

State of Hawaii
Department of Human Services

TANF WORK
VERIFICATION PLAN

Amended: March 28, 2016

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TANF Work Verification Plan: State of Hawai'i

The State of Hawai'i's (State) Temporary Assistance for Needy Families (TANF) Work Verification Plan (WVP) is prepared and submitted in accordance with 45 CFR 261.62, the regulatory section specifying what a state must do to verify the accuracy of its work participation information, including the required contents of the WVP. The State of Hawai'i may amend its WVP at any time during the course of the federal fiscal year in accordance with the regulations at 45 CFR 261.63(c).

The following are amendments to the State's approved WVP dated December 5, 2011:

1. Effective January 1, 2012, the subsidized employment program, Grant Plus, was discontinued. All references to the Grant Plus Program were deleted. [Section I.A.2.a]
2. Period of subsidized employment through the Supporting Employment Empowerment (SEE) Program was reduced from twelve (12) months to six (6) months. [Section I.A.2.a]
3. List of vocational fields was amended to reflect vocational training programs for thriving industries. [Section I.A.7.a]
4. Additional method of supervision and verification of classroom attendance and study hours were added for Vocational Educational Training, Job Skills Training, Education Directly Related to Employment, and Satisfactory Attendance at Secondary School or Course of Study Leading to a Certificate of General Equivalence. [Sections I.A.7 – 10 and I.B]
5. Internal control described under Sections IV.B and C was amended to reflect an expanded review process.
6. Other inconsequential edits such as format and terminologies.

The WVP is organized into six (6) sections: countable work activities, hours engaged in work, work-eligible individuals, internal controls, verification of other data used in calculating the work participation rates, and submittal procedures.

Introduction

The work program, referenced as the First-To-Work (FTW) Program, for the State of Hawaii is a combination of state-run and contract services. Both State and contract staff provide work program services to TANF families. Additionally, contract staff offer services to Segregated State Program families. Contractors also provide service for many of the supportive services and program activity components. The term Department or State, as used in this plan, refers to the State of Hawaii Department of Human Services. The term departmental designee, as used in this plan, refers to case managers (including contractors), employment counselor, supervisor, or any other person assigned by the Department to provide case management or other employment support services. The term work eligible individual, client, participant, or recipient, as used in

this plan, refers to a TANF recipient who is mandatory to participate with the FTW Program in accordance with the Federal or State rules.

I. Countable Work Activities

A. Work Activities

The State has adopted the twelve (12) work activities as provided in 45 CFR 261.2.¹ The activities and their definitions can be found in Chapter 17-794.1, Hawai'i Administrative Rules (HAR). This section will define each work activity in conformance with the Federal definition of the activity at 45 CFR 261.2 and describe the following for each activity:

- Services or programs the State includes under the activity;
 - How the State determines the number of countable hours of participation for the activity and hours engaged in work;
 - How the State verifies and documents the actual hours of participation for the activity; and
 - Methods of daily supervision for each unpaid work activity.
1. ***Unsubsidized employment*** means full- or part-time employment in the public or private sector that is not subsidized by TANF or any other public program.
- a. **Countable work activities.** Activities under this component shall include:
- (1) Employment with a private for-profit employer;
 - (2) Employment with a private non-profit employer;
 - (3) Employment with a government agency;
 - (4) Employment supported by the Work Opportunity Tax Credit (WOTC) and the Welfare-to-Work Tax Credit (WWTC); and
 - (5) Self-employment, as defined by the Department as, "Receiving income directly from one's own business, trade, or profession rather than earning a specified salary or wages from an employer."

¹ Unsubsidized employment, subsidized private sector employment, subsidized public sector employment, work experience, on-the-job training, job search and job readiness assistance, community service programs, vocational educational training and providing child care services to an individual who is participating in a community service program, all of which shall be considered core work activities and count toward the first 20 hours of participation. Education directly related to employment and satisfactory school attendance at secondary school, which shall be considered non-core except when the participant meets certain conditions, in which case they shall be considered core activities. Job skills training directly related to employment which shall be considered a non-core work activity.

- b. Determination of countable hours. The number of hours of participation for this activity shall be determined based on the actual hours for which an individual was paid, including paid holidays, vacation leave and sick leave

For self-employment, the State shall use its current methodology for determining eligibility by not counting more hours toward the participation rate for a self-employed individual than the number derived by dividing the individual's self-employment income (gross income less business expenses) by the Federal minimum wage.

- c. Verification of countable hours. The State shall verify the individual's work participation in this activity through pay stubs, employer reports, time and attendance records substantiating the hours of participation, or any other employer issued documentation substantiating the hours of participation. For unsubsidized employment, in the event written documentation cannot be obtained, verification by telephone contact with the employer and documentation of the telephone contact shall be accepted.

The State shall verify the work activity of the self-employed individual through the general excise tax filing and/or documentation of invoices issued to customers and/or payments received from customers. The State shall also require for self-employed individuals that a statement of earnings on a Department prescribed form be filed documenting that hours have been met.

When a work-eligible individual (WEI) is working at the time the WEI enters the TANF program, existing pay stubs documenting work effort, will be accepted. This determination of countable hours will then be used to project the next six (6) months of work activity. The State shall obtain paystub(s) and calculate the average hours of work per week to be reported, by applying one of the following formulas:

- (1) Weekly pay schedule: Total hours from the last two available paystubs divided by two weeks;
- (2) Bi-weekly pay schedule: Total hours from the last available paystub divided by two weeks; or
- (3) Semi-monthly pay schedule: Total hours from the last available paystub multiplied by 24 pay periods divided by 52 weeks.

A WEI that initiates unsubsidized employment after entry into the TANF Program must complete a minimum of one (1) two week

period in order to demonstrate work effort. Then, once a pay stub(s) or other suitable documentation is available, the hours may be projected forward for a six-month period.

If at any time, the State becomes aware of a change in the WEI’s work situation, the new actual hours shall be documented and may be prospectively reported for six (6) months.

The State shall support each individual’s actual hours of participation in this activity through documentation in the physical or electronic case record and the Hawaii Automated Network for Assistance (HANA) System which is an electronic case management system.²

d. Supervision. Provided by employer.

2. ***Subsidized employment*** means full- or part-time employment in the public or private sector for which the employer receives a subsidy from TANF or other public funds to offset some or all of the wages and costs of employing a TANF recipient.

a. Countable work activities. Activities under this component shall include:

- (1) Employment with a private for-profit employer;
- (2) Employment with a private non-profit employer; and
- (3) Participation in Americorps, Volunteers in Service for America (VISTA), or private volunteer organizations, if the participants are paid a stipend or wages for the services rendered.

Subsidized employment shall not include community work experience program or work experience, and on-the-job training programs.

The State shall continue to implement the Supporting Employment Empowerment (SEE) program where employers are reimbursed for expenditures associated with employing a TANF work-eligible individual. The State reimburses employers at no less than the State minimum wage rate in addition to fourteen percent (14%) for applicable employer taxes and other employer costs related to the hiring of TANF work-eligible individuals as subsidized employees.

² In April 2015, the Department’s Benefit, Employment and Support Services Division (BESSD) converted its hard-copy case file system into electronic form through a content management system. Hard-copy case files established prior to the conversion will be retained for a minimum period of four (4) years.

Participation in the SEE program shall be for up to a six-month period.

The State shall continue to encourage employers to hire the subsidized participants on an unsubsidized basis at the end of the subsidized period.

- b. Determination of countable hours. The number of hours of participation for this activity shall be determined based on the actual hours for which an individual was paid, including paid holidays, vacation leave and sick leave.
- c. Verification of countable hours. The State shall verify the individual's work participation in this activity through pay stubs, employer reports, time and attendance records substantiating the hours of participation, or any other employer issued documentation substantiating the hours of participation. In the event written documentation cannot be obtained, verification by telephone contact with the employer and documentation of the telephone contact shall be accepted.

For a WEI who is placed in a subsidized employment, the WEI will be required to complete a minimum of one (1) two week period in order to demonstrate work effort. Once the pay stub(s) or other suitable employer issued documentation is available, the hours may be projected forward for a six-month period.

If at any time, the State becomes aware of a change in the client's work situation, the new actual hours shall be documented and may be prospectively reported for six (6) months.

The State shall review employer requests for payment of wages and the fourteen percent (14%) for employer costs, to ensure that documentation supports employer payment requests; and shall document each individual's actual hours of participation in this activity in the physical or electronic case record and the HANA electronic case management system.

- d. Supervision. Provided by the employer.

3. ***Community work experience program (CWEP) or work experience (WE)*** means a work activity, performed in return for public assistance, that provides an individual with an opportunity to acquire the general skills, training, knowledge, and work habits necessary to obtain employment. CWEP shall be authorized if the WEI is unable to find unsubsidized employment or not prepared for available employment.

- a. Countable work activities. CWEP shall provide work experience and training through placement with a public agency or a private non-profit to achieve the ultimate goal of preparing participants for and moving them into unsubsidized employment or other program activities that can help in this transition. CWEP includes all forms of work activity that are available in the public or private non-profit workplace, as well as, work associated with the refurbishing of publicly assisted housing. Job search, job readiness activities, vocational educational training, or any other activity that is not appropriate under CWEP shall not be considered a part of CWEP.

Clinical training and practicum, as part of a vocational educational training, that provide a service to the community, may count as work experience.

The State shall enter into CWEP agreement with public agencies and non-profit agencies to place a WEI to acquire work experience, develop basic work habits, and prepare for economic independence. CWEP shall not be used to fill established, unfilled position vacancies in accordance with Section 407(f) (2) of the Social Security Act.

- b. Determination of countable hours. The maximum number of hours an individual is required to participate in this activity is determined by the number of hours which would result from dividing the total sum of a family's monthly TANF grant and Supplemental Nutrition Assistance Program (SNAP) benefit amounts by the higher of the Federal or State minimum wage, provided the retained child support collections shall be excluded from this calculation. This provision complies with the Fair Labor Standards Act (FLSA) requirements. **For FLSA deeming provision, please see section II below.**

Additional activities will be provided for the remaining non-core hours required to meet federal participation requirements.

- c. Verification of countable hours. The State shall verify participation in this activity through a department issued form that will document the start and end date of the activity, the number of hours of activity performed each day and require the signature of the work-eligible individual and the site supervisor.

The hours of participation in CWEP shall be documented no less than monthly.

The State shall support each individual's actual hours of participation in this activity through documentation in the physical or electronic case record and the HANA electronic case management system.

- d. Supervision. CWEP activity shall be supervised by an employer, work site sponsor, or other responsible party on a daily basis. The work site supervisor will notify the FTW or departmental designee if the individual fails to appear at the work site at the agreed time or fails to perform satisfactorily.

4. ***On-the-job training (OJT)*** means training in the public or private sector that is given to a paid employee while he or she is engaged in productive work and that provides knowledge and skills essential to the full and adequate performance of the job.

- a. Countable work activities. The State shall use available resources in the community through a memorandum of agreement for OJT placements. The State may enter into a contract to reimburse the OJT employer for providing training and additional supervision to the participant.

Proper activities under OJT are those where the training expense of a WEI is subsidized or deferred by the state, or where the employer is allowed to pay a trainee wage in accordance with state law. All OJT activities shall be time limited based on a reasonable length of time to train the WEI to perform the work activity. OJT is distinguished from subsidized employment by the existence of a formal and written training plan.

The State shall encourage OJT employers to hire the participants on an unsubsidized basis at the end of the satisfactory completion of the training period.

- b. Determination of countable hours. The number of hours of participation for this activity shall be determined based on the actual hours for which an individual was paid, including paid holidays, vacation leave and sick leave.
- c. Verification of countable hours. The State shall verify the individual's work participation in this activity through pay stubs, employer reports, time and attendance records substantiating the hours of participation, or any other employer issued documentation substantiating the hours of participation. In the event written documentation cannot be obtained, verification by telephone

contact with the employer and documentation of the telephone contact shall be accepted.

The State shall project forward, for a six month period at a time, any number of hours of participation in this activity based on the actual hours of participation documented in the physical or electronic case record at the time of or subsequent to the approval of the TANF case. The WEI will not have to report the work participation hours on a monthly basis.

For a WEI who is working at the time of entry into the TANF program, existing pay stubs, documenting work effort, shall be accepted. This determination of countable hours will then be used to project the next six (6) months of projected activity. The State shall add the total hours of work for the last available paystubs(s) and calculate the average hours of work per week to be reported, by applying one of the following formulas:

- (1) Weekly pay schedule: Total hours from the last two available paystubs divided by two weeks;
- (2) Bi-weekly pay schedule: Total hours from the last available paystub divided by two weeks; or
- (3) Semi-monthly pay schedule: Total hours from the last available paystub multiplied by 24 pay periods divided by 52 weeks.

For a WEI who is placed in OJT, the WEI must complete a minimum of one (1) two-week period in order to demonstrate work effort. Once the pay stub(s) or other suitable documentation is available, the hours may be projected forward for a six-month period.

If at any time, the State becomes aware of a change in the client's work situation, the new actual hours shall be documented and may be prospectively reported for six (6) months.

The State shall support each individual's actual hours of participation in this activity through documentation in the physical or electronic case record and the HANA electronic case management system.

- d. Supervision. The OJT activity shall be supervised by an employer, work site sponsor, or other responsible party daily.

5. ***Job search and job readiness assistance*** means the act of seeking or obtaining employment, preparation to seek or obtain employment, including life skills training, and substance abuse treatment, mental health treatment, or rehabilitation activities for those who are otherwise employable.

a. Countable work activities. The job search activities include the following:

- (1) Looking for suitable job openings, making contact with potential employers, whether by telephone, in person or via Internet, to learn of suitable job openings;
- (2) Applying for vacancies; and
- (3) Interviewing for jobs.

The State may place participants in a job readiness activity administered by a public agency or a private non-profit organization, or any entity under contract with the Department.

The job readiness assistance comprises two (2) types of activities:

- Preparation necessary for an individual to seek or obtain employment. This includes activities such as the following:
 - * Preparing a resume;
 - * Preparing a job application;
 - * Training in interviewing skills;
 - * Instruction in work place expectations (including instruction on appropriate attire and behavior on the job);
 - * Training in effective job seeking (including career exploration activities); or
 - * Life Skills training (including self-esteem building, home, family and budget management skills).
- Placement in substance abuse treatment, mental health treatment, or rehabilitation activities for those individuals who are otherwise employable. Such treatment or therapy must be determined to be needed by a qualified medical or mental health professional who is allowed to practice medicine in the State of Hawaii or a licensed mental health professional.
 - * The departmental designee shall conduct a barrier assessment to determine if an individual needs to be

referred to the TANF Medical Board for certification that substance abuse treatment, mental health treatment, or rehabilitation services are needed to participate in work activities.

- * In addition to a barrier assessment, the departmental designee shall conduct an educational, vocational and employability assessment to determine if an individual is employable regardless of barriers caused by substance abuse, mental health or rehabilitation issues.

Job search and job readiness assistance shall not be treated as an activity if the participant has participated in such job search for four (4) consecutive weeks or a total of six (6) weeks (180 hours, or 120 hours for a WEI who is a single custodial parent with a child under 6 years of age) in the preceding twelve-month period.

Reporting any hours of participation in a week as job search and job readiness triggers the start of one (1) week against the durational limits. The HANA system will monitor this component by tracking the number of weeks used by the WEI in this activity during the twelve month period. Each WEI will be granted six (6) weeks (180 hours, or 120 hours for a WEI who is a single custodial parent with a child under 6 years of age) of use for this component. Once these hours have been exhausted in the preceding twelve month period, the Departmental designee will no longer have the ability to record this component in the HANA system for purposes of being reported as countable activity for the federal report. This will ensure weekly participation for this component will not be reported once the participant has exhausted the maximum number of countable hours allowed for this component in the preceding twelve month period.

The HANA system will also monitor if the component has been used for a four (4) consecutive week period, regardless of the amount of verified hours a WEI has done in the component. We have elected to define weeks for this situation as a seven (7) consecutive day period starting from the day the activity begins. If a WEI has used this component for four (4) consecutive weeks, the WEI will have exhausted their use of this component until there is a break of one (1) week in this activity. The departmental designee shall not have the ability to record this component in the HANA system, for purposes of reporting this as countable activity for the federal report, unless there is a break of one (1) week (seven consecutive days). This will ensure weekly participation for this component will not be reported once the participant has exhausted

the maximum number of consecutive countable weeks allowed for this component in the preceding twelve month period.

- b. Determination of countable hours. The participant shall maintain a daily log of all employment contacts. The log shall contain whether the contact was in person, by internet or phone, whether an application for employment was submitted, and the time spent in each activity. It will normally be expected that the participant will report different times depending on the type of contact.

For example, it will be expected that the following time periods constitute the outside limits for the specific activity in normal circumstances:

- The participant shall be credited their actual hours of participation, not to exceed one (1) hour for making each contact with potential employers, whether by telephone, in person or via Internet, to learn of suitable job openings.
- The participant shall be credited their actual hours of participation, not to exceed two (2) hours for preparing and submitting each application for employment; and
- The participant shall be credited their actual hours of participation, not to exceed three (3) hours for each interview, including telephone interview, completed with a potential employer.

The FTW case manager or other departmental designee shall conduct random monthly reviews and follow-ups to ensure accuracy and validity of the participant-submitted logs. Log entries that cannot be confirmed shall negate all hours in this activity for the reporting month.

The number of hours of participation in the job readiness activities shall be based on the actual classroom assistance or training hours documented by the job readiness site supervisor or contracted provider. The State shall only count an individual's actual hours of participation in substance abuse or mental health treatment or rehabilitation services. The authorized treatment provider shall provide a timesheet monthly showing actual hours of treatment provided.

- c. Verification of countable hours. The State shall verify participation in the job search activities through a department issued form that will document the number of hours of activity performed daily and require the signature of the work-eligible individual and the department designee. The hours of participation

in job search and job readiness assistance activities shall be supervised daily through contact by phone or in person with the departmental designee. The State provides an option for phone contact here to accommodate difficulties the client may have in reporting to the unit daily. The form documenting the hours shall be provided to the Department no less often than monthly.

In the case of an Internet inquiry for a suitable job opening, the State shall require the participant to provide the details of the potential job, including the name, location, and contact information of the employer. This information may be printed directly from the employer's website and submitted as evidence of the contact made with the potential employer.

In case of a submittal of an application via Internet, participants must submit the electronic confirmation or receipt of submittal of an application as evidence of an application filed with a potential employer.

The Department and contracted units shall provide a structured and supervised Job Club activity where the participant can report daily for job search guidance and assistance with job search, including internet job search. The participants shall report to the Job Club monitor at the beginning of each day they are scheduled to perform job search activities to set up the job search plan for the day. The participants shall be required to report back to the Job Club monitor the day following the completion of the daily job search activities. The reporting shall encompass verification by the Job Club monitor that job search hours reported by the participant are actual and accurate. The contract work units have a Job Developer on site whose responsibilities include the monitoring of a Job Club activity as described above. The State shall verify participation in this activity through a Department designated form.

In a case where a WEI is employed part-time or participating in other work activities and is unable to report for a job search planning and/or verification meetings, the State may allow the participant to submit the completed job search verification documentation form by mail or fax and report in person or by phone, at least once a week, for supervision and verification purposes. The telephone contact shall meet the job search planning and supervision requirements for the days the participant is unable to physically visit the Department's designated office.

The job readiness participants shall be monitored daily by the job readiness site supervisor or contracted provider.

The State shall verify participation in the job readiness activities through the attendance roster or the list of participants that completed the job readiness training issued by the job readiness site supervisor or provider.

The State shall support each individual's actual hours of participation in this activity through documentation in the case record and the HANA electronic case management system.

- d. Supervision. Job search and job readiness assistance participants shall be supervised on an on-going basis no less frequently than daily. The job search participants shall be monitored daily by the departmental designee or the contracted purchase of service provider. The job readiness participants shall be monitored daily by the job readiness site supervisor or contracted provider.

6. ***Community service programs*** mean structured programs in which TANF recipients perform work for the direct benefit of the community under the auspices of public or non-profit organizations. Community service programs must be limited to projects that serve a useful community purpose.

- a. Countable work activities. Community service programs (CSP) shall provide work experience and training through placement with a public agency or private non-profit projects which serve a useful public purpose in the following fields: health, social services, environmental protection, education, urban and rural redevelopment, welfare, recreation, public facilities, refurbishing of publicly assisted housing, public safety, and child care.

CSP shall include structured activities that both provide a community service and also improve the employability of participants. The CSP activities include the following:

- Work performed for a public or a private non-profit agency to help improve the community through a projects such as a food drive event, environmental clean-up, refurbishing community parks, etc.;
- Court ordered community service; or
- Participation in Americorps, Volunteers in Service for America (VISTA), or private volunteer organizations, as long as there is no payment of a stipend or wages for the services rendered.

Any Community Service position that accomplishes both providing a community benefit and improves the WEI employability shall be deemed to be subject to FLSA as applicable, unless the employability aspect is clearly only training to perform the community service. In the latter instance, hours may be counted without restriction, as training activities are not subject to FLSA deeming requirements.

The test for self-initiated Community Service positions to demonstrate benefit to the community and improving the employability of the WEI will be two-fold. First, the activity shall be one that the State deems to have intrinsic value to the community because it defers state expense, would otherwise have to be purchased, or benefits children or community members by the nature of the work. The second part of the test is whether or not the position: imparts specific job skills that are helpful in getting a job; provides a structured work environment to allow the WEI to experience a real-life work experience; or gives the WEI an opportunity to work under supervision as a means of improving overall employability.

The CSP activities exclude the following activities:

- Substance abuse treatment program;
- Mental health treatment;
- Family violence counseling;
- Life skills classes;
- Parenting classes;
- Job readiness instruction;
- Caring for a disabled household member;
- Routine or on-going activities administered by public or non-profit agencies; and
- Other TANF work activities.

The State shall take into account, to the extent possible, the prior training, experience, and skills of a recipient in making appropriate community service assignments.

The State shall enter into a CSP agreement with public agencies and private non-profit agencies to place WEI to acquire work experience, develop basic work habits, and prepare for economic independence.

- b. Determination of countable hours. If subject to FLSA, the maximum number of hours an individual is required to participate in the program is determined by the number of hours which would

result from dividing the total sum of a family's monthly TANF grant and SNAP benefit amounts by the higher of the Federal or State minimum wage, provided that the portion of a recipient's aid for which the State is reimbursed by a child support collection shall be excluded in determining the maximum number of hours that the participant is required to work. This provision complies with the Fair Labor Standards Act (FLSA) requirements.
For FLSA deeming provision, please see section II below.

- c. Verification of countable hours. The State shall verify participation in this activity through a Department issued form that will document the number of hours of activity performed daily and require the signature of the work-eligible individual and the site supervisor. The State may accept service provider attendance records, timesheets, or a statement by the sponsor that vouches for attendance as documentation of the actual hours of participation.

The hours of participation in CSP shall be documented no less than monthly.

The State shall support each individual's actual hours of participation in this activity through documentation in the physical or electronic case record and the HANA electronic case management system.

- d. Supervision. CSP activity shall be supervised by the employer, the work site sponsor, or the other responsible party on an ongoing basis no less frequently than daily. The supervising entity shall be determined on a case by case basis.

7. ***Vocational educational training (VET)*** (not to exceed 12 months with respect to any individual) means organized educational programs that are directly related to the preparation of individuals for employment in current or emerging occupations requiring educational training.

- a. Countable work activities. Vocational educational training shall be administered by education or training organizations which include vocational-technical schools, community colleges, postsecondary institutions, proprietary schools, non-profit organizations, and secondary schools that offer vocational education. This may include distance education opportunities delivered via synchronous or asynchronous methods of learning.

Basic and remedial education, as well as, English as a Second Language (ESL) instruction shall be allowed under the VET if the basic and remedial education and ESL provided is contextually

based for the training. For example, anatomical translations into English would be needed for nursing or other medical technical training. Knowledge of basic measuring methods and calculation of fractions would also be needed for medical training. The VET instruction must be combined with other specific training/education that is likely to lead the WEI to employment. The length of the instruction shall be determined by the vocational training entity.

The State may allow a certificate, associate, baccalaureate, and advanced degrees, or course work connected to a potential employment field. This may include, but is not limited to:

- Health and Medical Fields;
- Accounting;
- Education;
- Business Administration;
- Culinary Management;
- Dental Hygiene;
- Drafting and Design;
- Computer and Information Technology;
- Legal Assisting;
- Agriculture;
- Energy;
- Commercial Vehicle and Transportation;

Please note: 1) Structured and monitored or supervised study sessions may count towards hours of participation if programs can document the hours of participation. 2) One hour of unsupervised homework for each hour of classroom time is countable. Total homework time counted for participation cannot exceed the hours required, or advised, in writing by the educational institution. Hard copy documentation supporting the need for homework time as a countable activity shall be available in the physical or electronic case record.

The duration of participation in vocational educational training programs shall not exceed twelve (12) months with respect to any participant. The HANA system will flag this activity against a work eligible individual. This flag will trigger a count in the HANA system that will debit the work eligible individual with use of a month of vocational educational training if even one hour of vocational educational training activity is reported in meeting work participation requirements.

The start date of the debiting shall be from the initial date that vocational educational training is ever used and shall be permanently assigned to the individual's system case record. Each work eligible individual shall have only twelve (12) months available for vocational educational training. This value shall not have the ability to be reset once an initial date value has been established in the HANA system.

The departmental designee shall have available on the HANA system screen, an indicator that will notify them of how many vocational educational training activity months are remaining to a work eligible individual in meeting work participation requirements.

If the months have been exhausted, an error message box will be displayed informing the departmental designee that all vocational educational training months have been used and that the WEI must be assigned to another activity. If appropriate action to assign the WEI to another activity is not taken, the hours from this activity will be subtracted from the WEI's core participation hours reported in the TANF data extract file and replaced by participation hours in another non-core education activity.

Vocational educational training programs exclude the following educational activities:

- Education leading to a high school diploma (even if it includes a vocational track); and
 - Unsupervised homework time exceeding each hour of class time in vocational educational training programs.
- b. Determination of actual hours. The hours of participation in VET shall be determined based on the actual classroom attendance hours or actual attendance hours of the distance learning sessions, plus the hours of monitored study sessions. Actual hours spent in class as well as time spent performing clinical requirements, lab work, or other required activities are countable.
- c. Verification of countable hours. The State shall verify participation in this VET through attendance records or any other official record documenting the actual hours of participation issued by the institution providing the VET. The hours of participation in VET shall be documented no less frequently than monthly.

In cases where the WEI is participating in a distance learning program, the State shall accept the documentation issued by the

distance learning institution verifying that the student attended the sessions. It may include the attendance records or log-in and log-out records available on-line or in an electronic format.

When regular ongoing supervision of participation in VET is provided by a departmental designee (i.e. case manager), a WEI participant shall be required to submit, no less than monthly, a record of actual attendance hours on a department prescribed form. The reported hours shall be deemed as verified if the provisions described in Item 7d of this subsection were met.

The State shall support each individual's actual hours of participation in this activity through documentation in the physical or electronic case record and the HANA electronic case management system.

- d. Supervision. Vocational educational training shall be supervised no less frequently than daily. Daily supervision at an educational entity shall be deemed to be present provided that there is a teacher, instructor, teaching assistant, or proctor in the classroom. An attendance verification process shall be implemented by the University of Hawaii (UH) vocational training programs which will require participants to sign in and out of each scheduled class. A site monitor with access to a participant's attendance records shall verify the participant's attendance. Outside of the UH system, a similar attendance record shall be kept by the training institution staff on site.

When necessary, the departmental designee shall provide the participant with an attendance record to be verified by the institution staff on site. The State shall verify participation in this activity through a contractor or Department issued form. The State's discussion of supervised study appears in Section B below.

Ongoing supervision of a WEI participant in VET may be provided by the departmental designee (i.e. case manager) if the above methods of supervision are not obtainable and there is adequate evidence of the participant's satisfactory progress. Evidence of satisfactory progress shall be documented with grades received for each course taken; certificate or statements of completion from the educational institution; records of credits earned; or a combination of these methods. In the event that supervision is provided by the departmental designee, the departmental designee shall verify participation and attendance hours of classroom or distance learning session in the VET activity through ongoing regular communication with the WEI participant via telephone, email, in-

person, or a combination of these methods. The departmental designee shall use a Department prescribed form to document all communication with the participant, and record the verified attendance hours.

If a WEI participant does not demonstrate satisfactory progress, the State shall apply a higher standard of verification and supervision, e.g. require the participant to obtain each instructor's signature on a Department issued attendance form and submit to the departmental designee on a monthly basis; present grades for projects, term papers, quizzes and exams taken during the instructional period, etc.

The documentation of satisfactory progress, ongoing supervision, participation, and activity hours shall be maintained in the WEI participant's physical or electronic case file and the HANA electronic case management system.

8. *Job skills training directly related to employment (JST)* means training and education for job skills required by an employer to provide an individual with the ability to obtain employment or to advance or adapt to the changing demands of the workplace. It includes both customized and general training to prepare an individual for employment, including literacy and language instruction, if necessary to enable the participant to perform a specific job or engage in a specific job training program.

- a. Countable work activities. The State may place a participant in a job skills training program administered by a public agency or a private organization to pursue employment goals consistent with the employability plan.

Under this program, a participant shall receive training or instruction focused on skills that will enable them to perform the work requirements of a particular job. This may include distance education opportunities conducted via synchronous or asynchronous methods of learning.

Job skills training:

- (1) May include both customized and general training to prepare an individual for employment, including literacy and language instruction;
- (2) Can include all services and programs described in the vocational educational training program discussed above;
- (3) Will not include barrier removal activities, such as substance abuse counseling and treatment;

- (4) May be requested by an employer or industry;
- (5) May be a direct connection between completing the training and starting the job; and
- (6) May allow participants to pursue post-secondary education/training leading to a certificate, associate, baccalaureate, and advanced degrees, or course work connected to a potential employment field. For example, the Department may allow completion of a Nursing certificate, associate degree, or baccalaureate degree.

Please note: 1) Structured and monitored or supervised study sessions may count towards hours of participation if programs can document the hours of participation. 2) One hour of unsupervised homework for each hour of classroom time is countable. Total homework time counted for participation cannot exceed the hours required, or advised, in writing by the educational institution. Hard copy documentation supporting the need for homework time as a countable activity shall be available in the physical or electronic case record.

The State may purchase appropriate training slots for participants, provided funds are available. Also, the State, at its option, may allow a WEI to attend Community College, Trade School, other Vocational Education institution, or a four year degree program under this component. This will be allowed if the instruction is necessary or required to obtain a specific job. Examples include, but are not limited to: medical field technician positions; air conditioning; plumbing; electronics; computer repair; truck driving.

In addition, the State may place individuals in this component if they are participating in a vocational certificate program that lasts more than one-year and they have already used up their one year of VET eligibility. For example, some nursing certificate programs last two years.

- b. Determination of countable hours. The hours of participation in JST shall be determined based on the actual attendance hours of classroom or distance learning, or actual hours of training completed, monitored and documented by a service provider, work site sponsor, or other responsible party, using a daily attendance record, showing actual hours spent in class as well as time spent performing clinical requirements, lab work or other required activities.

- c. Verification of countable hours. The State may accept attendance records or timesheets as documentation of the actual hours of participation issued by the service provider, work site sponsor or other responsible party.

Participation in this activity shall not count towards the “core activity hours” requirement. The participants in JST must complete at least twenty (20) hours per week in core work activities. In other words, the hours of participation in JST shall only count for the “above 20 hour per week” provision.

The hours of participation in JST shall be documented no less frequently than monthly.

In cases where the WEI is participating in a distance learning program, the State shall accept the documentation issued by the distance learning institution verifying that the student attended the sessions. It may include the attendance records or log-in and log-out records available on-line or in an electronic format.

When regular ongoing supervision of participation in JST is provided by a departmental designee (i.e. case manager), a WEI participant shall be required to submit, no less than monthly, a record of actual attendance hours on a department prescribed form. The reported hours shall be deemed as verified if the provisions described in Item 8d of this subsection were met.

The State shall support each individual’s actual hours of participation in this activity through documentation in the physical or electronic case record and the HANA electronic case management system.

- d. Supervision. The JST directly related to employment shall be supervised by a training provider or other responsible party on an ongoing basis no less frequently than daily.

In cases where the participants are undertaking JST at vocational or educational institutions, an attendance verification process shall be implemented by the UH system which will require participants to sign in and out of each scheduled class. A site monitor with access to participants’ attendance and performance records shall verify the participant’s attendance and report whether the participant is making satisfactory progress. Outside of the UH system, a similar attendance record shall be kept by the training institution staff on site. When necessary, the departmental

designee shall provide the participant with an attendance record to be verified by the institution staff on site.

The State shall verify participation in this activity through a contractor or Department issued form. Daily supervision at a vocational or an educational institution shall be deemed to be present provided that there is a teacher, instructor, teaching assistant, or proctor in the classroom. The State's discussion of supervised study appears in Section B below.

Ongoing supervision of a WEI participant participating in JST may be provided by the departmental designee (i.e. case manager) if the above methods of supervision are not obtainable and there is adequate evidence of the participant's satisfactory progress. Evidence of satisfactory progress shall be documented with grades received for each course taken; certificates or statements of completion from the educational institution; records of credits earned; or a combination of these methods. In the event that supervision is provided by the departmental designee, the departmental designee shall verify participation and classroom or distance learning attendance hours in the JST activity through ongoing regular communication with the WEI participant via telephone, email, in-person, or a combination of these methods. The departmental designee shall use a Department prescribed form to document all communication with the participant, and record the verified attendance hours.

If the WEI participant does not demonstrate satisfactory progress, the State shall apply a higher standard of verification and supervision, e.g. require the participant to obtain each instructor's signature on a Department issued attendance form and submit to the departmental designee on a monthly basis; present grades for projects, term papers, quizzes and exams taken during the instructional period, etc.

The documentation of satisfactory progress, ongoing supervision, participation, and activity hours shall be maintained in the WEI participant's physical or electronic case file and the HANA electronic case management system.

9. ***Education directly related to employment, in the case of a recipient who has not received a high school diploma or a certificate of high school equivalency*** means education related to a specific occupation, job, or job offer. This component also includes education that expands a participant's ability to obtain employment or to advance or adapt to the changing requirements of the workplace.

a. Countable work activities.

- (1) Adult basic education;
- (2) English as a second language;
- (3) General Educational Diploma (GED) or high school equivalency, when required as a prerequisite for employment or occupation.

b. Determination of countable hours. The hours of participation in this activity shall be determined based on the actual classroom attendance hours or actual attendance hours of the distance learning sessions, plus the hours of monitored study sessions and one (1) hour of unsupervised homework for each hour of actual attendance.

Please note: 1) Structured and monitored or supervised study sessions may count towards hours of participation if programs can document the hours of participation. 2) One hour of unsupervised homework for each hour of classroom time is countable. Total homework time counted for participation cannot exceed the hours required, or advised, in writing by the educational institution. Hard copy documentation supporting the need for homework time as a countable activity shall be available in the physical or electronic case record.

c. Verification of countable hours. The State shall verify participation in this activity through attendance records or any other official record documenting the actual hours of participation issued by the institution providing the service.

Participation in this activity shall not count towards the core activity hours requirement, except where the WEI is under age of twenty (20) and meets the following conditions:

- Maintains satisfactory attendance at the secondary school or the equivalent during the month; or
- Participate in this educational activity for an average of at least twenty (20) hours per week during the month.

Participants shall make good or satisfactory progress in order for their hours to count as participation. "Good or satisfactory progress" means expected attendance as scheduled by the institution, and passing of all course related examinations, within a time frame specified in enrollment records, with a cumulative

score required by the institution to maintain enrollment and not be subject to probation or suspension.

Good or satisfactory progress in this activity shall be documented at the mid-term and at the end of each school term through a report card, transcript, or any other documentation issued by the institution.

In cases where the WEI is participating in a distance learning program, the State shall accept the documentation issued by the distance learning institution verifying that the student attended the sessions. It may include the attendance records or log-in and log-out records available on-line or in an electronic format.

When regular ongoing supervision is provided by a departmental designee (i.e. case manager), a WEI participant shall be required to submit, no less than monthly, a record of actual attendance hours on a department prescribed form. The reported hours shall be deemed as verified if the provisions described in Item 9d of this subsection were met.

The State shall support each individual's actual hours of participation in this activity through documentation in the physical or electronic case record and the HANA electronic case management system.

- d. Supervision. Participants in this activity shall be supervised on an ongoing basis no less frequently than daily. Daily supervision at an educational entity shall be deemed to be present provided that there is a teacher, instructor, teaching assistant, or proctor in the classroom. An attendance verification process is implemented by the UH system vocational training programs which requires participants to sign in and out of each scheduled class. A site monitor verifies the participant's attendance. Outside of the UH system, a similar attendance record shall be kept by the training institution staff on site. When necessary, the Department designee shall provide the participant with an attendance record to be verified by the institution staff on site. The State shall verify participation in this activity through a contractor or Department issued form. The State's discussion of supervised study sessions appears in section B below.

Ongoing supervision of a WEI participant may be provided by the departmental designee (i.e. case manager) if the above methods of supervision are not obtainable and there is adequate evidence of the participant's satisfactory progress. Evidence of satisfactory

progress shall be documented with grades received for each course taken; certificates or statements of completion from the educational institution; records of credits earned; or a combination of these methods. In the event that supervision is provided by the departmental designee, the departmental designee shall verify participation and attendance hours of classroom or distance learning sessions in the educational activity through ongoing regular communication with the WEI participant via telephone, email, in-person, or a combination of these methods. The departmental designee shall use a Department prescribed form to document all communication with the participant, and record the verified attendance hours.

If the WEI participant does not demonstrate satisfactory progress, the State shall apply a higher standard of verification and supervision, e.g. require the participant to obtain each instructor's signature on a Department issued attendance form and submit to the departmental designee on a month basis; present grades for projects term papers, quizzes and exams taken during the instructional period, etc.

The documentation of satisfactory progress, ongoing supervision, participation, and activity hours shall be maintained in the WEI participant's physical or electronic case file and the HANA electronic case management system.

- 10. *Satisfactory attendance at secondary school or in a course of study leading to a certificate of general equivalence, in the case of a recipient who has not completed secondary school or received such a certificate*** means regular attendance, in accordance with the requirements of the secondary school or course of study at a secondary school, or in a course of study leading to a certificate of general equivalence, in the case of a WEI who has not completed secondary school or received such a certificate. The former is aimed primarily at a minor parent still in high school, where as the latter could apply to a WEI of any age who has not completed high school.
- a. Countable activities. Countable activities for this component include attendance at a public or private high school within the state. This component does not include other related educational activities, such as adult basic education or language instruction unless it is linked to attending a secondary school or leading to a GED.
 - b. Determination of Countable Hours. The hours of participation in this activity shall be determined based on the actual classroom

hours plus the hours of monitored study sessions and one (1) hour of unsupervised homework for each hour of classroom time.

Please Note: 1) structured and monitored or supervised study sessions may count towards hours of participation if programs can document the hours of participation. 2) one hour of unsupervised homework for each hour of classroom time is countable. Total homework time counted for participation cannot exceed the hours required, or advised, in writing by the educational institution. Documentation supporting the need for homework time as a countable activity shall be available in the physical or electronic case record.

- c. Verification of Countable Hours. The State shall verify participation in this activity through attendance records or any other official record documenting the actual hours of participation issued by the institution providing the service. Except for attendance at a high school, the State shall require sign-off by an instructor, teacher, or designee of the educational entity where non-TANF students are included in the classroom.

Participants shall make good or satisfactory progress in order for their hours to count as participation. “Good or satisfactory progress” means expected attendance as scheduled by the institution, and demonstration of progressive literacy acquisition (e.g. a grade point average or testing results found acceptable by the institution, and a finding that the individual is expected to obtain their General Educational Diploma (GED) or certificate of equivalent within an acceptable time frame.

For Department-operated FTW units that have on-site GED preparatory structured classrooms. The instructors shall submit an attendance sheet stating the participant’s attendance and satisfactory progress or lack thereof to the Department’s designee on a weekly basis. Participants involved in off-site GED prep programs shall obtain a copy of the instructor’s attendance record or submit to the instructor an attendance sheet, issued by the departmental designee.

When regular ongoing supervision is provided by a departmental designee (i.e. case manager), a WEI participant shall be required to submit, no less than monthly, a record of actual hours of classroom attendance on a department prescribed form. The reported hours shall be deemed as verified if the provisions described in Item 10d of this subsection were met.

The State shall support each individual's actual hours of participation in this activity through documentation in the physical or electronic case record and the HANA electronic case management system.

- d. Supervision. Participants in this activity shall be supervised on an ongoing basis no less frequently than daily. Daily supervision at an educational entity shall be deemed to be present provided that there is a teacher, instructor, teaching assistant, or proctor in the classroom. Hawaii's discussion of supervised study sessions appears in Section B below.

Ongoing supervision of a participant may be provided by the departmental designee (i.e. case manager) if the above method of supervision are not obtainable and there is adequate evidence of the participant's satisfactory progress. Evidence of satisfactory progress shall be documented with grades received for each course taken; certificates or statements of completion from the educational institution; records of credits earned; or a combination of these methods. In the event that supervision is provided by the departmental designee, the departmental designee shall verify participation and classroom attendance hours in the educational activity through ongoing regular communication with the participant via telephone, email, in-person, or a combination of these methods. The departmental designee shall use a Department prescribed form to document all communication with the participant, and record the verified hours of class attendance.

If the WEI participant does not demonstrate satisfactory progress, the State shall apply a higher standard of verification and supervision, e.g. require the participant to obtain each instructor's signature on a Department issued attendance form and submit to the departmental designee on a monthly basis; present grades for projects, quizzes and exams taken during the instructional period, etc.

The documentation of satisfactory progress, ongoing supervision, participation, and activity hours shall be maintained in the WEI participant's physical or electronic case file and the HANA electronic case management system.

11. ***Providing child care services to an individual who is participating in a community services program*** means providing child care to enable another TANF recipient to participate in a community service program.

- a. Countable work activities. The number of hours of actual child care provided by a TANF recipient to the child of another TANF recipient shall be counted. This component does not include providing child care to enable a TANF recipient to participate in any of the other allowable work activities described above.

Providing child care services to an individual who is participating in a community services program is limited to unpaid child care.

- b. Determination of Countable Hours. Countable hours for this activity shall be determined based on a written statement of the recipient providing child care which is signed by both the provider and the parent of the child in care.

- c. Verification of Countable Hours. Verification of Countable hours shall be accomplished by a review of the signed statement identified in b above and the results of the supervision identified in d below.

The State shall document each individual's actual hours of participation in this activity through documentation in the physical or electronic case record and the HANA electronic case management system.

- d. Supervision. Daily supervision of this activity shall be accomplished through telephone contact with the TANF recipient providing care on a daily basis, and the documentation needs to be submitted monthly.

B. Monitored Study Sessions

Monitored study sessions means the study sessions structured by the State to assist the individuals participating in any of the vocational training, job skills training or educational components above, in completion of their classroom or homework assignments. These sessions must be held in a monitored area such as a school library, or a campus tutoring center, and the hours of participation in these sessions must be documented for the hours in monitored study sessions to count.

The State may structure these study sessions through memorandum of agreements with the educational institutions or through the purchase of service contracts.

1. Countable activity. Participation in study sessions structured by the Department to assist the individuals participating in any of the vocational training, job skills training or educational components described above, in completion of their classroom or homework assignments.

2. Determination of countable hours. The hours of participation in this activity shall be determined based on the actual hours of monitored study sessions.

The State may count the number of hours designated by the vocational or educational institution to be the minimum number of hours needed to complete homework or classroom assignments provided that an individual has completed and submitted the assignment.

3. Verification of Countable Hours. The State shall verify participation in this activity through attendance records or any other official record documenting the actual hours of participation issued by the institution providing the service. The State, at its option, may verify participation in this activity through a Department or contractor issued form signed-off by an instructor, teacher, or designee of the educational entity.

The hours of participation in monitored study sessions shall be documented no less frequently than monthly.

The State shall document each individual’s actual hours of participation in this activity through documentation in the physical or electronic case record and the HANA electronic case management system.

4. Supervision. These sessions must be supervised daily (or whenever a session is scheduled) by an instructor, teacher, or designee of the educational entity.

The documentation of participation and study hours shall be maintained in the WEI participant’s physical or electronic case file and the HANA electronic case management system.

II. Hours Engaged in Work

This section describes the State’s excused absence and FLSA deeming policies.

A. Excused Absences

Excused absences shall not exceed the maximum of eighty (80) hours (in addition to holidays described below) in the preceding twelve-month period, no more than sixteen (16) hours of which may occur in a month for those work eligible individuals who are engaged in “20 or 30 hours per week of non-paid work” activities. When the WEI is engaged in part time employment complemented by a non-paid activity, excused absences shall apply only to the non-paid activity. Because the excused absence policy in the final rule applies to “individuals”, we propose to excuse and count eighty (80) hours in the preceding twelve-month period for each WEI in a two-parent family. This recognizes the fact that the

excused absences must cover the needs of two separate participating individuals, each of whom would be entitled to their own allocation of sick and vacation hours if leave were being granted in the labor market.

The State's holiday policy shall allow a maximum of ten (10) holidays per year, provided a participant was scheduled to work on these holidays (see below for the list of State holidays). In addition, if the State fails the participation rate due to a natural disaster or other catastrophe, it will make a request for a reasonable cause exception on that basis.

Holiday	Official Date Designated in Statute/Constitution
New Year's Day	The first day in January
Dr. Martin Luther King, Jr. Day	The third Monday in January
Presidents' Day	The third Monday in February
Good Friday	The Friday preceding Easter Sunday
Memorial Day	The last Monday in May
Independence Day	The fourth day in July
Labor Day	The first Monday in September
Veterans' Day	The eleventh day in November
Thanksgiving	The fourth Thursday in November
Christmas	The twenty-fifth day in December

Excused absences may be granted in any of the instances where the State can grant good cause for missing any of the work program requirements. The State shall make a determination that good cause exists when:

1. Child care for a child under six (6) years of age is necessary for the individual to participate or continue participation in the FTW program or accept employment, and such care is not available;
2. The employment would result in the family of the participant experiencing a net loss of cash income. Net loss of cash income shall be determined as follows:
 - a. The State shall determine the family's total projected gross income. The total projected gross income shall include, but is not limited to, earnings, unearned income, and cash assistance that would have

been received if the individual had not refused or terminated employment;

- b. The State shall determine the total amount of necessary work-related expenses which would have been incurred if the individual had not refused or terminated employment. Work-related expenses shall include, but is not limited to, mandatory payroll deductions, actual cost of child care incurred by the individual, transportation expenses borne by the individual, and cost of meals;
 - c. The necessary work-related expenses shall be deducted from the family's total projected gross income;
 - d. The net income amount determined in subparagraph (C) shall be compared to the financial assistance the family received at the time the offer of employment is made; and
 - e. The State shall determine that there is a net loss of cash income when the net income amount determined in subparagraph (C) is less than the financial assistance the family received at the time the offer of employment is made.
3. The State may consider other circumstances beyond the individual's control in determining whether there was good cause for non-compliance. Examples of circumstances beyond the individual's control include, but are not limited to:
- a. Illness of the individual which is verified by a medical statement from a licensed physician or psychologist;
 - b. The individual's presence is required on a continual basis due to the temporary illness of another household member and is verified by a medical statement from a licensed physician or psychologist;
 - c. The individual is experiencing a family crisis or change of individual or family circumstances, such as death of an immediate family member, the family is currently homeless, or the family experienced a natural disaster;
 - d. Unsafe or unfair employment situations or inappropriate assignments that the State determines would not lead to full-employment or self-sufficiency;
 - e. Self-employment that did not produce income equivalent to thirty (30) hours per week or one hundred twenty (120) hours per month

of employment at the federal minimum wage after business expenses are deducted;

- f. There is a breakdown in transportation arrangements with no ready access to alternate transportation;
- g. The individual ends a sporadic work relationship that does not offer a reasonable possibility for permanent full-time employment and the individual is available to work full-time; or
- h. The individual's failure was the result of being a victim of domestic violence.

The HANA system tracks excused absences by establishing the total hours of excused absences that are available to a work eligible individual and then monitoring their use. The departmental designee, prior to recording excused absence(s), shall select a core or non-core activity it is being applied to. The departmental designee or contractor would then enter in the hours the excused absence is being granted for.

The departmental designee shall have available on the HANA system screen, an indicator that will notify them how many excused absence hours are available for the reporting month and how many hours are available for the balance of the preceding twelve-month period.

Each WEI shall be allotted eighty (80) hours (in addition to holidays described below) in the preceding twelve month period. If the total of excused absences exceeds sixteen (16) hours in a given reporting month, an error message box will be displayed informing the Department designee that the WEI has exceeded sixteen (16) hours for the current reporting month. The departmental designee shall then need to have the work eligible individual engage in additional work activities to make up these hours.

If the total of excused absences exceeds eighty (80) hours (in addition to holidays described below) in the preceding twelve-month period, an error message box shall be displayed informing the departmental designee or contractor that the work eligible individual has exceeded eighty (80) hours (in addition to holidays described below) in the preceding twelve month period. The departmental designee shall then need to have the work eligible individual engage in additional work activities to make up these days.

B. FLSA Deeming

The maximum number of core hours a WEI is required to participate in the CWEP or WE program and CSP, if the activity is an FLSA designated activity, is determined by the number of hours which would result from dividing the total sum of a family's monthly TANF grant, less the amount of child support assigned to the State, and SNAP benefit amounts by the higher of the Federal or State minimum wage.

The State shall count any family that participates the maximum hours it is allowed under the minimum wage requirements of the FLSA as having satisfied the 20-hours per week (30-hours per week in case of a two parent family not receiving federally funded child care and 50-hours in case of a two parent family receiving federally funded child care) of core activity requirement if actual participation falls short of 20/30/50 hours per week. Families that need additional hours beyond the core activity requirement must satisfy them in some other TANF work activity.

Further, the State certifies that the State has adopted a Simplified SNAP in order to count the value of SNAP benefits. The TANF work experience and community service program will serve as the SNAP Workfare Program, the requisite before a State could combine the SNAP allotment to calculate the hours required and apply deeming.

III. Work Eligible Individuals

A. Procedures for Identifying Work Eligible Individuals

During the initial interview process for determination of TANF eligibility, the Eligibility Worker (EW) screens the applicant to determine whether the applicant, or other adults who comprise the assistance household, meets the definition of a Work Eligible Individual. A Work Eligible Individual (WEI) means an adult (or minor child head-of-household) receiving assistance under TANF or a Separate State Program or a non-recipient parent living with a child receiving such assistance unless the parent is:

1. A minor parent and not the head-of-household;
2. An undocumented immigrant who is ineligible to receive assistance due to his or her immigration status; or
3. At State's option on a case-by-case basis, a recipient of Supplemental Security Income (SSI) benefits or Aid to the Aged, Blind or Disabled in the Territories.

The term also excludes:

1. A parent providing care for a disabled family member living in the home, provided that there is medical documentation to support the need for the parent to remain in the home to care for the disabled family member;
2. At State's option on a case-by-case basis, a parent who is a recipient of Social Security Disability Insurance (SSDI) benefits; and
3. An individual in a family receiving MOE-funded assistance under an approved Tribal TANF program, unless the State includes the Tribal family in calculating work participation rates, as permitted under 45 CFR Sec. 261.25.

A disabled family member is defined in our policy as "someone who is ill or incapacitated as determined by a licensed physician or psychologist.

A "family member" is defined as a member of the assistance unit, to include members who have been excluded due to receipt of Supplemental Security Income, and any person residing in the home for whom the parent caretaker would meet the definition of specified relative regardless of the age of the person receiving care.

The need for the household member to provide care is verified by a written statement from a physician or psychologist. The statement would describe the need for the care and the length the care is needed. This statement is filed in the physical or electronic case record and documented in the Hawaii Automated Welfare Information (HAWI) system. The HAWI system is an on-line eligibility system and uses codes to generate actions. The system shall be coded with a required review date which establishes a system alert for the Department's EW. When a review is needed, the EW shall be notified and is required to re-verify the information via the same process used with the initial verification. If there is no review date, this information would be re-verified no less frequently than annually at the annual eligibility review. If the need for care is not re-established or verification is not provided, the care provider is coded as mandatory and referred to the work program through a daily system interface.

B. Verification Procedures

1. All verification is through hard copy documents. The EW receives training in verification and documentation procedures and is provided with written training materials. A hard copy of verification documents shall be filed in the family's case record or recorded on-line in the Hawaii Automated Welfare Information System (HAWI) system if there is a consistent history that is not over-written by new data. Any data that cannot be properly archived shall be filed in the family's case record.

One method of verification consists of a quality assurance review by staff at the Branch level. This is accomplished on a small sample each month and corrective action follows. A second level of verification will be a monthly quality control review. This is designed much like the Medicaid or SNAP sampling designs and shall be executed semi-annually. Corrective action shall follow each level of effort.

With simplified reporting, information will be reviewed no less frequently than every six (6) months but must be reviewed when a mandatory change is reported. The State shall continue to use the Income and Eligibility Verification System (IEVS) and will establish a match with the National Databank of New Hires (NDNH) and the Public Assistance Reporting Information System (PARIS). Policies have been developed to describe how earnings are to be verified and calculated. Staff received training on these procedures. A new Income Report (INRE) function in the HAWI system was developed to automate the calculation of hours and income to reduce any potential for worker caused errors.

2. All individuals are assigned a participation status. They are counted as mandatory in the Federal report if required to participate or, if federally exempt from participation, they are exempted.
3. Each household member is coded with a work participation code in the HAWI system. The HAWI system uses the following codes to identify a household's category of assistance:
 - "AF-F" is federal TANF, all U.S. and qualified alien households are given this designation; and
 - "AF-M" is segregated state TANF used for MOE, all households that are not AF-F are given this designation.

Households that are coded as AF-F or AF-M and determined to be a WEI are referred to the work program. The referral is made through an automated interface with the HANA system and included as a mandatory count in the Federal TANF report. Households that are coded AF-F or AF-M but not required to participate in the work program, such as those caring for a disabled household member or a child under the age of six (6) months, shall not be referred to a work program and will be reported as exempt in the Federal TANF report.

4. Non-recipient parents, including undocumented non U.S. citizens, fugitive felons parole violators and those disqualified for an intentional program violation, who are work required are referred to the work program by entry of a work referral code in HAWI.

5. An individual determined temporarily disabled or domestic violence victim are coded "E". These individuals shall be referred for participation to vocational rehabilitation services, substance abuse services, or domestic violence agencies as needed. The Department's case record for the household shall have the appropriate documentation and temporary disability verification to include medical statements, citizenship status, relationship and age.
6. The referral to the work programs and the counting of individuals for the federal report is automated based on codes. The codes, as defined in the federal report, shall be reviewed to ensure our definitions are in compliance with the federal requirements. The State shall maintain a description of the report, the modification, the codes and the State's Federal report requirements in the Benefit, Employment, and Support Services Division (BESSD), Financial Assistance Program (FAP) Office for review by those who need to verify the report process. Codes are used to determine demographics, relationships, work participation requirements and funding.

C. Data Tracking

1. Hawaii Automated Welfare Information (HAWI) System

The HAWI system is responsible for reporting demographic information, the category of assistance (AF-F and AF-M), and the determination of whether an individual is mandatory, temporarily disabled or exempt. The category of assistance must be determined and coded for each case and each individual must be coded for participation requirements. If coded exempt or temporarily disabled, the type of exemption or disability is also coded. This is done after the information is verified. The codes generate referrals to appropriate services and transfers data to the federal report.

Correct and complete codes must be entered in the system for a case to be approved. Codes also generate alerts for follow-up and warning messages if the information is inconsistent or incomplete. All codes are maintained in a System Manual provided to each staff person. Codes are also available on line and through help screens.

System tables have been created and are implemented throughout the HAWI system limiting the ability for free text or non-conforming data to be entered into the data fields. These system tables are security-driven with limited access for modifications or edits. Currently, the ability to modify these system tables is limited to the Office of Information Technology (OIT) and the System Operations and Requirements Office (SORO) and is modified only through written request and approval by the Financial Assistance (FAP) Office which administers the TANF assistance

program. All other requests for modification to the HAWI system must be in writing and approved by the BESSD Administrator.

2. Hawaii Automated Network for Assistance (HANA)

A work participation record in the HANA system will be created for each WEI. This record shall be system generated and permanently assigned to the WEI, ensuring that each individual has been assigned to a unique work participation record.

System tables have been created and are implemented throughout the HANA system limiting the ability for free text or non-conforming data to be entered into the data fields. These system tables are security-driven with limited access to modifications or edits. Currently, the ability to modify these system tables is limited to the OIT and SORO and is modified only through written request and approval by the BESSD Employment and Training Program Office (ETPO) which administers the TANF work program. All other requests for modification to the HANA system must be in writing and approved by the BESSD Administrator.

The system table consists of work participation components to which a work eligible individual would be assigned to meet their work participation requirements. These components are a subset of the federal work activities defined by the DRA. These components have been mapped by the ETPO staff to a specific work activity that meets the federal definition set forth in the DRA. These components are then made available through a drop-down menu box to the HANA system user when assigning a work eligible individual to a work participation assignment. These components are the only work participation assignments the HANA system user can choose to enter into the HANA system.

The HANA system displays and tracks weekly work participation. It identifies to the HANA user, the core and non-core activities to which a WEI is currently assigned. An indicator available in the HANA system informs the departmental designee of the weekly hours of core and non-core hours that have been scheduled and reported for each week to have been completed by each WEI. An indicator is also available to display the average weekly hours that have been reported completed for the reporting month. A checkbox to indicate that verifying documentation has been received is next to each weekly reported hours for each component. Only hours with a check mark in this verification checkbox shall be reported on the TANF data file.

Hours are manually entered into the HANA system for each activity. The data field has edits built in to validate that the value entered is numeric. Additional edits built into each work activity and specifically, time

sensitive work activities, shall validate whether the verified hours entered for the component are countable for meeting work participation requirements.

IV. **Internal Controls and Quality Assurance**

Internal controls are designed to ensure established work verification procedures are properly being employed. All review findings shall be maintained in the office where the review was conducted.

A. **Eligibility Determination**

The eligibility staff, consisting of state eligibility workers and unit supervisors, are assigned to determine eligibility and benefit allotments for TANF applicants and recipients.

1. The Department's training curriculum for eligibility staff includes a review of the earnings projection, employment hours, and verification requirements, and the utilization of the Income Report (INRE) and online documentation functions in the HAWI system.
2. The State shall continue to review the IEVS process as well as conduct case reviews by Supervisors and Management Evaluations by the Financial Assistance Program (FAP) Office.
3. The eligibility staff is required to review HAWI system entries and earnings projections no less frequently than every six (6) months. The eligibility determinations are reviewed through mandatory random case selection and case reviews by supervisors on a regular basis and by selected semi-annual reviews by the FAP Office. The Department also compares the Federal findings as reported to the State with on-line reports from the HAWI system to determine the reported data accurately reflects our known data.
4. Data is reviewed no less frequently than every six (6) months. For information that must be reviewed more frequently, a code is entered into the HAWI system. This code generates an alert when a review is due which must then be acted upon by the Eligibility Worker (EW).
 - a. Medical reviews for disability. All medical reports are reviewed by a panel of physicians. The individual is not considered disabled until the panel completes the review and makes a determination. The panel also determines how long the disability will last. An alert is system generated when a review is due. A new review must be completed prior to the expiration of the original or most

recent findings. Disability shall be reviewed no less frequently than annually.

- b. Domestic violence cases. These cases may not be approved for longer than six (6) months. Prior to the end of the six-month period, a domestic violence specialist shall assess the case to determine if an extension, not to exceed six (6) months, is needed. The total period for which a domestic violence survivor, who is receiving domestic violence advocacy services, can be excused from regular work activities may not exceed twelve (12) months. All review dates are recorded in the system and generate alerts when due.
- c. Disabled household members. An individual, who does not receive Supplemental Security Income (SSI) or Social Security Disability Income (SSDI), must be evaluated by a physician or psychologist when disability status is claimed. The evaluation includes a review of the need to have care by a household member. Reviews are maintained in the case record and coded with expiration dates. Alerts are generated when a new evaluation is required.
- d. Certain ages, such as a dependent child turning eighteen or nineteen years old, are tracked by the HAWI system and generate alerts for the eligibility staff to take appropriate action. The data will reflect on the federal report. The system also tracks the maximum twelve (12) month work exemption for individuals with a child under the age of twelve (12) months. These ages impact the work requirements and the participation codes.

B. Work Program Participation

The First-To-Work (FTW) staff, consisting of state and contract case managers, assist TANF recipient families to obtain education, job skills training, work experience and employment. In addition, the case managers issue support services to FTW participants who are actively engaged in work activities.

- 1. The FTW staff is required to comply with all appropriate Federal and State laws, rules and regulations, and policies and procedures governing the State run programs involved, including but not limited to Federal and State-funded TANF, First-to-Work, and Child Care Connection.
- 2. The FTW staff shall maintain, for each client receiving services, a physical or electronic case record containing information such as, but not limited to, client demographics; support service plan and payment information; detail of services provided including individualized service

plan; necessary forms or other documentation needed to document the client's participation including actual hours of participation.

3. The State shall conduct audits involving three (3) levels of review: 1) FTW unit supervisors; 2) section administrators and contractor directors; and 3) the Employment and Training Program Office (ETPO). The audit reviews shall verify that information reported to DHHS is consistent with the Department's records; ensure data were entered accurately into the HANA system; and the data entered reflects the hard copy verification on file.
 - a. Twenty (20) cases per FTW state and contract units statewide are randomly selected from each report month for a thorough review to ensure data was entered correctly and the data entered reflects the documentation in the physical or electronic case record.
 - b. *Level I – Unit Supervisor*

On a monthly basis, unit supervisors shall audit fifteen (15) out of twenty (20) randomly selected cases to ensure appropriate and complete verification of reported activity hours are found on file. Corrective actions shall be recommended if errors or inadequate verifications are found. Unit supervisors shall document and compile their findings and corrective actions on a prescribed audit form, and submit the reports to their respective section administrator/contractor director for review and approval.
 - c. *Level II – Section Administrator/Contractor Director*

From the audit reports submitted by their unit supervisors, section administrators and contractor directors shall select and review a minimum of two (2) cases per unit. Administrators/directors shall document whether they concur or disagree with the unit supervisor's findings; provide reason(s) for their position; verify all recommended corrective actions were satisfactorily completed by the unit; and submit audit reports to ETPO for review.
 - d. *Level III – Program Office*

ETPO shall audit the remaining five (5) out of the twenty (20) randomly selected cases.
4. Audit findings from Levels I, II and III shall be compiled in a statewide report and submitted to the division administrator. The report shall include any recommendations to address deficiencies identified from the audit. Hard copies of all reports shall be available for review by ACF and other auditors in their review of the State's work participation verification system.

Both the HAWI and HANA systems do computations, thereby, reducing or eliminating computation errors. Compilations are also done by both systems.

C. Internal Controls to Control for Data Errors

1. Eligibility Staff

The EW staff reviews their HAWI system entries and earnings projections no less frequently than every six (6) months. The EW staff entries are reviewed through mandatory random case selection and case reviews by supervisors and selected semi-annual reviews are conducted by the Financial Assistance Program office. The Federal findings, as reported to the State, are compared with on-line reports from the HAWI system to determine whether the reported data accurately reflects our known data.

The HAWI system allows on-line documentation and automation of the projection of earnings and hours of employment. Income Report (INRE) function and on-line documentation in the HAWI system are used by the eligibility staff.

2. Checks Used To Isolate Electronic Systems and Programming Errors

The State maintains a record of exemptions by exemption code. The system maintains a record of monthly participation by type of activity per client. This data may be aggregated at any level, e.g., client, departmental designee (i.e. FTW staff), FTW unit, Section, Statewide Branch, or State. This information is used to compare against the federal report. This will verify that the numbers provided by DHHS regarding exemptions and participation are consistent with the data obtained from the HAWI and HANA systems. All discrepancies shall be investigated. The State shall also check the information being transmitted reflects the hard-copy verification and documentation on file.

3. Sampling and Estimation Techniques Employed in Data Validation

The State shall use actual counts to verify that the information being submitted to DHHS is consistent with the Department's records. These reviews shall verify that information was entered accurately and if the data entered reflects the hard copy verification on file.

4. Use of National Directory of New Hire (NDNH) Database

The State, through Memorandum of Understanding (MOU) with the Office of Family Assistance (OFA), shall submit quarterly a file containing demographics of WEI and OWEI who have no recorded

employment in either the HAWI or HANA system, for potential matches of unreported employment.

Matches received back from OFA shall be forwarded to the FTW staff for employment verification follow-up. Employment verification by FTW staff shall involve the employment start date, end date (if there is one), and average hours a week worked.

5. Federal TANF Data Report (TDR) Extract Team

A dedicated team is assigned to maintain the State's Federal TANF Data Reports (TDR). It is the team's responsibility to recommend any HAWI and HANA system modifications to ensure correct data is extracted; determine if the TDR is compliant with the Federal TANF reporting requirements; review reports received from the Administration for Children and Families (ACF) and take appropriate actions such as resolving incorrect or omitted data and coding errors; and respond to questions and TDR issues raised by ACF. The team consists of:

- A financial assistance program specialist who reviews the Administration for Children and Families (ACF) reports; takes appropriate action to resolve eligibility and data entry errors in the HAWI system; and makes revisions and maintain soft and hard-copy files of the IT written instructions;
- An employment and training program specialist who reviews the ACF reports; takes appropriate action to resolve work activity hours and data entry errors in the HANA system; and
- Programmers from the Office of Information Technology (OIT) who program data extractions from the HAWI and HANA systems; compile the data according to the IT written instructions maintained by the program specialists; and submit the TDR to ACF.

V. Verification of Other Data Used in Calculating the Work Participation Rates

A. Data Elements for Reporting

Under the “complete and accurate” standard for data reporting, the State will shall validate all data submitted in its TANF Data Report. In addition to the work activities, the following data elements are used in calculating the work participation rates:

- Reporting Month
- Stratum

- Case Number
- Disposition
- Type of Family for Work Participation
- Amount of Food Stamps Assistance
- Receives Subsidized Child Care
- Amounts of TANF (and SSP-MOE) Assistance
- Family Affiliation Code
- Non-custodial Parent Indicator
- Date of Birth (Adult)
- Relationship to Head-of-Household
- Parent with Minor Child
- Work-Eligible Individual Indicator
- Date of Birth (Child)

B. Data Validation Procedures

1. Documentation of Information

For each of the data elements in Section A above, the State maintains documentation and verification of information on file. The data is then coded into either the HAWI or HANA system. This information is transmitted to the Federal government. The State maintains manual data element counts and a monthly count of households, relationships, employment status and other demographics. This data is reviewed to be certain it matches the report being transmitted to DHHS.

The State continues to review the Federal report requirements document. Each data item description is checked to be certain the State is in compliance with all Federal regulations. The State reviews the data item programming and description to be certain the correct information is being transmitted correctly.

The State shall continue to respond to any inconsistencies identified by ACF, make corrections and resubmit our reports.

2. Procedures Employed To Eliminate Data Inconsistencies Between Two or More Data Elements

All information is coded into the HAWI and HANA systems. Where possible, the data elements are cross referenced for consistency. The HAWI system will not allow assistance under the TANF program if the family does not meet the required eligibility factors of the program due to specified relationship, income, assets, child support income, work requirements, etc.

The State shall respond to any inconsistencies when identified by the DHHS. The State shall also monitor case counts, household composition, mandatory and exempt households and shall compare the State's data against the data reported by DHHS. Any inconsistencies shall be reviewed, errors shall be corrected and the data shall be re-submitted.

3. Work Participation Status

The State modified the information/data included in the Federal report to guarantee the exemption for a custodial parent with a child less than twelve (12) months of age. This exemption is allowed in increments of one (1) month not to exceed a lifetime limit of twelve (12) months. The exemption for caring for a child less than twelve months of age is entered into the system by the eligibility worker along with a review date of up to twelve months based on the client's request for the exemption.

The State has a full family sanction policy. The cases are not disregarded from the work participation rate for refusal to participate in work.

The State has procedures for ensuring a family deemed engaged in work based on twenty (20) hours of participation in countable work activities meets the requirements of a single custodial parent or caretaker relative with a child less than six (6) years of age.

This information is programmed into the system. HAWI identifies these households based on the date of birth of the youngest child in the household. Based on system identification, the information is reported to the Federal government.

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VI. Submittal Procedures

The State of Hawai'i's (State) Temporary Assistance for Needy Families (TANF) Work Verification Plan (WVP) is prepared and submitted in accordance with 45 CFR §§261.62 and 261.64, the regulatory sections specifying what a state must do to verify the accuracy of its work participation information, including the required contents of the WVP. The State of Hawai'i may amend its WVP at any time during the course of the federal fiscal year in accordance with the regulations at 45 CFR §261.63(c).

This is to certify that Hawaii's TANF Work Verification Plan amended March 28, 2016 includes all the information required by the Regulations at 45 CFR 261.62(b) and accurately reflects the provisions under which Hawaii has been operating as of effective January 1, 2016.

/s/ Julie Morita (for)

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11/30/17

Date