

**NORTH CAROLINA  
TANF ACF-812, REPORT ON ENGAGEMENT  
SUMMARY AND ANALYSIS – MARCH 2011**

**I. BACKGROUND**

Section 812 of the Claims Resolution Act of 2010 requires States to submit a Report on Engagement in Additional Work Activities for Temporary Assistance for Needy Families (TANF) recipients. This report focuses on work-eligible individuals in families receiving TANF cash assistance who are not working or enrolled in education or training programs sufficiently to meet the work participation rate. States must collect and report the following information:

- A. Whether the individual engages in any activities that are directed toward attaining self-sufficiency; and
- B. If yes, the specific activities that
  - (1) do not qualify as a countable work activity, but are otherwise reasonably calculated to help the family move to self-sufficiency; or
  - (2) that could be a countable work activity, but for the fact that either the work-eligible individual has not engaged in such activities for a sufficient number of hours; the work-eligible individual has reached a maximum time limit allowed for having participation in the activity count; or the number of work-eligible individuals engaged in such activity exceeds a statutory limitation.

The March data submission was due May 31, 2011. The April, May, and June report is due no later than August 31, 2011.

The Claims Resolution Act also requires States to publish the following information on their websites: a summary of the information submitted in the report; an analysis statement regarding the extent to which the information changes measures of total engagement in work activities from what was (or will be) reported by the state in the quarterly report for the comparable period; and a narrative describing the most common activities contained in the report that are not countable toward the State participation rate under Section 407.

In February 2006, the Deficit Reduction Omnibus Reconciliation Act of 2005 (Deficit Reduction Act), P.L. 109-171, was passed by Congress and signed into law. The Deficit Reduction Act (DRA) reauthorized TANF until 2010 and made significant changes to the program. In addition to maintaining the requirement of each State to meet a 50% work participation rate for all families receiving assistance and a 90% participation rate for two-parent families, the DRA directed the HHS Administration for Children and Families to regulate and review activities

that count toward work participation, the counting and verification of hours reported, and the identification of who is a work-eligible individual. It required States to establish verification procedures, and it established a new federal penalty for failure to comply with verification procedures, effective October 1, 2006. Additionally, DRA changed the baseline year for the Caseload Reduction Credit from 1995 to 2005. This allows work participation rates to be adjusted downward for any caseload decline that occurs after 2005 for reasons other than changes in eligibility rules.

The definitions of countable work activities, verification requirements and an explanation of work-eligible individuals can be found at 45 CFR Part 261 – Ensuring that Recipients Work.

For individuals to be counted toward a State’s work participation rate, they must verify participation hours in a countable activity for a specific number of hours each month. Parents with children age 6 and older must participate in countable activities averaging 30 hours per week each month. Parents with children younger than 6 must participate in countable activities averaging 20 hours per week each month. Two-parent families must participate in countable activities averaging 35 hours per week each month, unless they receive subsidized child care, in which case the requirement is an average of 55 hours per week each month.

Countable activities include:

- Unsubsidized Employment
- Subsidized Employment
- Work Experience
- On the Job Training
- Community Service
- Vocational Educational Training
- Job Search/Job Readiness Activities

Above 20 hours per week, the following three activities may also count as participation:

- Job Skills Training
- Education Directly Related to Employment
- Satisfactory School Attendance at Secondary School

All other activities are considered non-countable and are identified as “Other Activities” in North Carolina. Other Activities are designed to promote self-sufficiency and personal responsibility and are intended to address temporary and permanent barriers to participating in work activities. Hours in Other Activities are not counted in the work participation rate.

## **II. Summary of the Information Submitted in the Report**

North Carolina has more than 23,000 families receiving Work First Family Assistance, which is the TANF program in this State. For the quarterly Federal work participation reports, the State sends a sample of 5,280 cases to the Federal government.

North Carolina reviewed 114 of the reported work-eligible cases for the month of March. These 114 cases contained 153 work-eligible individuals. Of the 114 cases, 53 work-eligible individuals (34.6%) completed enough hours in a countable work activity to meet the work participation rate. They participated in unsubsidized employment, work experience, vocational education, job search/job readiness, satisfactory school attendance, and skills training.

Thirty-six work-eligible individuals (24%) participated in countable work activities but did not participate in enough hours to meet the participation rate. They participated in unsubsidized employment, subsidized employment, work experience, job search/job readiness, community service, and vocational educational training.

Two work-eligible individuals (1.3%) participated in countable work activities that were not reported because the needed verification was not received prior to the reporting deadline.

Nine work-eligible individuals (5.8%) participated in activities that do not qualify as countable activities, but move the family toward self-sufficiency. Two individuals participated in General Educational Development (GED) activities. Three individuals participated in other non-countable state work activities. These activities are designed to enhance employability and complement federal work activities. Alone, these components are unlikely to help families move quickly into employment. In most cases, it is inappropriate to develop a plan requiring participation in only state work activities. These activities may include parenting training, behavioral development (problem solving, conflict resolution, decision making), post secondary education, other training, and other activities as identified locally. Four individuals participated in assessment and employability training activities.

A total of 16 work-eligible individuals (10.5%) did not participate in countable or non-countable work activities. These included:

11 individuals in their first month on assistance and no work activity assigned; and 5 individuals were assigned to a work activity but the activity had not started yet.

## **III. Further Analysis**

Much of the data gathered for this report has not been collected by the State or county agencies until recently. This is due to the fact that it has not been a federal

requirement to do so. State staff reviewed case data in the information systems and then made contact with county departments of social services when more information was needed.

Our analysis shows that TANF families have different degrees of self-sufficiency and face different barriers to employment. However, the current work participation rates do not take this into account. Many work-eligible individuals were engaged in activities that could not be counted because they failed to complete sufficient hours or the activities were not countable under federal regulation.

Current federal regulation does not take into account partial participation. If participants fail to meet at least 30 hours a week in countable activities (even if they participate in 29 hours), their hours do not count toward the state's work participation rate. Partial credit for participation would take into account TANF families' situations and the State's attempts to help them achieve self-sufficiency. These non-countable activities are necessary to remove barriers to employment, and must be completed before employment can occur.

Families with a parent who is disabled utilize TANF cash assistance to provide temporary support until the parent may become eligible for Supplemental Security Income (SSI). Applications for SSI can take years before they are approved. Counties do the best they can to assign disabled individuals to alternative activities, but those activities are not counted in the work participation rates.

It should be noted that for the normal quarterly TANF Data Report, 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. Therefore, these data may be inconsistent with what will be reported for the comparable period in the TANF Data Report.

In summary North Carolina's families receiving cash assistance have a variety of challenges to achieving self-sufficiency. Federal work participation requirements do not account for all the challenges our families face during the current economic situation.