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OFFICE OF FAMILY STABILITY LETTER #32

June 30, 2005

To: Directors, County Departments of Job and Family Services

From: Jeanne Carroll, Deputy Director
Office of Family Stability

Subject: Ohio Works First: Sanctioning families who fail without good cause to engage in required work activities

This letter addresses the federal and state requirements pertaining to sanctioning families who fail without good cause to engage in required work activities and the steps that are being taken to come into compliance with federal law which are based on deficiencies found in a recent audit by the U.S. Department of Health and Human Services, Administration for Children and Families.

Audit Finding

Every year, Ohio is subject to a Single State Audit to determine if Ohio is administering its TANF program in compliance with the federal regulations. At the completion of the audit, the U.S. Department of Health and Human Services, Administration for Children and Families (ACF) determines if the deficiencies warrant a financial sanction.

Last year, the audit covered the time period from July 1, 2002 through June 30, 2003. The report from ACF issued on September 10, 2004 listed significant audit findings as a result of identified deficiencies.

One of the deficiencies identified in the audit was the failure by counties to impose sanctions properly against families who refuse to engage in required work as specified in section 407 (e) of the Social Security Act and 45 CFR 261.14. One county was identified as a party to this finding. In the CDJFS cited, four of twenty Ohio Works First (OWF) assistance groups selected for testing were not in compliance with the work activity requirements and did not have good cause. The CDJFS failed to properly assign or follow up on assistance group participation in work activities; as a result, assistance groups were not properly sanctioned in accordance with 45 CFR 261.14 and Ohio Revised Code §5107.16. The deficiency was a repeat occurrence.

Pursuant to 45 CFR 262.1 (a)(14), Ohio was initially assessed a penalty of \$6,530,328 (1% of our 2003 adjusted State Family Assistance Grant – SFAG) for this finding. Based on options available under the TANF regulations, Ohio chose to enter into a Corrective Compliance Plan (CCP) which is meant to correct or discontinue the violation and demonstrate how Ohio will achieve compliance with the work sanction requirements. As part of the corrective compliance plan submitted to ACF, the responsible CDJFS

must submit a corrective action plan to the state to address the deficiency and the state will monitor that CDJFS for compliance.

The financial penalty has been waived by ACF with the condition that this deficiency is immediately corrected statewide. If the state has not achieved compliance, as determined through the single audit for the period of July 1, 2005 through June 30, 2006, ACF will impose the penalty. In that event, ODJFS, and pursuant to R.C. §5101.24, responsible counties may be subject to significantly more in financial penalties. This does not preclude the possibility that similar findings from any audit period could lead to possible financial penalties as well.

Federal and State Requirements

While only one CDJFS was cited in this audit report, each CDJFS must ensure that sanctions are properly taken against families who fail to comply with a provision of their self-sufficiency contract, including participation in required work activities. Failure to impose the sanction can result in a significant financial penalty that will be levied against the state and, pursuant to R.C. §5101.24, against responsible count(ies).

45 CFR 261.14 states, in part:

If an individual refuses to engage in work required under section 407 of the Act, the State must reduce or terminate the amount of assistance payable to the family, subject to any good cause or other exceptions the State may establish. The State must, at a minimum, reduce the amount of assistance otherwise payable to the family pro rata with respect to any period during the month in which the individual refuses to work. A State that fails to impose penalties on individuals in accordance with the provisions of section 407(e) of the Act may be subject to the State penalty specified at §261.54.

Section 5107.16 (A) of the Ohio Revised Code states, in part, the following:

If a member of an assistance group fails or refuses, without good cause, to comply in full with a provision of a self-sufficiency contract entered into under section 5107.14 of the Revised Code, a county department of job and family services shall sanction the assistance group....

CDJFS Responsibilities

Pursuant to Chapter 5107 of the Ohio Revised Code, full authority and responsibility to administer Ohio Works First work activities rests with the CDJFS. Each CDJFS must ensure that it complies with federal and state law; to that end, each CDJFS must take all necessary steps to ensure compliance with statutory and regulatory requirements.

Each CDJFS must monitor work participation to ensure that families are sanctioned appropriately and timely in compliance with state and federal regulations. There are numerous reports that are available for the CDJFS to assist in monitoring cases. Of particular interest to the CDJFS in monitoring sanctions are the following:

GWP523RA (OWF New Sanction Detail Report)
GWP523RB (OWF Ongoing Sanction Detail Report)
GWP524RC (OWF Terminated Sanction Detail Report)
GWP535RA (Work Participation Failure Data Report)

A document outlining how these reports can be used as a monitoring tool is attached to this letter.

To effectively monitor compliance, counties should set up a system for supervisory review of cases that are subject to sanction and/or set up a system for internal Quality Assurance review of these cases.

ODJFS Monitoring

ODJFS is engaged in ongoing activities aimed at addressing the deficiency. In February 2005, the Office of Research, Assessment and Accountability (ORAA) began a formal statewide OWF Quality Assurance Review. ORAA has and will continue to randomly select and review OWF cases on a monthly basis to determine if they have been processed correctly. Findings are sent to the county and the Office of Family Stability. The Office of Family Stability is monitoring the findings and will contact counties to discuss them. These findings are also being reviewed at county meetings and training sessions.

Additionally, Work Activity Policy staff monitor the GWP518 Participation Detail Report, the GWP523 Sanction Reports, and the CRIS-E workload (WPWL) and employer site screens (WPIL) to detect errors in assignment, coding, and sanctions. The Work Activity Policy staff will follow up with the CDJFS to discuss issues or concerns arising from this monitoring.

ODJFS Technical Assistance

Last fall, staff from the Office of Family Stability conducted statewide training for CDJFS workers titled "Traveling the Road to Self-Sufficiency". This training covered the following topics: assistance group formation, assessment and assignment to work activities, making appropriate assignments, monitoring work participation, entry of work participation data into CRIS-E including entry of failed hours, sanctions and penalties, and time limits. The complete training package or selected modules continue to be provided to counties upon request.

In March 2005, the Work Activity Policy Section presented a videoconference to all counties on work participation, tracking and sanction requirements. Monthly videoconferences will continue with emphasis placed on policy questions and issues surrounding the OWF sanction policy.

Staff from both the Program Policy Services and Work Activity Policy Sections are available to provide training and technical assistance to counties where findings are identified through videoconferences and county visits or at the request of the counties. If you have any questions regarding this letter, please contact the Program Policy Services (email: TANF FSTA) or Work Activity Policy (email: WACTA) Sections.

Attachment

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