

TANF CASELOAD REDUCTION REPORT FFY 2007

**DRAFT**

INTRODUCTION

The State of Connecticut, Department of Social Services is required to complete and submit annually, Form ACF-202, the Caseload Reduction Report for the Federal Fiscal Year (FFY), to the U.S. Department of Health and Human Services, Administration for Children and Families, in accordance with federal regulations at 45 CFR 260 et seq.

The federal Temporary Assistance for Needy Families (TANF) block grant includes specific performance expectations and requirements to help federal and state governments measure program success. All states are required to meet specific work participation rates, which reflect the percentage of families receiving TANF assistance that must be engaged in federally-defined work activities.

The reduction report provides an analysis of case closure and application activity, including activity related to changes in eligibility criteria. The caseload reduction credit for FFY 2007 reduces the state's work participation rate for that fiscal year based on the decline in the FFY 2006 assistance caseload compared to FFY 2005. The methodology and the case number estimates used are included in this document.

A notice to solicit public comments was published in the Connecticut Law Journal on December 12, 2006. Written comments were to be submitted December 27, 2006.

# FORM ACF-202 – TANF CASELOAD REDUCTION REPORT

## CASELOAD REDUCTION CREDIT METHODOLOGY

### INTRODUCTION

During FFY 2006, Connecticut operated six assistance programs under the authority of the federal Temporary Assistance for Needy Families (TANF) block grant<sup>1</sup>.

Two of these are claimed as TANF assistance programs:

- Temporary Family Assistance (TFA)
- Foster Care Maintenance (FCM)

The remaining four are “separate state program maintenance of effort” assistance programs (SSP’s):

- SSP-MOE Temporary Family Assistance  
Two-Parent TFA Cases and  
TFA Cases with Certain Exempt Adults
- Safety Net Program - Basic Needs component (SN-BN)
- Transitional Rental Assistance (T-RAP) and
- Temporary Rent Subsidy Program (TRSP)

“Total Prior Year Caseload” shown in Part I of the report represent the State’s total FFY 2006 assistance caseload as shown below:

#### Average Monthly FFY 2006 Caseload – Connecticut

##### TANF Assistance Programs

Temporary Family Assistance (TFA)	18,245
Foster Care Maintenance (FCM)	245
	18,490
Eligible Families served by Excess MOE - State MOE\$ - TANF	(1,882)
<b>Total TANF Caseload</b>	<b>16,608</b>

##### SSP-MOE Assistance Programs

SSP-MOE Temporary Family Assistance	
Two Parent Family Assistance	1,503
Certain Exempt Temporary Family Assistance	2,348
Safety Net Basic Needs (SN-BN)	45
Transitional Rental Assistance Program (T-RAP)	138
Temporary Rent Subsidy (TRSP)	31
	4,064
Eligible Families served by Excess MOE - Separate State \$	(414)
<b>TOTAL SSP-MOE Caseload</b>	<b>3,650</b>

**TOTAL ASSISTANCE CASELOAD FFY 06** **20,259**

<sup>1</sup>Connecticut’s TANF State Plan also lists Energy Assistance. However, during FFY 2006, TANF dollars were not actually claimed for this program.

## FORM ACF-202 – TANF CASELOAD REDUCTION REPORT

### TANF ASSISTANCE PROGRAM NARRATIVE & METHODOLOGY

#### **Temporary Family Assistance / TFA Two-Parent (SSP-MOE) and Certain Exempt Temporary Family Assistance (SSP-MOE)**

TFA, Two-Parent TFA and TFA cases with certain exempt adults are programs that provide cash assistance for ongoing basic needs. All TFA cases are time-limited unless all adults in the family are exempt from the time-limit provisions. These programs are descendants of the AFDC program, but have been modified extensively since FFY 1995, first under welfare reform demonstration waivers, then pursuant to changes associated with TFA becoming a TANF-based assistance program, and a third time effective 10/1/01. The eligibility and policies regarding this program has not been modified since 10/1/05. These programs constitute the vast majority of the state's overall assistance caseload.

#### **Safety Net Basic Needs**

The State operates a Safety Net Program for families who exhaust time-limited TFA and who are not eligible for extensions for reasons other than having income over the TFA payment standard. The program, which is operated through contractors, assists families with case management, employment services, and counseling to help remove barriers to employment. Referrals to existing community resources are utilized as much as possible. However, a component of the program known as "Basic Needs" provides eligible families with vendor payments for basic needs such as food, rent, utilities, and clothing. Only this component is categorized as a Separate State MOE *assistance* program.

Basic needs payments are not made on behalf of all Safety Net participants every month, but rather are made on an as-needed basis as determined by the program operator. There is no application process for participants. A participating family may have a payment issued one month, may not need one the next two because community resources are meeting its needs, and then may receive two consecutive monthly payments. Some families receive no payments, while others may receive payments for several consecutive months. Thus, payments essentially end (i.e., cases "close") either because needs are met by another means, or because the family actually leaves the larger Safety Net program.

The Safety Net Basic Needs program was newly created in 1997. The basic needs component of the program has operated since then without any changes in eligibility. Therefore, no SN-BN discontinuances are evaluated. The SN-BN monthly average FFY 2006 caseload is simply included in the monthly average SSP assistance caseload for FFY 2006.

#### **Foster Care Maintenance**

Connecticut uses TANF funds to provide Foster Care Maintenance (FCM) to children who are in the custody of the Department of Children and Families (DCF). TANF covers the portion of the maintenance services that were authorized under the prior Emergency Assistance (EAF) program for clients who would have qualified for Emergency Assistance under that prior program. Benefits are funded by TANF for up to twelve months of care, but only those issued for more than four consecutive months fall under the definition of "assistance." The caseload figure shown above represents the average monthly caseload for FCM assistance.

## FORM ACF-202 – TANF CASELOAD REDUCTION REPORT

Because FCM as a TANF assistance program begins with the fifth month of benefits, there is no application process *per se*. Assistance simply begins for cases that meet the durational criterion in addition to the other criteria described under EAF and the TANF state plan.

Because the state only began to use TANF funds for months 5-12 FCM (assistance) effective 10/1/00, in the context of the TANF block grant, the program effectively began on that date, and there have been no eligibility changes since. Therefore, like Safety Net Basic Needs, no case closures are evaluated for their effect on the overall assistance caseload. The FFY 2006 FCM assistance caseload is simply added into the TANF assistance caseload for FFY 2006.

### **Transitional Rental Assistance**

Transitional Rental Assistance (T-RAP) is a separate state MOE assistance program that provides rental assistance to families who have been discontinued from TFA who have exhausted the TFA 21-month time limit and who have income over the TFA payment standard or otherwise leave the TFA program with earned income. Families are referred directly to the program from DSS; there is no open application process.

Although the State has operated the T-RAP program for some time, it has only operated it as a separate state MOE program since January 1, 2001. Since that date, there have been no changes in eligibility to evaluate for caseload effects. Therefore, the average monthly FFY 2006 T-RAP caseload is added into the State's overall assistance caseload.

### **Temporary Rent Subsidy**

Temporary Rent Subsidy is a separate state MOE assistance program that provides rental assistance to families. Two groups of families are targeted for this program. The first group consists of families who are receiving TFA, participate in the Jobs First Employment Services (JFES) program and have at least two barriers to employment with housing stability as one barrier. This group of families is not represented in the data for the TRSP program as the families are already counted in the FFY 2006 TFA caseload totals.

The second targeted group consists of families who have exhausted their benefits under TFA, or who have been sanctioned off TFA, and whose income falls below the TFA payment standard, with the result that they are homeless or at risk of homelessness. The caseload data for this group is listed in the Average Monthly FFY 2006 Caseload table in the Introduction to this report. The state began operating this program in January 2003, using TANF Performance Bonus dollars. The program was closed effective June 30, 2006, due to the lack funding. The closing of this program to all persons, is the only eligibility change to evaluate for overall caseload effects.

### **Analysis of the Effect of Policy Changes**

For reasons articulated above, the State's analysis of the effect of policy changes on the overall caseload is limited to the Temporary Rent Subsidy. There were no eligibility changes to any other program that would impact the caseload reduction credit report. For the purposes of analysis, the state has reviewed the monthly caseloads of Temporary Rent Subsidy, Transitional Rental Assistance and Safety Net - Basic Needs, and Foster Care Maintenance obtained from the contractors, as well as TFA, Two Parent and Certain Exempt TFA case data, obtained from the Eligibility Management System (EMS), along with a few other sources described in detail below, to arrive at the estimated impact of eligibility and caseload changes on Connecticut's total FFY 2006 assistance caseload.

## FORM ACF-202 – TANF CASELOAD REDUCTION REPORT

### TANF MOE EXCESS CASELOAD METHODOLOGY

The number of families served by TANF and SSP funding was adjusted to offset the pro rata share of the number of cases funded from Maintenance of Effort (MOE) expenditures made by the State of Connecticut in excess of the required 75%. Pro rata Offset - Excess MOE (>75%) Eligible Families adjusted in TANF & SSP FFY 06 Caseload\*

Under CFR Part 261.43 "What is the definition of a "case receiving assistance" in calculating the caseload reduction credit?" states: "(2) A State that is investing State MOE funds in eligible families in excess of the required 80 percent or 75 percent basic MOE amount need only include the pro rata share of caseloads receiving assistance that is required to meet the basic MOE requirements."

The methodology used to calculate the excess MOE Expenditures and Caseload ratios are based on total FFY 06 TANF, State MOE, and Separate State MOE expenditures. The ratio for SSP equals 20.13% and TANF equals 79.87% based the Separate State Programs expenditures equaling \$94,434,865.62 of the total \$469,128,110.25 (20.13%) and the balance of TANF expenditures equal to \$374,693,244.63 (79.87%).

In FFY 06, the amount of MOE dollars in excess of the required 75% was equal to \$47,758,740.57. The pro rata share of excess MOE for SSP and TANF expenditures and caseload was calculated as follows:

<u>PROGRAM:</u>	<u>EXCESS MOE</u>	<u>x</u>	<u>RATIO</u>	<u>=</u>	<u>MOE EXCESS PER PROGRAM</u>
TANF:	\$47,758,740.57	x	79.87%	=	\$38,144,969.51
SSP:	\$47,758,740.57	x	20.13%	=	<u>\$ 9,613,771.06</u>
					\$47,758,740.57

<u>PROGRAM</u>	<u>EXPENDITURES /</u>	<u>#</u>	<u>FAMILIES</u>	<u>=</u>	<u>AVE. COST \$ PER FAMILY</u>
TANF:	\$374,693,244.63	/	18,490	=	\$ 20,264.28
SSP:	\$94,434,865.62	/	4,064	=	\$ 23,235.02

<u>PROGRAM</u>	<u># FAMILIES</u>	<u>x</u>	<u>RATIO</u>	<u>=</u>	<u># FAMILIES PER EXCESS MOE \$</u>
TANF:	18,490	x	79.87%	=	1,882 cases
SSP:	4,064	x	20.13%	=	<u>414 cases</u>
					2,296 cases

The state understands that consideration is being made for issuance of federal guidance regarding excess MOE offset, and if needed, will make adjustments to comply with additional guidance.

## FORM ACF-202 – TANF CASELOAD REDUCTION REPORT

**State: Connecticut**

**Fiscal Year to which credit applies: 2007**

1. Name of eligibility change: **Elimination of the Temporary Rent Subsidy Program**
2. Implementation date of eligibility change: **July 1, 2006**
3. Description of policy, including the change from prior policy:

Temporary Rent Subsidy is a separate state MOE assistance program that provides rental assistance to families. Two groups of families are targeted for this program. The first group consists of families who are receiving TFA, participate in the Jobs First Employment Services (JFES) program and have at least two barriers to employment with housing stability as one barrier. This group of families is not represented in the data for the TRSP program as the families are already counted in the FFY 2006 TFA caseload totals.

The second targeted group consists of families who have exhausted their benefits under TFA, or who have been sanctioned off TFA, and whose income falls below the TFA payment standard, with the result that they are homeless or at risk of homelessness. The caseload data for this group is listed in the Average Monthly FFY 2006 Caseload table in the Introduction to this report. The state began operating this program in January 2003, using TANF Performance Bonus dollars. The program was closed effective July 1, 2006, due to the lack funding. The closing of this program to all persons, is the only eligibility change to evaluate for overall caseload effects.

4. Description of the methodology used to calculate the estimated impact of this eligibility change: (attach supporting materials to this form)

The program was closed effective July 1, 2006, due to the lack funding. The closing of this program to all persons, is the only eligibility change to evaluate for overall caseload effects. The average monthly caseload between October 1, 2005 and June 30, 2006 equaled 41. The federal fiscal year includes 3 additional months in which there were no participants in this program or a caseload equal to zero. The impact of this establishes a reduction in the average monthly caseload by 10 cases. This incorporates a decay factor of 1.5 cases per month, which was the average caseload closure per month in FFY 2006.

5. Estimated average monthly impact of this eligibility change on caseload in comparison year:

Ave. Monthly Caseload **FFY 2005 = 67** compared to **FFY 2006 = 31** (41 for 9 mos. less 10 - closed 3 mos)



**FORM ACF-202 – TANF CASELOAD REDUCTION REPORT**

**State: Connecticut**

**Fiscal Year to which credit applies: 2007**

PART 3 -- Certification

I certify that we have provided the public an appropriate opportunity to comment on the estimates and methodology used to complete this report and considered those comments in completing it. Further, I certify that this report incorporates all reductions in the caseload resulting from State eligibility changes and changes in Federal requirements since Fiscal Year 2005.

---

(signature)

Patricia A. Wilson-Coker, JD, MSW

---

(name)

Commissioner, Connecticut Department of Social Services

---

(title)

## Temporary Rent Subsidy Program Elimination

Temporary Rent Subsidy Program - Elimination

	Impact on Each Month in FY 2006													
	Oct-05	Nov	Dec	Jan-06	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep		
<b>Time of Closure</b>														
Oct-05														
Nov														
Dec														
Jan-06														
Feb														
Mar														
Apr														
May														
Jun														
Jul														
Aug														
Sep														
										-41	-40	-39		
<b>Total</b>	0	0	0	0	0	0	0	0	0	0	-41	-40	-39	Grand Total -120
FY 2006 monthly average													-10	

The Temporary Rent Subsidy Program was eliminated effective June 30, 2006. The impact shown on the average monthly caseload applies a decay factor of one caseload per month, which occurred during the program year.