\$0	\$0	\$0	\$0
LOUISIANA	\$0	\$0	\$0	\$0	\$0
MAINE	\$75,405	\$0	\$0	\$75,405	\$0
MARYLAND	\$0	\$0	\$0	\$0	\$0
MASSACHUSETTS	\$0	\$0	\$0	\$0	\$0
MICHIGAN	\$6,597,936	\$6,567,325	\$0	\$30,611	\$0
MINNESOTA	\$0	\$0	\$0	\$0	\$0
MISSISSIPPI	\$0	\$0	\$0	\$0	\$0
MISSOURI	\$4,333,298	\$3,817,720	\$515,578	\$0	\$0
MONTANA	\$398,558	\$0	\$0	\$398,558	\$0
NEBRASKA	\$0	\$0	\$0	\$0	\$0
NEVADA	\$0	\$0	\$0	\$0	\$0
NEW HAMPSHIRE	\$862,350	\$414,170	\$448,180	\$0	\$0
NEW JERSEY	\$0	\$0	\$0	\$0	\$0
NEW MEXICO	\$0	\$0	\$0	\$0	\$0
NEW YORK	\$0	\$0	\$0	\$0	\$0
NORTH CAROLINA	\$6,802,007	\$6,802,007	\$0	\$0	\$0
NORTH DAKOTA	\$262,383	\$262,383	\$0	\$0	\$0
OHIO	\$0	\$0	\$0	\$0	\$0
OKLAHOMA	\$710,036	\$710,036	\$0	\$0	\$0
OREGON	\$984,891	\$984,891	\$0	\$0	\$0
PENNSYLVANIA	\$1,671,725	\$1,357,486	\$0	\$314,239	\$0
PUERTO RICO	\$0	\$0	\$0	\$0	\$0
RHODE ISLAND	\$0	\$0	\$0	\$0	\$0
SOUTH CAROLINA	\$0	\$0	\$0	\$0	\$0
SOUTH DAKOTA	\$488,668	\$280,643	\$0	\$208,025	\$0
TENNESSEE	\$0	\$0	\$0	\$0	\$0
TEXAS	\$30,556,152	\$30,556,152	\$0	\$0	\$0
UTAH	\$0	\$0	\$0	\$0	\$0
VERMONT	\$633,108	\$633,108	\$0	\$0	\$0
VIRGIN ISLANDS	\$0	\$0	\$0	\$0	\$0
VIRGINIA	\$0	\$0	\$0	\$0	\$0
WASHINGTON	\$2,393,664	\$0	\$0	\$2,393,664	\$0
WEST VIRGINIA	\$1,548,981	\$1,548,981	\$0	\$0	\$0
WISCONSIN	\$0	\$0	\$0	\$0	\$0
WYOMING	\$0	\$0	\$0	\$0	\$0

All expenditures reported in any of the subcategories listed under assistance and non-assistance “authorized solely under prior law” are related to services as covered in the former AFDC or Emergency Assistance plans.

An analysis of the expenditures reported under the assistance and non-assistance “authorized solely under prior law” subcategories is provided below. As some of the descriptions quoted below highlight, activities “authorized solely under prior law” may overlap in more than one subcategory, and are not easily broken down and distinguishable (e.g., emergency assistance to children and families in emergency situations, such families in foster care, were classified as Child Welfare in one State and Emergency Assistance in another).

Child Welfare

Seventeen States reported expenditures for Child Welfare activities “authorized solely under prior law.” Total spending equaled \$97,420,734, or 91.4 percent of assistance or non-assistance “authorized solely under prior law” for March 2011. Expenditures ranged from \$262,383 in North Dakota to \$30,556,152 in Texas.

Texas reported its expenditures were related to “Emergency Assistance to Needy Families with children (including foster care) and services provided to meet emergency situations.”

Juvenile Justice

Two States reported expenditures for Juvenile Justice activities “authorized solely under prior law.” Total spending equaled \$963,758, or 0.9 percent of assistance or non-assistance “authorized solely under prior law” for March 2011. Expenditures ranged from \$448,180 in New Hampshire to \$515,578 in Missouri.

Missouri references its program that covers Juvenile Justice services previously provided under its AFDC plan as of September 30, 1995, but does not provide a detailed description of the actual activities. New Hampshire stated that these expenditures were associated with the “Cost of Juvenile Justice Out of Home Placements and Ancillary Services.”

Other Emergency Assistance

Eight States reported expenditures for Other Emergency Assistance “authorized solely under prior law.” Total spending equaled \$8,224,875, or 7.7 percent of assistance or non-assistance “authorized solely under prior law” for March 2011. Expenditures ranged from \$30,611 in Michigan to \$3,801,803 in California.

California’s reported expenditures are “associated with Emergency Assistance (EA) Foster Care (FC) programs [that] provide benefits and services to children & families in emergency situations, with eligibility restricted to once in a 12-month period. Individuals may be provided services that were previously funded through IV-A on September 1995.”

Additional Expenditures

The ACF-196(SUP) provided additional rows so that States were able to list additional expenditures that did not fit any of the predetermined subcategories. However, no States reported expenditures in this subcategory.

RECOMMENDATIONS FOR ENGAGEMENT AND FINANCIAL DATA REPORTING

The Claims Resolution Act specified that this report to Congress should include a discussion of “recommendations for such administrative or legislative changes as the Secretary determines are necessary to require eligible States to report the information on a recurring basis.” The data collection requirements relating to work participation raise somewhat distinct issues from those relating to financial reporting. Both are discussed below.

With respect to work participation data collection, HHS lacks the administrative authority to require the Claims Resolution Act data on an ongoing basis without statutory change, in light of the restrictions posed by Section 417 of the Social Security Act. Accordingly, any change to require such data on a permanent basis would need to be authorized by Congress.

HHS looks forward to receiving the additional reporting that will become available when States submit their reporting for the April-June period, and will analyze that data to better determine the utility of the additional categories of reporting. When Congress considers legislation to reauthorize TANF, it may wish to consider issues related to engagement data reporting in conjunction with consideration of which activities should count toward the participation requirements and for what periods of time, whether individuals participating for some hours should partially count toward participation rates, and what information should be collected about individuals not counting toward participation rates and under what circumstances. Moreover, consideration should be given to a broader set of questions about which outcomes should be tracked for States and families, and the data collection needed to have a clearer picture of progress toward sustained employment and self-sufficiency, and of child and family well-being.

If Congress does determine to add additional engagement-related reporting, HHS recommends that that reporting be integrated with existing participation requirements so that States are reporting in a single system, with one set of time frames for data submission. For example, additional ongoing reporting should synchronize with the data reporting currently required of States (e.g., reporting on a quarterly basis), and States should be allowed to use the same sample as the one used for current work participation rate calculations, as the new reporting

requirements would provide more detail about who is not in the numerator of the sample caseload.

Finally, any data reporting requirements should include a reasonable time period for States to collect and report data. In particular, State engagement reports often noted challenges involved in verifying hours of participation that resulted in delays and subsequent corrections to data reporting.

With respect to financial data, HHS originally established the current categories for financial reporting in FY 1999, and they have not been modified since that time. It would be possible to make some revisions to the categories through modification of existing reporting categories, either administratively or through legislative directive. HHS will further analyze the March reporting data, along with the April-June data, and consider whether it would be appropriate to either develop new reporting categories, require additional narratives from States in connection with reporting, or take other actions to improve the data reported by States in their usage of TANF funds. Additional discussion of these issues will be included in the April-June report.