

## **Welfare Reform 2006: Deficit Reduction Act of 2005**

- Reauthorized TANF (orig. expired 2000)
- “Re-based” the caseload reduction credit used in determining Work Participation Rates, from 1995 → 2005
- Required HHS to issue rules
  - work activity definitions
  - verification requirements for work activities

## **What are the federal Work Participation Rate requirements?**

Percentage of “work eligible” TANF-funded cash assistance cases in which the parent(s) are engaged in countable activities for the required number of hours.

Adjusted for caseload reduction credit.

All families: 50% (2002 to present)

2-parent families: 90% (1999 to present)

### **Michigan's caseload reduction credit**

- Michigan has reported a 22.3% caseload reduction credit for FY 2007 (based on excess state Maintenance of Effort spending in FY 2006)
- This reduces Michigan's work participation rate requirement to 27.7% for FY 2007

### **Which families receiving TANF-funded cash assistance are not "work eligible" (excluded from the denominator of the work participation rate)?**

- Child-only cases
  - Parent on SSI (option to include if meeting work requirements)
  - U.S. citizen children of ineligible immigrants
- Parent needed to care for family member with disability, if family member is not attending school full time

**How many hours per week of work activity are required for the numerator of the work participation rate?**

Single parent w/ child under 6 = 20 hours

Single parent w/ no child under 6 = 30 hours

2 parents w/ no fed'lly funded childcare= 35 hours

2 parents w/ fed'lly funded childcare= 55 hours

HHS: States cannot count recipients with disabilities when their hourly requirement is reduced as reasonable accommodation of disability

**What activities count?**

- Core activities (fully countable)
- Non-core activities (only count toward hours if first 20 hours per week are spent in core activities)

### **Core activities**

- Paid unsubsidized work
- Paid subsidized work
- Job search or job readiness  
(max, 4 consecutive weeks, 6 or 12 weeks a year)
- On the job training
- Work experience (unpaid)
- Community service
- Vocational educational training  
(maximum 12 months)
- Secondary education or GED  
prep (teens only)

### **Non-core activities**

- Job skills training directly related to employment
- Education directly related to employment for individual with no high school diploma or GED