
Temporary Assistance for Needy Families Information Memorandum

U.S. Department of Health and Human Services
Administration for Children and Families
Office of Family Assistance
Washington, DC 20447

No. TANF-ACF-IM-2015-01

Date: May 29, 2015

TO: State agencies administering the Temporary Assistance for Needy Families (TANF) Program and other interested parties.

SUBJECT: Work Participation Rates for FY 2012

REFERENCES: Sections 407 & 409 of the Social Security Act; 45 C.F.R. Parts 261 & 262.

BACKGROUND:

The U.S. Department of Human Services (HHS) issues TANF work participation rates, which measures how well states engage families receiving assistance in certain work activities during a fiscal year. A state must meet both an overall (or “all families”) and a two-parent work participation requirement or face a potential financial penalty. The statutory requirements for fiscal year (FY) 2012 are 50 percent for all families and 90 percent for two-parent families, but a state’s individual target rates equal the statutory rates minus a credit for reducing its caseload.

A state’s caseload reduction credit equals the percentage point decline in its average monthly caseload between the previous year and a base year, FY 2005 (For a caseload reduction credit toward the two-parent work participation rates, the state has the option of using its overall caseload reduction credit or a separate one calculated using the decline in the two-parent caseload.) In calculating the caseload reduction, HHS must exclude any caseload reductions resulting from changes in state or Federal eligibility requirements. In addition, a state that is investing state maintenance –of-effort (MOE) funds in excess of the required 80 percent or 75 percent basic MOE amount need only include the pro rata share of caseloads receiving assistance that is required to meet basic MOE requirements.

The Deficit Reduction Act of 2005 (DRA) and regulations implementing that law made significant changes to work participation requirements by: (1) recalibrating the caseload reduction credit to a base year of 2005 (rather than FY 1995); (2) adding families to the calculation of the work participation rates (e.g., those in separate state programs and certain families in which children receive assistance but parent do not); and (3) defining the activities and hours of participation that could count toward those rates.

CONTENT:

This memorandum transmits the FY 2012 work participation rates. All states were required to report work participation information for the months of October 2011 through September 2012. Twenty-five states and territories failed one or both required work participation rates. The FY 2012 national average overall work participation rate was 34.4 percent. Fourteen states and two territories failed to meet their overall work participation rate requirements. The FY 2012 national average two-parent families work participation rate was 33.9 percent. Nineteen states and one territory failed to meet their two-parent families work participation requirement. (Twenty-four

states, the District of Columbia, and two territories were not subject to the two-parent work participation requirement due to the manner in which they structured their programs.) The attached tables provide detailed state-by-state information regarding work participation rates and standards, caseload reduction credits, the number of work-eligible individuals, and activities in which individuals participated.

We have notified states individually of their work participation rates for FY 2012. A state that fails its minimum work participation requirement (by failing either work participation rate), is subject by statute to a potential penalty; however, a state has an opportunity to dispute a penalty, seek a discretionary reduction due to needy state status or extraordinary circumstances, file a request for a reasonable cause exception from that penalty and/or submit a corrective compliance plan to correct the failure before any penalty is imposed.

ATTACHMENTS: TANF Work Participation Rate Tables for FY 2012.

INQUIRIES: Please direct inquiries to the TANF Program Manager in your region.

/s/

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Director
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