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AWI Communiqué

DATE: November 2, 2007

TO: Regional Workforce Board Executive Directors

FROM: Lois A. Scott, Program Manager, One-Stop and Program Support

SUBJECT: Temporary Assistance for Needy Families (TANF) Program Subject to Sanction Definition

PURPOSE:

To inform Regional Workforce Boards (RWBs) of the United States Department of Health and Human Services' (HHS) clarification regarding the definition of "subject to sanction."

BACKGROUND:

Families that meet the definition of "subject to sanction" are removed from the denominator and numerator of the federal participation rates. This helps states by removing non-compliant families from the participation rate up to three of 12 months. Florida and many other states have interpreted "subject to sanction" as the time when a non-compliant individual was in jeopardy of losing cash benefits. The participation rates calculated for the Monthly Management Report (MMR), Quarterly Key Measures (QKM) and Balanced Score Card define "subject to sanction" as the period between notification of a sanction and termination of benefits. The file sent to HHS for the quarterly reports also denotes cases as subject to sanction if the notice has been sent regarding a sanction, but the cash assistance has not been reduced or terminated.

Prior to 2007, HHS had not provided written guidance regarding which individuals meet the definition of subject to sanction. HHS has issued instructions and clarification of the "subject to sanction" policy. According to the most recent instructions, a family is considered "subject to sanction" and removed from the participation rates if the family's grant has been reduced or terminated due to non-compliance. A family is not considered as "subject to sanction" during the conciliation period or notification period prior to a reduction or termination in benefits. To be subject to a penalty for refusing to participate in work activities, the grant must be reduced or terminated.

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At the beginning of Fiscal Year (FY) 2007, the HHS established edits in its process to calculate the work participation rates. If a state flags a case as being "subject to sanction" but does not meet the federal definition, HHS will indicate an error and put the case back in the participation rate(s).

According to HHS, it will not impose a penalty for Federal Fiscal Year (FFY) 2006-2007 if Florida does not meet the participation rates as a result of the subject to sanction definition. If the State disregarded families from the work participation rate during the conciliation period and met the participation rate requirements, HHS will consider Florida to have met the performance standards. Effective FFY 2007-2008, the states will no longer be allowed to disregard a family from the participation rate during the conciliation period or prior to benefit reduction. Florida will have to meet the performance standards with the definition of "subject to sanction" based on federal instructions.

REFERENCE:

HHS-Temporary Assistance for Needy Families Program Instruction

ACTION REQUIRED:

No action is required.