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## Ohio Department of Human Services

30 East Broad Street, Columbus, Ohio 43266-0423

August 24, 1999

### OWF/PRC Guidance Letter No. 5

TO: Directors, County Departments of Human Services  
Directors, County Public Children Services Agencies  
Directors, Child Support Enforcement Agencies  
Regional Account Managers

FROM: Jacqueline Romer-Sensky, Director *JRS/clw*

SUBJECT: **OWF/PRC GUIDANCE LETTER No. 5**

The Ohio Department of Human Services (ODHS) issues a series of guidance letters related to Ohio Works First (OWF) and Prevention, Retention and Contingency (PRC) programs. This letter consolidates, updates, and obsoletes the information that was in previous work activities guidance letters, specifically obsoleting: Work Activities Guidance Letter #1, Flood Damage Clean-Up As a WEP Assignment dated July 8, 1998; Work Activities Guidance Letter #2, Participation Rates dated August 13, 1998; Work Activities Guidance Letter # 3, Questions and Answers dated September 10, 1998; Work Activities Guidance Letter #4, Good Cause dated September 15, 1998; and Work Activities Guidance Letter #5, Participation Rate Questions and Answers dated January 14, 1999.

#### FFY 1998 PARTICIPATION RATES ACHIEVED

Congratulations go to county human services staff! Ohio met the All-Family and Two-Parent work participation rates for federal fiscal year 1998. Ohio's All-Family rate was 44.9%, which was above the 30% standard. Ohio met the Two-Parent rate with the help of the caseload reduction credit. Ohio's caseload reduction credit was 25.8%. This percentage was subtracted from the Two-Parent participation rate standard of 75% for an adjusted standard of 49.2%. Ohio's actual Two-Parent participation rate was 51.5% which was above the 49.2% standard.

#### GOAL OF ASSIGNMENT

County staff are encouraged to make appropriate assignments to regular, developmental or alternative work activities based on the assessment of each individual's education, work history, skills, abilities, interests and on the needs of the family. The goal of an assignment to a work activity is the self-sufficiency of the family. Meeting the participation rates are important, but they are secondary to meeting the needs of the family and helping the family to become self-sufficient.

As soon as a family applies for cash assistance, the worker negotiates the self-sufficiency contract



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with each adult or minor head of household. As discussed in OWF/PRC Guidance Letter #2, the worker needs to make sure that at least one of the adults or minor heads of household in the family is assigned to a work, developmental or alternative work activity as appropriate. The GWP 518, Participation Detail report, lists every individual and indicates whether the individual is assigned to an activity. Every month each worker should be given a copy of this report so that they can identify those individuals who do not have a current assignment.

H.R. 3734 states that every family must be participating in some type of a work activity after receiving cash assistance for 24 months. This requirement means that the county needs to assess and assign at least one adult or minor head of household in each family to a work, developmental or alternative work activity no later than 24 months after the beginning of cash assistance. Since Ohio requires individuals to be appraised and assigned to participate in a work activity as soon as possible after application for OWF, all families should have received an assignment by the time the 24 month period is reached. This requirement does NOT mean that an assistance group is ineligible if they have not been assigned to participate in an activity after 24 months.

### **FINAL TANF REGULATIONS**

In April of this year, states received the final TANF regulations for the federal welfare reform bill, H.R. 3734, Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The regulations can be found in the Federal Register, Vol. 64, No. 69. The regulations clarify some issues in H.R. 3734 as well as impose additional reporting requirements on states.

This letter outlines some of the changes that are required by the regulations. ***All of the changes required by the TANF regulations are effective October 1, 1999.***

### **PARTICIPATION RATES**

There are several changes that will affect the way that participation rates are calculated. A summary of these changes is included here. These changes are described in greater detail further in this guidance letter.

Changes that will effect the calculation of the federal and state participation rates are:

- # Single-parent AGs with child age 6 or over must participate at least 30 hours per week in a federal work activity.
- # Developmental and alternative activities will count toward the participation rate only for single-parent AGs with child under the age of 6.
- # There is a change in the way that LEAP is calculated for two-parent AGs.

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- # If an AG has an individual who is being home schooled through LEAP (PSC B5), the AG will be considered to be participating in LEAP for participation rate purposes.
- # LEAP exempts will be excluded from the participation rate calculation.
- # Vocational and postsecondary education limit will change to 12 calendar months.
- # Job Search cannot be for more than 4 consecutive weeks.
- # Two new activity codes will be added on CRIS-E.
- # Participation rate exemption (D3) for single-parent AG with child under age of one will change to 12 months lifetime.
- # Individual who is caring for a severely disabled child in two-parent AG will be exempt. AG is still included in participation rate calculation.
- # ADC-Is will not count toward the two-parent participation rate.
- # Zero cash grants and minimum payment cases will be excluded from the participation rate calculation. This does not apply to AGs that have a zero grant due to recoupment.
- # CCSERV will no longer be a valid federal work activity.
- # Hours for partial months assignment and employment will be automatically prorated by CRIS-E for participation reports. Hours for initial months of eligibility will not be prorated.
- # County must have policy regarding child care for single-parent AG with child under age 6.
- # ODHS will be reporting child care information on the participation reports.

**PARTICIPATION STANDARDS AND REQUIRED HOURS**

Effective October 1, 1999, in order to count for the *federal* and *state* all-family participation rate, a single-parent assistance group (AG) with a child age six or older must participate in a *federal* work activity for at least 30 hours per week. This means that developmental activities will not count

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toward the 30 hour per week participation rate requirement for those assistance groups.

The federal and state participation rate requirement remains unchanged for single-parent AGs with a child under the age of six. In order to meet the *federal* participation rate, they must participate at least 20 hours per week in a federal work activity. In order to meet the *state* participation rate, they must participate at least 20 hours per week in a federal activity and the remaining ten hours can be either in a federal work activity or a developmental/alternative work activity.

Also effective October 1, 1999, the federal participation rate standard for single-parent assistance groups goes up to 40% and the state standard goes up to 45%. The federal and state participation rate standard for two-parent assistance groups remains at 90%.

Beginning with the October 1 participation report, ODHS will be reporting child care information on the federal participation reports. This information will be obtained from the child care payment system at the time the participation reports are run and the child care information will be included on the 518 report. The child care information will not be available on-line on CRIS-E. Therefore, if an AG is receiving federally funded child care, in order to meet the participation rate, the AG must be participating at least 55 hours per week.

Following are two charts that show the federal and state participation standards and the number of hours that an AG has to participate to meet those standards for the all-family and the two-parent rate.

**All-Family Participation Rates and Required Hours**

Year	Fed. Part. Rate	State Part. Rate	Fed. Req. Hrs.		State Req. Hrs.
			Single Parent Under < 6	All Others	
1999	35%	40%	20	25	30
2000	40%	45%	20	30	30
2001	45%	50%	20	30	30
2002	50%	55%	20	30	30

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**Two-Parent Participation Rates and Required Hours**

Year	Fed. Part. Rate	State Part. Rate	Fed. Req. Hrs.		State Req. Hrs.	
			No Federal Child Care	Federal Child Care	No Federal Child Care	Federal Child Care
1999	90%	90%	35	55	35	55
2000	90%	90%	35	55	35	55
2001	90%	90%	35	55	35	55
2002	90%	90%	35	55	35	55

**A year is based on the federal fiscal year. (Ex.-1999- begins on October 1, 1998)**

**FEDERAL WORK ACTIVITIES**

Effective October 1, the activities in which an individual can participate to meet the participation rates will change.

The following is a list of the *twelve* federally allowable work activities.

**First 20 Hours**

**Single-Parent AGs:** In order to meet the federal and state participation rate, *at least* 20 hours per week must come from one of the following *nine* activities.

**Two-Parent AGs:** In order to meet the federal and state participation rate, *at least* 30 or 50 hours must come from one of the following *nine* activities. If the AG is not receiving federally funded child care at least 30 hours must come from one of the following nine activities. If the AG is receiving federally funded child care at least 50 hours must come from one of the following nine activities.

1. Unsubsidized Employment (employment on AEIEI or AEISE)
2. Subsidized Employment (SEP or S-SEP)
3. Work Experience (WEP)
4. On-the-Job Training (OJT)

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5. Job Search
6. Job Readiness
7. Vocational Education (includes Postsecondary Education)
8. Community Service (Activity is not offered in Ohio. Activity could be coded as WEP or OJT)
9. Micro-enterprise self-employment

### Above 20 Hours

Above the first 20 hours for a single-parent AG and first 30/50 hours for a two-parent AG, the following federal work activities count toward the federal and state participation rate.

10. Job Skills Training directly related to employment (New activity code to be added October 1)
11. Education directly related to employment for someone without a high school diploma or GED (New activity code to be added October 1)
12. ABLE/high school

### Single-Parent AG with Child Under Six

An exception to the above is for those single parent AGs with a child under the age of six. In order to meet the federal and state participation rate, they must participate at least 20 hours in one of the *nine* activities listed above, and the remaining ten hours can be in any of the *twelve* activities listed above, or in a developmental or alternative activity. These are the only AGs in which participation in developmental or alternative activities will count toward the participation rate.

### Special Rules for Those Under Age 20

There are special rules that apply to participation in LEAP. There is a change that relates to the counting of LEAP for the participation rate for *two-parent* AGs. Currently, if an individual is participating in LEAP (INSCHL assignment on WPLS) for enough hours not to be sanctioned for attendance in the reporting month, the individual meets the participation rate requirement for the AG, even if the individual participating in LEAP is a dependant child in the AG. This remains true for single-parent AGs.

Effective October 1, for two-parent AGs, if an individual is participating in LEAP for enough hours not to be sanctioned for attendance in the reporting month, the individual is credited with 20 hours of participation per week or the actual hours of participation per week whichever is greater. The two-parent AG must still meet the 35 or 55 hours per week requirement. Therefore, the AG may need additional hours to meet the two-parent rate. The LEAP participant is not required to participate in any hours other than LEAP so the additional hours would have to be done by the non-LEAP participant unless the LEAP participant volunteers to do the additional hours. If a LEAP

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participant volunteers to do the work activity hours over and above LEAP and then fails to complete the work activity assignment, the LEAP individual is not subject to sanction for failure to do the additional hours.

If it is a two-parent AG and both parents are participating in LEAP for enough hours not to be sanctioned for attendance in the reporting month, then the AG meets the two-parent rate.

If a LEAP individual is being home-schooled, PSC B5, the AG will be considered to be participating in LEAP for participation rate purposes. The individual is not eligible for the LEAP bonus. If it is a single-parent AG, the AG will meet the rate. If it is a two-parent AG, the AG will be credited with 20 hours per week. If it is a two-parent AG and both parents are being home schooled, then the AG will meet the two-parent rate.

If an AG contains an individual who is LEAP exempt, the AG will be excluded from the denominator and not included in the participation rate calculation unless someone else in the AG is meeting the rate.

The AG will meet the federal and state all-family participation rate if the individual is under the age of 20, is in a single-parent AG and is participating in education related to employment (ETWA 180) for at least 20 hours per week. If it is a two-parent AG, if both parents are under the age of 20 and both the parents are either participating in LEAP or participating in education related to employment for at least 20 hours per week, then the AG will meet the two-parent rate.

### Exception for Disabled Child

An individual in a two-parent AG who is caring for a severely disabled child will be exempt from participation. The CDHS defines what is "severely disabled" and the CDHS needs to document the exemption in the case record. The AG is still included in the participation rate calculation. The other person in the AG who is not caring for the severely disabled child will be required to participate at least 35 hours per week to meet the participation rate. This is true even if the AG is receiving federally funded child care.

The individual in a two-parent AG who is caring for a severely disabled child will be flagged with a PSC code of "D7." CRIS-E will calculate the "D7" PSC code based on information entered on the Application Entry Non-financial Disabled Person, AEIDP, screen.

This does not apply to single-parent AGs. The parent or caretaker relative in a single-parent AG who is caring for a severely disabled child is not exempt.

### EDUCATION LIMITS

The way that the participation rate limits are calculated for vocational education and postsecondary

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education will change. Currently any hours that are assigned to vocational education that exceed 2,080 hours and any hours that are assigned to postsecondary education that exceed 1,040 hours (with the exception of 5 hours per week) do not count toward the federal and state participation rates. Also, the hours that an individual participates in postsecondary education count toward the 2,080 vocational education limit. Effective October 1, 1999, the 2,080 and 1,040 hour limit will change to *12 calendar months*. The months do not have to be consecutive. The preamble to the federal regulations states that: "If a family is included in the numerator of a participation rate for a month by virtue of participation in vocational educational training (which includes postsecondary education), then that month counts against the 12-month limit for that individual."

*The limits for vocational education and postsecondary education will be combined, in that it will be a 12-calendar-month limit for the two activities combined.* For federal reporting, both vocational and postsecondary education activity codes are reported as vocational education.

If an individual's participation in postsecondary or vocational education is counted as meeting the federal participation rate for a month, then that month counts against the 12-month limit for that individual. If the individual participates in postsecondary or vocational education for a month but that individual meets the federal participation rate through activities other than postsecondary or vocational education, then that month does not count against the 12-month limit for that individual.

The twelve-month count begins October 1, 1999. The number of months that have been counted toward the twelve-month limit will be displayed on the Work Program Assessment Screen 1 (WPA1).

*Counties are encouraged to continue assigning individuals to vocational or postsecondary education. There are options to coding that will be discussed in this guidance letter where some or all of the hours may count toward federal participation after 12 months.*

### **NEW ACTIVITY CODES**

Two new codes will be added on CRIS-E which could be used to code vocational or postsecondary education after 12 months so that 10 hours per week can count toward the federal and state participation rate. The codes will be added to the TWPT table and will be used with the ETWA activity code. These activities are defined by the county. The codes are:

ETWA 133 - Job Skills Training related to employment

ETWA 180 - Education directly related to employment for someone without a high school diploma or GED.

### **EXEMPTION FOR CHILD UNDER AGE ONE**

The participation rate exemption for single-parent AGs with a child under the age of one will change. The county has the option of including or not including those AGs in the participation rate

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calculation. As long as the adult or minor head of household has a participant status code of D3, that AG is not included in the calculation.

Currently the adult or minor head of household receives the D3 code as long as they have a child under the age of one and the CDHS worker does not override the code. Effective October 1, 1999, the adult or minor head of household can claim that exclusion from the participation rate up to 12 months in their *lifetime*. After the 12 months is reached, even if the individual has another child, the AG cannot be excluded from the participation rate calculation. At that point, the adult or minor head of household will receive the D6 participant status code and the AG will be included in the participation rate calculation.

The 12 month count begins October 1, 1999. After the individual has received the D3 code for 10 months, an alert will be generated to the work activities worker so that the work activities worker can change the assignment if needed. Another alert will be generated to the work activities worker after the 12<sup>th</sup> month if the individual is not assigned to a federal work activity. The number of months the individual has been excluded from the participation rate calculation due to the D3 PSC code will be displayed on WPA1.

### **ALTERNATIVE AND DEVELOPMENTAL ACTIVITIES**

Although alternative and developmental activities will only count toward the participation rate for single-parent AGs with a child under the age of six, alternative and developmental activities are still viable and appropriate activities for some people. As pointed out in OWF/PRC Guidance Letter #2, counties need to work with all OWF families. Some individuals may not be able to participate in a federal work activity for enough hours to meet the participation rate but they may be able to participate in an alternative or developmental activity. Alternative and developmental activities are designed to move the individual toward self-sufficiency and are defined by the CDHS.

### **WORK ACTIVITY AND CODING ISSUES**

As there are minimal definitions of each work activity in federal and state law, each CDHS has broad leeway in how to define each work activity. It appears some CDHSs are using narrow definitions or using old JOBS definitions. The activities do not have to be defined the way they were under the old JOBS program. When defining work activities, it is suggested that the CDHS use the “reasonableness” factor. Would the explanation for how the CDHS defined a work activity seem reasonable to an outside observer?

For example, typically CDHSs have defined postsecondary education as education at a two-or four year college. However, if skill or occupational training is involved, it can be defined and coded as vocational education or job skills training. In addition, the hours spent in an internship or lab can be defined and coded as WEP or OJT. Language in the preamble to the TANF regulations specifically states that “postsecondary education could fit within the definition of one or more of the 12 (federally

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allowable) work activities.”

In addition, study time can be included in the definition of educational activities. The preamble to the TANF regulations states that “a State could choose to include homework time as part of an activity.” The preamble goes on to say that “we encourage States to consider carefully how Congress intended to treat homework in determining “engaging in work” to ensure that its interpretation is reasonable.”

Another example is OJT. Under the old JOBS program, OJT meant that an individual was hired by an employer and the employer received a subsidy to offset training costs. Under existing federal and state legislation, OJT is not defined. A county can define OJT in ways that do not include paid employment and an employer subsidy.

Also, the CDHS can incorporate some elements of one activity into another existing activity. For example, as part of their WEP assignment at a work site, an individual can receive instruction in basic skills or job search techniques and all of the hours can be coded as WEP.

### **COMBINING EDUCATION WITH WORK**

The preamble to the TANF regulations states that “According to the Manpower Demonstration Research Corporation’s publication, “Work First,” the most successful work first programs have shared some characteristics: 1) a mixed strategy including job search, education and training, and other activities and services; 2) an emphasis on employment in all activities; 3) a strong, consistent message; 4) a commitment of adequate resources to serve the full mandatory population; 5) enforcement of participation requirements; and 6) a cost-conscious management style.”

The preamble goes on to state that “While the most successful programs consistently and strongly emphasize work, the actual program designs recognize and address the critical role education plays in preparing adults for work.”

One strategy CDHSs have used is to combine education with work. Some counties have developed on-campus WEP positions so that an individual can do their WEP assignment at their school. In addition, some individuals can combine work study, OJT or part-time employment with school.

Counties have to keep in mind that not more than 30% of the *state*’s federal numerator can be in the numerator due to participation in vocational, postsecondary, high school, Adult Basic and Literacy Education (ABLE), or education related to employment activities. High school, ABLE, and education related to employment count toward the 30% limit only if the individual is under the age of 20. It does not include LEAP. As long as the *state* is meeting the 30% requirement, the county can make assignments to education. The CDHS can monitor the state’s 30% limit on the participation rate management screen, WPRD, on CRIS-E. In order to monitor this, the CDHS needs to make sure that they are looking at the statewide data rather than the county data.

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### **ASSIGNED AND PRORATED HOURS**

When entering assignments on WPAS or employment on AEIEI or AEISE, the worker takes the weekly hours and multiplies by the conversion factor of 4.3 to determine the monthly assigned hours. The worker enters the monthly hours on CRIS-E. This is true for all assignments, including those assignments that begin and end in the middle of the month.

Beginning October 1, 1999, CRIS-E will *automatically prorate* partial months hours for the participation reports. Hours will be prorated on WPAS and AEIEI/AEISE based on begin and end dates. The pro-ration formula is:

Prorated hours = (hours per month/total weekday days in month) X total weekday days in partial month. Holidays will be included as days worked in this calculation.

Hours per month - the number of assigned hours on WPAS or AEIEI/AEISE for the activity.  
Total weekday days in month - The sum total of Monday through Friday days of the month.  
Weekday days in partial month - Starting with the begin date, sum total Monday through Friday days in the calendar month.

*If the month is the initial month of cash eligibility, CRIS-E will not prorate the hours.*

### **FAILURE HOURS AND GOOD CAUSE**

Several CDHS are not entering failure information into CRIS-E when an individual fails to participate in a work activity as assigned. This is especially true when the individual had good cause for not participating. Unfortunately, the federal requirements do not distinguish between good cause failures and those failures without good cause when determining participation rates. Those hours that the individual failed *cannot* count toward the federal participation rate even if the individual had good cause for not participating.

### **JOB SEARCH/JOB READINESS**

The limit for job search/job readiness will remain at 240 hours per federal fiscal year. However, an individual cannot participate in job search/readiness for more than four consecutive weeks. If an individual participates in job search/readiness for four consecutive weeks, they cannot participate in job search/readiness for a week before they can complete their remaining job search/readiness hours.

### **CHILD CARE FOR SINGLE PARENT AGS WITH CHILD UNDER SIX**

In accordance with 45 CFR section 261.56 of the TANF regulations, if the individual is in a single parent AG with a child under the age of 6 (PSC D6), the CDHS cannot reduce or terminate assistance based on the parent's refusal to participate in a work activity if the individual demonstrates

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an inability to obtain needed child care for one or more of the following reasons:

1. Unavailability of appropriate child care within a reasonable distance from the parent's home or work site; or
2. Unavailability or unsuitability of informal child care by a relative or under other arrangements; or
3. Unavailability of appropriate and affordable formal child care arrangements.

Ohio is subject to a financial penalty of up to 5% of the TANF block grant if the state fails to maintain assistance to adult single custodial parents who cannot obtain child care for a child under age six.

In order to determine whether a single-parent demonstrates an inability to obtain needed child care the definitions in rule 5101:1-3-12 must be used. The definitions in the rule are:

“Appropriate Child Care” means the availability of a licensed or certified child care provider.

“Reasonable Distance” is defined by each individual CDHS and is based on availability of transportation.

“Unsuitability of Informal Child Care” is a decision made by the CDHS based on information it receives from the public children services agency (PCSA) that the PCSA determines is relevant to share with the CDHS in order to protect children.

“Affordable Child Care Arrangements” means that all OWF participants are guaranteed eligibility for child care subsidy with copayments based on family size, income and number of children receiving subsidized child care.

The CDHS must inform single parent AGs with a child under the age of six about:

1. Protection from sanction for lack of child care;
2. The criteria and applicable definitions for determining whether an individual has demonstrated an inability to obtain needed child care;
3. The CDHS procedures for determining a single-parents' inability to obtain needed child care.
4. The fact that the exclusion from participation for lack of child care does not extend the time limit for receiving federal assistance.
5. The right to a state hearing.

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If a parent demonstrates an inability to obtain needed child care, the individual is coded as PENDPL 320 on WPAS.

**SANCTION PENALTY**

According to section 262.1 of the TANF regulations, the state is subject to a penalty of not less than one percent and not more than five percent of the TANF block grant if the state fails to impose penalties properly against individuals who fail to participate in a work activity. The state's penalty will be reduced based on whether the state has controls to ensure it reduces grants appropriately; and the percentage of cases with sanction errors. The Department of Health and Human Services (HHS) plan to monitor this requirement to sanction appropriately through the single state audit.

The three things that the CDHS needs to ensure are being done properly are:

1. The CDHS is sanctioning those that should be sanctioned, i.e., the worker is sanctioning those who fail to participate in a work activity without good cause.
2. The CDHS is not sanctioning those that should not be sanctioned, i.e., the worker is not sanctioning if the individual had good cause.
3. The CDHS is imposing the appropriate length of sanction.

**QUESTIONS**

If you have any questions about this letter, please contact your Account Manager.

JRS/bn

cc: County Commissioners Association  
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TAMS