
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 20201

No. TANF-ACF-IM-2016-04

Date: July 26, 2016

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

SUBJECT: Work Participation Rates for FY 2014

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 measure how well states engage families receiving assistance in certain work activities during a fiscal year. A state must meet 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) 2014 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 reduction 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.

CONTENT:

This memorandum transmits the FY 2014 work participation rates. All states (this includes territories and the District of Columbia) were required to report work participation information for the months of October 2013 through September 2014. Twenty states failed one or both required work participation rates. The FY 2014 national average overall work participation rate was 36.6 percent. Nine states failed to meet their overall work participation rate requirements or both rates. Eleven states failed to meet only their two-parent work participation requirement. (Twenty-six states 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 2014. 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 2014.

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

/s/

Susan Golonka
Acting Director
Office of Family Assistance