



Recent TANF Changes Are Favorable to Education and Training

On February 5, 2008, the U.S. Department of Health and Human Services published a Final Rule pertaining to the TANF reauthorization provisions in the Deficit Reduction Act of 2005. These new policies supersede those in the Interim Final Rule, under which TANF had been operating since the Act went into effect. The new policies will go into effect October 2, 1988.

Following is a summary of the new policies and their implications for Michigan, as well as a discussion of several proposals that were not incorporated.

EDUCATION AND TRAINING

Previous policy	New policy	Implications for Michigan
The Interim Final Rule explicitly prohibited four-year degree and advanced degree programs from counting toward TANF work requirements. Only two-year and vocational certificate programs were allowed.	The Final Rule allows TANF recipients to count participation in four-year and advanced degree programs as Vocational Educational Training for up to twelve months, fulfilling core requirements. Beyond twelve months, recipients may count it as non-core job skills training if they are participating in a core activity for sufficient hours.	Michigan should modify its policies to allow FIP recipients to participate in 4-year degree and advanced degree programs.
The Interim Final Rule stated that homework time could only count toward work requirements if done in a supervised setting. This limitation is seen by many advocates as unworkable, because many education providers do not provide supervised homework periods, and because it creates additional child care and scheduling burdens for parents.	The Final Rule allows states to count up to one hour of unsupervised homework time for each hour of class time, in addition to any supervised homework time that is counted. (Total homework time cannot exceed the hours required or advised by the educational program.)	Michigan should allow students who participate in Vocational Educational Training to count up to one hour of unsupervised classroom time per hour of class.

<p>The Interim Final Rule suggested that basic skills or ESL could be counted as part of vocational training only when “of limited duration.” No clarification was given to indicate a time limit.</p>	<p>The Final Rule indicates that basic education or ESL can count as long as it is a necessary and integral part of the vocational training, which has a time limit of 12 months as a core activity.</p>	<p>This is more of a clarification than a policy change; however, Michigan may want to seek ways to encourage training providers to incorporate basic skills and ESL into their training when appropriate for the learner population.</p>
<p>The Interim Final Rule required that students in certain non-core basic education activities make good and satisfactory progress and that this progress be monitored by the state. Because this adds a reporting burden to education providers, it could discourage them from helping TANF recipients and thus jeopardize the access by recipients to some programs.</p>	<p>The Final Rule drops the requirement that states monitor student progress.</p>	<p>By eliminating this reporting burden, the change helps Michigan to encourage training providers to serve parents who receive FIP assistance.</p>

COUNTING AND DOCUMENTATION OF HOURS

Previous policy	New policy	Implications for Michigan
<p>Under federal law, participation in job search or job readiness can only count toward the participation rate for six weeks per fiscal year (or 12 weeks for states—including Michigan—that meet the definition of “needy” states), and for no more than four consecutive weeks. The Interim Final Rule required counting any hour of job search or job readiness activity in a week as using up a full week toward the quota. It also required documenting these activities on a daily basis.</p>	<p>The Final Rule allows measurement of job search or job readiness activities in hours rather than weeks. Specifically, it does the following:</p> <ul style="list-style-type: none"> • It adopts an <i>hourly</i> equivalent for the six-week (in Michigan’s case, twelve-week) limit, defining a week of participation as 20 hours for a single-parent with a child under age six and 30 hours for all other work-eligible individuals. • It retains the interpretation that even one hour of job search in a week uses up a week of job search/job readiness toward the 4 consecutive week limit. (HHS suggests that hours in a fifth week could be reported as excused absence hours.) • It now applies the time limit to the preceding 12-month period rather than a fiscal year. 	<p>Being able to measure job search and job readiness participation on an hourly rather than weekly basis, and dropping the daily documentation requirement, will provide needed flexibility for recipients engaged in those activities. However, retaining the weekly counting method for the four-consecutive-week limit undercuts some of that flexibility gain. The move to counting the week limits on a fiscal year rather than preceding year basis may complicate measurement of work participation credit.</p> <p>The Center on Budget and Policy Priorities suggests that, to maximize the allowable hours of job search and job readiness, states not report hours for those activities unless those hours actually improve work participation</p>

	<ul style="list-style-type: none"> It drops the daily documentation requirement and now requires only that participation must be documented in the file. 	rates. (In other words, if a participant has already met his/her weekly work requirements with other activities, or if the participant will not meet the weekly requirements even with job search/job readiness hours factored in, then the state should not count those hours in its report.) Michigan may want to consider this.
The Interim Final Rule did not specify the number of holidays that a state could recognize.	The Final Rule specifies that a state plan may not include more than ten holidays per year.	This change is one of the few that decreases, rather than increases, flexibility. It does not account for situations in which the employer or training institution is closed for a period of time, such as a weeklong holiday break.
The Interim Final rule states that unpaid work activities such as vocational training, work experience and community service should be reported every two weeks.	The Final Rule removes this requirement, noting that participation in these activities is reported monthly and that supporting (signed) documentation must be included in the case file.	The decreased reporting burden will reduce paperwork by caseworkers and supervisors of unpaid work activities.
The Interim Final Rule stated that a state could count no more than 10 days of excused absences (and no more than two days per month) as days of participation toward the work rate, and that any partial day of excused absence must be counted as a full day.	The Final Rule measures absences in hours rather than days. It allows 80 hours of excused absences with no more than 16 in any given month to count toward work participation in unpaid activities. The Final Rule also specifies a limit of 10 holidays per year rather than using the “reasonable holidays” language of the Interim Final Rule. (The 80 hours are counted for the preceding 12-month period.)	This additional flexibility will be helpful to parents as they engage in work activities while raising families.

INDIVIDUALS WITH DISABILITIES

Previous policy	New policy	Implications for Michigan
The Interim Final Rule has allowed states to treat SSI recipients as exempt from work requirements (as thus not count those individuals in a state’s work participation rate), but not SSDI recipients.	The Final Rule allows states to exempt both SSI and SSDI recipients from work requirements and to exclude them from work participation rates. This is sensible change, since SSI and SSDI use the same disability standard to determine eligibility.	Michigan can now treat SSDI recipients as exempt from work requirements and exclude them from its work participation rate.

<p>Although SSI <i>recipients</i> were exempt under the Interim Final Rule, it did not allow states to exempt SSI <i>applicants</i> from work requirements or to exclude them from work participation rates.</p>	<p>The Final Rule continues to prohibit states to from exempting SSI (and SSDI) applicants from work requirements and from excluding them from state work participation rates. However, it allows states to revise their data retroactively to exclude individuals whose SSI and SSDI applications are approved within the reporting year. This must be done by December 31 for the preceding fiscal year ending September 30.</p>	<p>Michigan is encouraged to revise its work participation data as applicable. However, the short time frame for revision may limit Michigan's ability to count applicants whose approval takes a longer time (i.e. applications initially rejected that are eventually approved after an appeal process). In light of this, Michigan may want to examine its application approval processes, to ensure that as many recipients as possible will be excluded from the work participation rates during the period in which their applications were pending.</p>
<p>The Interim Final Rule allowed states to exempt from work requirements a parent who stays home to care for a family member with a disability, only if that disabled family member is not attending school full-time. It was unclear whether a school-age person is considered "attending school full-time" during summer vacations and other extended periods when he/she would need full-time parental care.</p>	<p>The Final Rule drops the requirement that the disabled family member be attending school full-time in order for the caretaker to be work-exempt.</p>	<p>This change increases flexibility for Michigan parents who must stay home to care for a dependent with a disability.</p>