



Department of Human Resources  
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## FIA ACTION TRANSMITTAL

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**TO: DIRECTORS, LOCAL DEPARTMENTS OF SOCIAL SERVICES  
DEPUTY/ASSISTANT DIRECTORS FOR FAMILY INVESTMENT  
FAMILY INVESTMENT SUPERVISORS**

**FROM: KEVIN MAHON, EXECUTIVE DIRECTOR, FIA**

**RE: WORK REQUIREMENTS UNDER THE PERSONAL RESPONSIBILITY  
AND WORK OPPORTUNITY ACT OF 1996 (FEDERAL WELFARE  
REFORM)**

**PROGRAMS AFFECTED: TEMPORARY CASH ASSISTANCE (TCA)**

**ORIGINATING OFFICE: OPA/ DIVISION OF WORK OPPORTUNITIES**

### **BACKGROUND INFORMATION:**

Under the federal welfare reform legislation, States must meet three different, yet related sets of "work" requirements:

1. Each month, states must ensure that a significant percentage of all parents and caretakers receiving assistance under Title I (Block Grants for Temporary Assistance for Needy Families (TANF)), participate in a work activity, **as defined by the federal legislation**. During federal fiscal year (FFY) 1997, the percentage served each month (known as the Participation Rate) must average 25%. By FFY 2002, the percentage of parents and caretakers served must increase to 50%.

Note that for each year between FFY 1997 and FFY 2002, the required percentage to be served can be decreased by the same number of percentage points by which the state's caseload dropped since FFY 1995. Also note that parents and caretakers who care for a child under the age of 1 year will be subtracted from the **denominator** (i.e., total number of parents and caretakers) and must also be exempted from having to participate in a work activity.

To be counted in the **numerator** of the state's Participation Rate (i.e., the number of people served during the month), the person must have participated for at least 20 hours per week during each week of the month. This attendance requirement rises to 35 hours per week by FFY 2002.

The activities defined by the federal legislation as "work", encompass a variety of strategies aimed at making a person more employable. They range from part-time or full-time unsubsidized employment (while still receiving assistance), to community service, to vocational education. See Attachment 1 for a complete list of acceptable (i.e., countable) activities; note the limitations on the use of some of them.

If a state fails to meet the Participation Rate requirement for a year, the state may have up to 5% of its next year's block grant withheld. The penalty increases by 2 percentage points for each subsequent year that the state fails to meet its Participation Rate requirement. The maximum amount that may be withheld is 21% of the state's block grant. In Maryland, the estimated amount of the block grant for one year is about \$230 million.

2. States must require an even larger percentage of parents and caretakers in two-parent families to participate in a work activity. The required Participation Rate for two-parent families begins at 75% of all such cases in FFY 1997, and rises to 90% within two years. Note that only one parent in the family must participate. If the second parent agrees to participate, the state must provide child care assistance if needed.

The activities in which these persons may participate are the same as the activities open to all families (again, see Attachment 1). However, to be counted in the numerator of the Participation Rate for two-parent families, the person must have participated for at least 35 hours per week instead of 20 hours. This attendance requirement remains at 35 hours per week through FFY 2002.

Failure of the state to meet the Participation Rate requirements related to this subset of TANF/TCA families may also result in a 5% - 21% penalty.

3. States must require all parents or caretakers receiving assistance through the TANF block grant to engage in work, **as defined by the state**, once the person is determined ready to work, or once the person has received assistance for 24 months, whichever is earlier (Sec. 402(a)(1)(A)(ii)). No exemptions are allowed after 24 months.

#### **ACTION TO BE TAKEN:**

Each local department of social services (DSS) is expected to take the actions described below. These actions are related to the federal work requirements described above under numbers 1 and 2 and represent the State's **minimum requirements for the period from October 1, 1996 through June 30, 1997**. In relation to the last of the three federal work requirements outlined above (#3), no action is required at this time. Local areas should consider all three requirements when planning work opportunities.

**Minimum Requirements for the Period**  
**October 1, 1996 - June 30, 1997:**

1. **Local DSS offices must develop or arrange for substantial numbers of work opportunities in which they can place persons receiving public assistance authorized under the Temporary Assistance for Needy Families (TANF) section of the recently passed federal welfare reform legislation.**
2. **Work opportunities created by local areas should meet one of the countable work activity definitions included in Attachment 1.** Generally, local programs should not plan to place recipients in activities that will not be countable, unless they are confident of meeting the required participation rate through other activities. Note that before a person's hours spent in one of the "Other" activities is countable (see Attachment 1), he or she must first participate for 20 hours in one of the "Core" work activities.
3. **Any adult or teen head of household (recipient head of household who has not attained age 20) who is receiving assistance under TANF may be required by the local DSS to participate in a work activity.** The only exceptions (people who must be exempted) are identified in the FIP legislation: (1) adults who must care for a child under 1; (2) adults and children who are severely disabled; and (3) children 16 years of age and older who are not in school and who are severely disabled. Teen parents who are not the head of household as well as teens 16 - 18, not parents, but included in the TCA grant, may not be counted in the participation rate whether in school or other training activities. It is important to note that this represents a change in previous policies concerning countable participants. However, the population of teen parents included in another's grant as well as teen drop outs who are not parents are extremely vulnerable and local departments are strongly encouraged to make every effort to serve these teens.
4. **Local DSS offices must track the progress of every TANF recipient placed in a work opportunity utilizing the Work Opportunities MIS (also known as the PI MIS).** Guidelines on the utilization of this system can be found in the PI MIS Manual, published in February 1996. Note that the State no longer requires local programs to enter attendance information on one parent families(only) into the MIS. The use of the MIS to track attendance is still an option available to all local programs. Actual attendance information is still required to be collected and entered on two parent families.

**Notes:**

- The attachment outlines the limitations attached to certain activities, especially Job Search/Job Readiness activities; activities fitting in this category can only be provided for a maximum of 240 hours per person, per year.
- Hours spent in the "Other" work activities (numbered 10, 11 and 12) may only be counted after the person has already participated for 20 hours per week in one or more of the "Core" work activities. Many types of educational activities are considered to be "Other" activities. **For teen parent, heads of household only, note that their hours of participation in an activity considered to be Secondary Education/GED (#10) or**

**Education (#11), are fully countable. Teen parent, heads of household, in either of these two activities do not have to first participate in a "Core" work activity.**

- Note that Vocational Education is considered to be a "Core" activity (for a maximum of 12 months), while Job Skills Training is considered to be an "Other" activity.

- The federal legislation does **not** permit states to count the hours spent in activities (e.g., Job Search) by persons while they were **applicants** for TANF/TCA. Once the person begins receiving TCA (i.e., beginning on the effective start date of the assistance, which can be no earlier than 14 days after the date of application), his/her hours may be counted toward the state's participation rate. Note that a person who is given a Welfare Avoidance Grant (WAG) or Emergency Assistance (EAFC) is considered to be a TCA recipient.

### Suggestions for Creating Work Opportunities

In relation to these required actions, please note that the DHR has not established local goals for the numbers of work opportunities (activities) into which TCA recipients will be placed each month. Attachment 2 shows our best guess as to how many "countable" participants you will need to serve in each area, each month, to meet the federal Participation Rate during FFY'97. Since the federal government has indicated that they will not hold states accountable to meet Participation Rates until July 1997, these numbers represent the levels you should be aiming to achieve by July 1, 1997.

In order to serve these numbers of countable participants during a given month, the numbers of persons actually engaged in activities will probably need to be 20% to 30% higher, since some people will participate but not be countable due to absences from the activity (the inflation factor used here is based on historical information from SDAs).

When designing activities and recruiting TANF/TCA recipients to participate in them, you have considerable flexibility:

- When working with an individual, the local program operator (DSS) determines the most appropriate activity(ies), given the person's abilities, needs, and preferences, **and the funding available to the program**. Note, however, that only the activities listed on Attachment 1 are defined by the federal government as **countable activities**.
- Aside from the persons exempted from work requirements by the FIP legislation, local programs are free to require any or all of their adults and minor heads of household to participate in a work activity. Decisions about whom to involve in work activities are entirely up to the local program, **as long as a substantial percentage of this group is actively engaged in activities and, therefore, countable toward the State's participation rate**. Again, goals for the numbers of countable participants will not be set before July 1997.

- Local programs also have flexibility in deciding how long a person must participate, both in terms of hours per week (up to and including 40), and numbers of months. Ideally, recipients who enter into work activities will continue to participate until they find an unsubsidized job and leave public assistance. The limited funds available to develop and maintain work activity slots may make this scenario impossible.
- Finally, local programs have flexibility in spending their funds. To the extent possible and practical, cooperation and coordination with other local programs (e.g., schools, SDAs, Job Service offices) may save money. Some agencies may even be willing to provide appropriate and countable activities for free. To be considered countable, an activity **does not** have to be funded by the DSS.

We recognize that the new roles of finding unsubsidized employment for customers, and providing alternate work opportunities for those who don't, present challenges. As always, staff of the Division of Work Opportunities are available to work with you on an individual basis.

**ACTION REQUIRED OF:**

**All Local Departments of Social Services.**

**ACTION DUE DATE:**

**Upon Receipt.**

**INQUIRIES:**

**Please contact Fred Schroeder (410) 767-8192 or any of the staff in the Division of Work Opportunities (410) 767-7119.**

**cc: FIA Management Staff  
Constituent Services**

Attachment 1

**DEFINITIONS OF FEDERALLY AUTHORIZED  
CATEGORIES OF COUNTABLE WORK OPPORTUNITIES**

**"CORE" WORK ACTIVITIES**

Generally, the hours spent by a TCA recipient in any of these "Core" types of activities are fully countable when determining if the person is a Countable Participant for a given month. Note however, that restrictions have been established for certain types of activities.

**1. Unsubsidized  
Employment**

This category includes full-time or part-time employment where the person's wages are not being subsidized with any government funds. Employment as a member of the Armed Forces on active duty, self-employment, and entry into a registered apprenticeship program are considered to be work activities falling into this category. The term "subsidized" does not include tax credits to which the employer may be entitled for employing the person.

*Note:*

*- Local programs may count all hours of unsubsidized employment during each month in which the person is receiving assistance authorized under the section of the federal welfare reform legislation entitled Temporary Cash Assistance for Needy Families. This includes recipients of Temporary Cash Assistance, Welfare Avoidance Grants, and Emergency Assistance for Families with Children (federal requirement).*

**2. Subsidized Private  
Sector Employment**

This category includes full-time or part-time employment in any private-for-profit or private-non-profit sector job where the person's wages are being subsidized with government funds. An example of this type of activity is Grant Diversion, where part or all of the person's grant is diverted to reimburse the employer for some or all of the wages paid to the person.

**3. Subsidized Public  
Sector Employment**

This category includes full-time or part-time employment in any public sector job where the person's wages are being subsidized with government funds. An example of this type of activity is Grant Diversion, where part or all of the person's grant is diverted to reimburse the employer for some or all of the wages paid to the person.

#### 4. Work Experience

This category includes public or private sector work situations where the person has the opportunity to acquire the skills and knowledge necessary to perform a specific job, including learning about appropriate work habits and behaviors. Typically, the person is not paid for participating in a work experience activity, although he or she may receive a needs-based payment to cover the incidental costs of participating.

#### 5. On-the Job Training (OJT)

This category involves training which is given to a person by an employer in the public or private sector. The training is provided while the person is engaged in productive work with the employer, and provides knowledge or skills essential to the full and adequate performance of the position into which he/she was hired. The person receives a wage from the employer which is considered to be a training wage.

##### Notes:

- *The program operator must enter into a contractual relationship with the OJT employer to specify the terms under which program funds will be used to reimburse the employer for providing training and supervision to the person (State requirement).*
- *Payments to an employer must not exceed an average of 50% of the training wages paid by the employer to the person during the period of training (State requirement).*

#### 6. Job Search and Job Readiness Assistance

This category includes a variety of activities aimed at assisting the person to locate unsubsidized employment as quickly as possible.

**Job Search activities** include instruction on the effective strategies that can be used by persons in seeking/obtaining their own jobs. Services include, but are not limited to, resume writing, interviewing skills, labor market information, telephone techniques, information on job openings, and job acquisition strategies, as well as the provision of office space and supplies for the job search.

**Job Readiness Assistance** includes instruction in career exploration, instruction on basic work place expectations and behaviors.

##### Note:

- *Activities in the Job Search and Job Readiness Assistance category are limited by time. A person may participate in these types of activities for a combined total of 240 hours*

*per year, of which only 160 can be consecutive (federal requirement).*

### 7. Community Service

This category includes any work that provides a benefit to the public and is not otherwise described in this list of activity categories. Generally, the person is not paid for his or her work; the person may be asked to locate his or her own community service position, or be placed in an existing position by the program operator.

### 8. Vocational Education

This category includes instruction in an institutional or work-site setting, designed to upgrade a person's technical skills and information required to perform a broad array of related jobs.

*Note:*

*- A person may participate in Vocational Education activities for a maximum of 12 months (federal requirement).*

*- For any given month, persons engaged in this activity, plus teen parents (only) engaged in Education or Secondary Education (see below), may not constitute more than 20% of the State's total number of countable participants reported for that month (federal requirement).*

### 9. Child Care Services

This category involves child care provided by a person, for the child (or children) of another person who is participating in a Community Service activity, as defined above.

*Note:*

*- Generally, the person is not paid for providing child care; if payment to the child care provider is made, the child care arrangements must meet the State's child care licensing regulations (State requirement).*

## **OTHER WORK ACTIVITIES**

Generally, the hours spent by a TCA recipient in one of these Other Activities are countable only after the person has spent 20 hours (for a given week) in one of the Core work activities. Note that for **teen parents only**, Secondary Education/GED and Education activities (#10 and #11 below) **are fully**



**countable.** Therefore, teen parents engaged in one of these activities do not have to first participate in one of the Core work activities in order to be considered a Countable Participant. The official identification of Countable Participants will be accomplished by an MIS report to be developed at DHR.

#### 10. Secondary Education/GED

This category includes educational instruction provided by a secondary school or an alternative educational program leading to achievement of a high school diploma or high school equivalency (e.g., GED).

Notes:

- *Persons placed in this type of activity must not have received a high school diploma or a certificate of high school equivalency (federal requirement).*
- *Teen parent, heads of household, who participate in this activity may be determined by states to be Countable Participants, regardless of how many hours per week they participated and without first participating in a Core work activity, as long as the state considered their level of participation to be "satisfactory" (federal requirement).*
- *For any given month, teen parent, heads of household, engaged in this activity and in Education, plus all persons engaged in Vocational Education, may not constitute more than 20% of the State's total number of countable participants reported for that month (federal requirement).*

#### 11. Education

This category includes education that is directly related to employment.

Notes:

- *Persons placed in this type of activity must not have received a high school diploma or a certificate of high school equivalency (federal requirement).*
- *Education must be directly related to employment (federal requirement).*
- *Teen parent, heads of household (only), who participate in this activity may be determined by states to be Countable Participants, without first having had participated in a Core work activity (federal requirement).*
- *For any given month, teen parent, heads of household, engaged in this activity and in Secondary Education, plus all persons engaged in Vocational Education, may not constitute more than 20% of the State's total number of countable participants reported for that month (federal requirement).*

*- A person may participate in Education activities for a maximum of 12 months (State requirement).*

*- Hours spent by a person in this type of activity (other than teen parent, heads of household) are only countable toward the State's participation rate after the person has participated in one of the "core" work activities, activity categories numbered 1 - 9 above (federal requirement).*

## 12. Job Skills

### Training

This category includes training which is provided in an institutional or work-site setting and is designed to upgrade a person's technical skills and information required to **perform a specific job**.

#### Note:

*- Job Skills Training must be directly related to employment (federal requirement).*

*- Hours spent by a person in this type of activity are only countable toward the State's participation rate after the person has participated in one of the "core" work activities, those numbered 1 - 9 above (federal requirement).*

(Reference: COMAR 07.03.02.06C and .07A-1(2)(d))

**PROJECTED NUMBER OF COUNTABLE PARTICIPANTS NEEDED  
DURING FFY 1997**

1	2	3	4	5	6	7
	Allocation SFY '97	Percent of Total	Monthly # of Cases Projected 54,719	Monthly # Count. Required 18%	Probable # of Work Participants Needed Each Mo.	Available Funds per Participant per Month
LDSS						
Allegany	\$269,783	1.66%		166	232	
Anne Arundel	\$689,722	4.24%		424	594	
Baltimore City	\$7,685,872	47.28%		4,724	6,614	
Baltimore Co.	\$1,330,092	8.18%		818	1,145	
Calvert	\$113,752	0.70%		70	98	
Caroline	\$79,447	0.49%		49	68	
Carroll	\$128,037	0.79%		79	110	
Cecil	\$176,952	1.09%		109	152	
Charles	\$326,856	2.01%		201	281	
Dorchester	\$128,308	0.79%		79	110	
Frederick	\$221,218	1.36%		136	190	
Garrett	\$65,127	0.40%		40	56	
Harford	\$340,250	2.09%		209	293	
Howard	\$204,437	1.23%		126	176	
Kent	\$31,280	0.19%		19	27	
Montgomery	\$935,663	5.76%		576	805	
Prince George's	\$2,379,337	14.64%		1,463	2,048	
Queen Anne's	\$50,613	0.31%		31	44	
St. Mary's	\$210,726	1.30%		130	181	
Southern	\$102,403	0.63%		63	88	
Talbot	\$61,360	0.38%		38	53	
Washington	\$304,936	1.88%		187	262	
Wicomico	\$304,929	1.88%		187	262	
Worcester	\$113,890	0.70%		70	98	
					0	
<b>TOTALS</b>	<b>\$16,254,990</b>	<b>100.00%</b>	<b>54,719</b>	<b>9,992</b>	<b>13,988 **</b>	<b>\$96.84 ***</b>

## CALCULATION OF DENOMINATOR

# Total cases	68,156 *
# Cases receiving AFDC which have an adult or minor child who is the head of household	62,220 *
- (Cases with a child under 1 year of age)	5,452 *
- (Cases which are being sanctioned; estimate -- represents all cases since none will receive public assistance)	2,049 *

Final Denominator 54,719

CALCULATION OF PARTICIPATION  
RATE REQUIREMENT

Federal P.R. requirement	25.00%
- (number of percentage points by which average monthly caseload, as defined above, decreased from FFY '95 to FFY '96)	6.74%
Adjusted P.R. Requirement	18.26%

## NOTES:

\* Included in RESI cost model

\*\* Estimated number of TCA recipients who will need to be involved in a work activity at all times in order to achieve the number of Countable Participants needed each month (Column 5 multiplied by 130%).

\*\*\* Average amount available to DSSs to provide a 20 hour per week work activity (Column-2 divided by Column 6) for one person for one month.