

## Attachment 3

### REVISED

**E27: An individual is determined eligible for, and enrolled in, the 30% portion of the WtW program. At a later time, the individual is determined to be eligible to be served under the 70% portion. Can that individual be transferred from the 30% portion of the program and enrolled into the 70% portion?**

Yes. An individual enrolled currently in the 30% portion may later become eligible for the 70% portion due to the individual's change in classification. Below we have provided four scenarios which illustrate the ways an individual's classification can change and what can be done or not done regarding 70%/30% *classification*. Each is followed by a section which describes *how to report* the changes that such a scenario may cause.

*NOTE: Formula Grantees are reminded that on July 1, 2000 they may implement the changes in eligibility caused by the WtW Amendments of 1999, but they may not use any federal WtW funds to do so. Beginning October 1, 2000 Formula Grantees may implement the eligibility changes using federal WtW dollars.*

Please note that in all four scenarios, it is never necessary to terminate the individual from the program and re-determine eligibility. This is because the individual has already been determined eligible for the WtW program. Nevertheless, if the operating entity chooses to transfer an individual from the 30% to the 70% portion, the following guidance is applicable. In all scenarios, operating entities must document and explain the transfer of participants in the "Remarks" section of their QFSR, and participants' files should be documented to explain the reason for the transfer. Also, financial records should be adjusted accordingly so there is a clear audit trail to substantiate the action.

### **SCENARIO #1**

#### **TANF RECIPIENT/EXHAUSTEE WAS ORIGINALLY ENROLLED AS 30%. AFTER AMENDMENTS QUALIFIES FOR COUNTING AS 70%**

The first scenario includes situations where a TANF recipient or TANF exhaustee who was originally enrolled in the 30% portion prior to the effective date of the Welfare-to-Work and Child Support Amendments of 1999 (the 1999 Amendments) would be eligible under the new criteria for the 70% portion due to the eligibility changes enacted by the 1999 Amendments.

For example, before the effective date of the 1999 Amendments, a TANF recipient or TANF exhaustee may have been enrolled under the 30% portion, because while (s)he possessed the requisite 30 months of TANF receipt under 20 CFR § 645.212(a)(3)(i), (s)he did not have the required two of three barriers to employment outlined at 20 CFR § 645.212(a)(2). The 1999 Amendments eliminated the requirement that TANF recipients and TANF exhaustees enrolled under the 70% portion must meet the criteria for barriers to employment; now, under the 1999 Amendments, individuals served as long-term TANF recipients in the 70% portion must only meet the TANF receipt criteria outlined at 20 CFR § 645.212(a)(3)(i) or (ii). Due to this individual's length of time on TANF, (s)he is now eligible to be served under the 70% portion and may be transferred from the 30% portion.

## ***HOW TO REPORT***

Where a WtW operating entity has transferred an individual to the 70% portion because (s)he meets the new eligibility requirements enacted by the 1999 Amendments, the entity should report him or her on the Quarterly Financial Status Report (QFSR) as a participant under the 70% portion for the quarter in which (s)he became eligible for the 70% portion (i.e., the first quarter in which the eligibility changes under the 1999 Amendments are in effect for the operating entity). The entity must remove him or her from the participant count under the 30% portion in the same quarter, in order to avoid having a "double-count" for that participant. Reported expenditures made on behalf of the individual prior to his/her transfer into the 70% portion, for the period for time when (s)he was reported as an individual in the 30% portion, must remain in the 30% portion expenditure category. After his or her transfer to the 70% portion, the operating entity should report all expenditures attributable to the participant **in the 70% portion.**

Operating entities should transfer eligible participants in the first quarter after the eligibility changes under the 1999 Amendments are in effect for them. For competitive grantees, the 1999 Amendments were effective January 1, 2000, so the transfer of eligible individuals should have happened and should have been reported in the quarter ending March 31, 2000. For formula grantees, 1999 Amendments take effect July 1, 2000, so the transfer of individuals should take place and should be reported in the quarter ending September 30, 2000. If operating entities did not transfer eligible individuals in the first quarter after the 1999 Amendments took effect for them, they may transfer these individuals in a later quarter, *retroactive to the first quarter after the 1999 Amendments took effect for them.* Nonetheless, operating entities should transfer eligible participants as quickly as possible after the eligibility changes under the 1999 Amendments are in effect for them.

Please note that in this scenario, the operating entity need not re-determine an individual's eligibility after the effective date of the 1999 Amendments in order to transfer the individual from the 30% portion to the 70% portion. That is, operating entities *in this scenario* will rely

upon the information collected at the time of the individual's *initial enrollment* into WtW, to make the determination that the individual is now classified under the 70% portion due to the eligibility changes under the 1999 Amendments.

## **SCENARIO #2**

### **NONCUSTODIAL PARENT ORIGINALLY ENROLLED UNDER 30%, AFTER AMENDMENTS QUALIFIES TO BE COUNTED AS 70%**

The second scenario includes situations where a noncustodial parent who was originally enrolled in the 30% portion prior to the effective date of the 1999 Amendments would be eligible under the new criteria for the 70% portion due to the eligibility changes enacted by the 1999 Amendments. The 1999 Amendments eliminated the noncustodial category in the 30% portion for enrollments which take place after the effective dates of the 1999 Amendments (January 1, 2000 for competitive grantees, and July 1, 2000 for formula grantees). As a result, operating entities now have the option to transfer noncustodial parents who were enrolled under the 30% portion prior to the effective dates of the 1999 Amendments into the 70% portion after the effective date of the 1999 Amendments, *if those noncustodial parents meet the new noncustodial parent criteria and requirements at section 403(a)(5)(C) of the SSA.*

### ***HOW TO REPORT***

Operating entities should report a noncustodial parent who was originally enrolled in the 30% portion prior to the effective date of the 1999 Amendments and who is thereafter eligible under the new criteria for the 70% portion as a participant under the 70% portion for the quarter in which the noncustodial parent meets all of the eligibility requirements outlined at **section 403(a)(5)(C) of the SSA.**

When the noncustodial parent is transferred into the participant count under the 70% portion, (s)he must be removed from the participant count under the 30% portion in the same quarter, in order to avoid having a "double-count" for that participant. Reported expenditures made on behalf of the noncustodial parent prior to his/her transfer into the 70% portion, for the period for time when (s)he was reported as an individual in the 30% portion, must remain in the 30% portion expenditure category. All expenditures attributable to this noncustodial parent since his/her transfer to the 70% portion should be reported under the 70% portion expenditure category beginning in the quarter in which (s)he becomes eligible for transfer into the 70% portion.

Please note that in this scenario, aside from meeting the requirements of the personal responsibility contract, the operating entity need not re-determine a noncustodial parent's eligibility after the effective date of the 1999 Amendments in order to transfer the individual from the 30% portion to the 70% portion. That is, under this scenario, operating entities will

rely upon the information collected at the time of the noncustodial parent's *initial enrollment* into WtW, rather than eligibility information available at the time of the individual's transfer from the 30% portion to the 70% portion.

Please also note that the transfer of eligible noncustodial parents from the 30% portion to the 70% portion is optional. Operating entities may continue to serve noncustodial parents who were originally enrolled into the 30% portion prior to the effective date of the 1999 Amendments in the 30% portion, without transferring them to the 70% portion after the effective date of the 1999 Amendments. However, because the 1999 Amendments eliminated the noncustodial parent category in the 30% portion, the revised WtW reporting instructions will not contain a line item for the reporting of participants being served in the 30% noncustodial parent category. Therefore, if operating entities choose not to transfer noncustodial parents originally enrolled in the 30% portion into the 70% portion, they will have to report these individuals on a line item with other categories in the 30% eligibility portion. For instance, an operating entity could report noncustodial parents being served in the 30% portion as "TANF Recipients with Significant Barriers to Self-Sufficiency," with a note in the "Remarks" section of the report documenting the number of noncustodial parents being grouped on that line. Detailed instructions for reporting in these situations will be contained in the revised WtW reporting instructions.

### **SCENARIO #3**

#### **INDIVIDUAL ORIGINALLY ENROLLED AS 30% HAS CHANGE IN PERSONAL CIRCUMSTANCES NOW QUALIFIES TO BE COUNTED AS 70%.**

The third scenario includes situations where an individual enrolled in the 30% portion becomes eligible for the 70% portion after a change in circumstances. For example, at the time of enrollment into WtW under the 30% portion, the individual might have received TANF for only 25 months. Yet, if this individual continues on TANF for another 5 months and is still enrolled in WtW, (s)he may be reclassified and enrolled under the 70% portion, having met the requirement under 20 CFR § 645.212(a)(3)(i) at that time. Likewise, an individual enrolled under the 30% portion may, after time, come within 12 months of becoming ineligible for assistance as specified in 20 CFR § 645.212(a)(3)(ii). This individual may also be transferred into the 70% portion at that time. Such transfers are optional and not required.

#### ***HOW TO REPORT***

Where the transfer to the 70% portion is because of a change in the participant's circumstances, the operating entity should report the participant on the QFSR as a participant under the 70% portion in the quarter that the operating entity determines that the individual meets the 70% criteria. Under this circumstance, in order to avoid having a "double-count" for that participant, the individual must be

removed from the 30% portion participant count that same quarter. Reported expenditures made on behalf of the individual prior to his/her transfer into the 70% portion, for the period for time when (s)he was reported as an individual in the 30% portion, must remain in the 30% portion expenditure category. Expenditures attributable to this participant after the operating entity determined it was appropriate to transfer him or her to the 70% portion should be reported under the 70% portion expenditure category.

#### **SCENARIO #4** **INDIVIDUAL ORIGINALLY MISCLASSIFIED**

The fourth type of scenario is where some individuals may have been misclassified at initial enrollment because one or more of the eligibility criteria were not known at the time of initial processing. For example, individuals enrolled in the 30% portion may not have been enrolled under the 70% portion because of a miscalculation of their total time receiving TANF. In this instance, an individual actually may have met the criteria for long-term TANF receipt under 20 CFR § 645.212(a)(2) at the time of enrollment, but the WtW operating entity may have classified the individual as a participant in the 30% portion because of the miscalculation. If the operating entity later determines that the individual did in fact meet the criteria for long-term TANF receipt at the time of initial eligibility determination, the operating entity may retroactively consider that individual as a participant under the 70% portion of the program as of the date of the individual's initial enrollment.

#### ***HOW TO REPORT***

Individuals enrolled in the 30% portion who are later identified as having been eligible for enrollment into the 70% portion from the time of their initial enrollment in WtW, may be transferred to the 70% portion. In this case, the operating entity should retroactively adjust the QFSR(s) to move the participant and the associated participant costs from the 30% to the 70% portion as of the date of initial enrollment in WtW.

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