

QUARTERLY DATA REPORT

The Claims Resolution Act of 2010 set forth new reporting requirements on States as it extended the funding for the Temporary Assistance for Needy Families (TANF) financial assistance program through September 30th, 2011. Sec. 812. *Modifications to TANF Data Reporting*, specifies new reporting requirements for engagement in additional work activities to be published on each State's website. Further guidance was provided by the U.S. Department of Health and Human Services, Administration of Children & Families (ACF) in a formal Program Instruction, Transmittal No. TANF-ACF-PI-2011-03. ACF is the federal regulatory agency overseeing the State's TANF program.

This is the second submission of the new reports. The second reporting period is April 1st through June 30th, 2011 and the information includes statewide data. New Hampshire does not use sampling methods to report this data. These new reports supplement existing federal reporting that States provide to ACF on a quarterly basis. ACF in return, provides States with quarterly information, including the official TANF work participation rate, which is a federal program measure of success.

It is required by federal law that States have a minimum of 50% of their work-eligible adults in countable work activities in order to stay in compliance with program requirements and avoid federal financial penalties. This is known as the TANF work participation rate. ACF provides the definition of a 'work-eligible' adult.

For FFY 2009, the official work participation rate for New Hampshire was 46.5%, far exceeding the national average of 29.4%. For FFY 2008, our rate was 47.4% and again, above the national average which remained at 29.4%. New Hampshire has avoided federal financial penalties for being below the required 50% work participation rate due to permissible considerations by the federal regulatory agency.

Summary

New Hampshire strategically utilizes countable work activities to the greatest extent possible, given the strict parameters in which work activities are countable and allowable for the work participation calculation to meet the 50% mandatory participation. New Hampshire's unofficial work participation rates for this reporting period is as follows. These rates are unofficial at this time since the federal agency is yet to confirm:

April 2011 – 48.6%
May 2011 – 49.8%
June 2011 – 49.3%.

Please note for these new reports, States are being asked to discuss work activities that are considered 'countable' towards the work participation rate, but the State did not report the

participation towards the work participation rate. Also, the new requirement under this law is asking States to discuss other activities that TANF clients are participating in that are considered 'non-countable'. States have not been required to report these 'non-countable' hours prior to the Claims Resolution Act.

For an individual to be counted towards the work participation rate, they must verify participation hours in a countable activity for a specific number of hours each month. Parents with children 6 years old and older, must participate in a countable activity for 30 hours a week for each week they are receiving a TANF benefit. Parents with children under 6 years old must participate for 20 hours.

Countable activities include:

- Unsubsidized employment;
- Subsidized employment;
- Volunteer work or community service work;
- Vocational education/training (time-limited); and
- Job search/job readiness (time-limited and no more than 4 weeks can be consecutive).

Those with a 30 hour requirement must participate in the above activities for 20 hours and then also participate for 10 more hours in the above and/or:

- Job skills training;
- Education directly related to employment; and
- Basic education.

All other activities are considered 'non-countable'.

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

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

It is important to illustrate the breakdown of the families we will be discussing. Since this data submission concerns quarterly information, cases have been averaged across the quarter for the reporting months.

Please note that the work participation rate is calculated at the case level. In April, May and June 2011, there was a monthly average of 2,774 cases in the quarter that were included in the work participation rate calculation, with a monthly average of 3,639 individuals considered to be 'work-eligible' in the quarter within those cases.

Of the 2,774 cases over the quarter, an average of 1,379 cases met their participation requirements and were counted in the work participation rate, producing an overall average of a 49.7% rate.

Within these 2,774 cases, an average of 3,639 individuals each month were considered to be 'work-eligible' as defined by the federal agency over the quarter. Of the 3,639 work-eligible individuals in this time period, a monthly average of 1,599 individuals participated in a work activity reasonably calculated to help the family move toward self-sufficiency. Of those 1,599 individuals, 1,379 participated to a degree that met their participation requirement.

The difference, a quarterly average of 220 individuals who did participate in activities but not for enough hours to meet their participation requirements, participated in the following activities:

- 115 in unsubsidized employment;
- 89 in volunteer or community service work sites;
- 35 in education or training; and
- 7 in job search or job readiness.

Note: Some individuals may have been in more than one activity each month.

The remainder of the monthly average of work-eligible individuals, 2,040, did not participate in any activities. Reasons for non-participation included:

- 826 were exempted under State law due to a documented medical issue;
- 658 were disregarded as permissible under federal guidelines;
- 204 were in the process of being sanctioned for non-participation;
- 145 were otherwise exempted and not required to participate;
- 89 were in their first month of receipt of TANF financial assistance;
- 77 were in transition within the program;
- 35 were exempted due to domestic violence; and
- 5 were caring for a disabled family member in the household.

It is beneficial to examine the significant number of individuals with a documented medical issue. These individuals are yet to receive SSI or SSDI for their disabilities which would take them out of the work participation rate calculation if they were receiving benefits under these federal programs. Or their disabilities might be short-term and once healthy, will be able to participate in the mandatory work program. For the vast majority of these individuals, they are considered 'work-eligible' individuals, included in our work participate rate calculation, have documented their inability to participate in work activities by a medical professional and have

requested to be exempted from the mandatory work program. The mandatory work program is called the New Hampshire Employment Program (NHEP).

In our last submission, New Hampshire demonstrated that our work participation rate would increase by almost 13 points if our rate was calculated with only those cases with participants that are considered able-bodied and medically released for work. This situation has not changed in this quarter.

To reach a 50% work participation rate, from the field perspective, it is not having 50 clients out of 100 meet their full participation requirements each month. Many clients who are included in the denominator will never be able to participate due to a disability.

As a new requirement with the passage of this law, New Hampshire did set an expectation for field staff to enter hours of non-countable activities that do not meet the federal standard. Over the quarter, there were 16 individuals reported for hours that did not qualify as a countable work activity that moved the family towards self-sufficiency. At the same time, we also reminded field staff that treatment and rehabilitation services are permissible to count under the Job Readiness activity. There was an increase in the reporting of clients receiving treatment or rehabilitation services as follows:

- March 2011 - 2
- April 2011 - 9
- May 2011 - 13
- June 2011 - 16

Field staffs are paying closer attention to tracking and entering barrier removal activities, including treatment and rehabilitative services.

Analysis Statement

The data provided demonstrates that the New Hampshire Employment Program has been consistently able to engage participants in meaningful work activities and has made a concerted effort to operate the TANF work program as intended by federal and state laws. To date for 2011, an average of 98 clients left the TANF program each month with average earnings of \$10.45 an hour, with an average of 31 hours a week. And this was accomplished in a weak economy.

The federal consideration that has allowed New Hampshire to avoid federal financial penalty when not meeting a 50% work participation rate expires September 30, 2011. Although we are very close to the target rate each year, other strategies or federal allowances must be brought into play so States can consistently meet the 50% requirement and avoid significant financial program penalties.

As illustrated above, the most significant group of those not able to participate, who are considered work-eligible and are included in the mandatory work participation rate calculation,

have a documented medical condition. These individuals are not currently eligible for a state or federal financial disability program.

A 50% participation rate is an arduous task given the great number of individuals experiencing medical issues. TANF, aside from being a safety net for low-income families, can also act as a stop-gap program for low-income families as they pursue eligibility for other financial assistance programs that serve disabled populations. Seeing that disabled populations regularly make up a significant portion of TANF recipients, it seems the TANF program should have allowance for States who serve this population. Identifying those with disabilities who provide verification to be exempted from the work program, as 'work-eligible' individuals, seems counter productive.

Most Common Activities Not Counted Towards Work Participation Rate

New Hampshire examined the number of individuals enrolled in our Barrier Resolution activity, which is a non-countable activity for the work participation rate. From a federal perspective, most of these individuals were 'scheduled' for this activity; although we know an average of 13 people a month did report participation in this activity and hours entered into our reporting system. This was a small increase from our March 2011 report, as we now require field staff to enter these hours into the reporting system. It should be noted that clients could be in other work activities in conjunction with this Barrier Resolution activity.

During the report quarter, there was a monthly average of 146 individuals scheduled in the Barrier Resolution activity. From our March report, we learned that 54% of these individuals were in this activity due to medical reasons. Again, medical issues significantly impact TANF clients' ability to fully participate in work activities.