

TANF CASELOAD REDUCTION REPORT
For Federal Fiscal Year 2012

State of Connecticut
Department of Social Services

DRAFT FOR PUBLIC REVIEW
December 6, 2011

Notice Published in Connecticut Law Journal on December 6, 2011.

TANF CASELOAD REDUCTION REPORT

Pursuant to federal regulations at 45 CFR 261.40 et seq., the Connecticut Department of Social Services is seeking public review and comment on the methodology and the case number estimates used in its Temporary Assistance for Needy Families (TANF) Caseload Reduction Report to calculate the state's TANF Work Participation Rate for Federal Fiscal Year 2012.

The federal 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. Federal law sets required work participation rates, which reflect the percentage of families receiving TANF assistance that must be engaged in federally-defined work activities.

To ensure that states receive credit for families that have become self-sufficient, Congress created the caseload reduction credit. States must complete form ACF-202, the Caseload Reduction Report, and provide the public with an opportunity to comment on its methodology and estimates. The reduction report provides an analysis of monthly caseload, case closure, and application activity, including activity related to changes in eligibility criteria, to arrive at the estimated impact of eligibility changes on the state's average assistance caseloads in FFY 2011 (October 1, 2010 – September 30, 2011).

The caseload reduction credit reduces the required participation rate(s) that a state must meet for a given fiscal year. It reflects the net percentage point reduction in the state's caseload in the prior fiscal year as compared to the caseload in base year FFY 2005. The Deficit Reduction Act of 2005 recalibrated the base year to be Federal Fiscal Year 2005. Thus, the caseload reduction credit for FFY 2012 reduces the state's work participation rate for that fiscal year based on the caseload decline in the FFY 2011 compared to FFY 2005. However, caseload declines attributable to state or federal changes in eligibility criteria do not count toward the caseload credit.

Statement of Purpose: to solicit public comments on the Caseload Reduction Report in accordance with federal TANF regulations.

Written comments on Connecticut's Caseload Reduction Report may be submitted to the Department by December 22, 2011 to the attention of: Julie Bisi, Planning Specialist, Department of Social Services, Family Services Division, 25 Sigourney St., Hartford, CT 06106 or julie.bisi@ct.gov.

A full copy of the report is available at no cost upon request to the Department. To receive a copy, email julie.bisi@ct.gov or call (860) 424-5877. The report will also be available on the web at <http://ct.gov/dss>

TANF CASELOAD REDUCTION REPORT FFY 2012

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 caseload reduction report provides an analysis of case activity including activity related to changes in eligibility criteria. The caseload reduction credit for FFY 2012 reduces the state's work participation target rate for that fiscal year based on the decline in the FFY 2011 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 6, 2011. Comments shall be submitted on or before December 22, 2011. No comments regarding the Caseload Reduction Report submitted to the Department of Social Services have been received to date.

During FFY 2011, Connecticut operated two assistance programs under the authority of the federal Temporary Assistance for Needy Families (TANF) block grant¹. These two programs are claimed as TANF Assistance programs:

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

In FFY 2011, there were no assistance cases claimed under separate state programs (SSP). The TFA Cases with Certain Exempt Adults assistance program previously funded as a separate state program is funded as a solely state funded program, effective as of October 1, 2008. The Two-Parent Temporary Family Assistance program, previously funded as a separate state program, is funded as a solely state funded program, effective as of October 1, 2007.

¹Connecticut's TANF State Plan also lists Energy Assistance. However, during FFY 2011, TANF dollars were not actually claimed for this program.

TANF ASSISTANCE PROGRAM NARRATIVE & METHODOLOGY

Changes in eligibility criteria that the state has made on or after October 1, 2006 that could cause the state's caseload to decrease or increase are described below.

Temporary Family Assistance (TFA-TANF)

The Temporary Family Assistance (TFA) program provides 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 have not been modified since 10/1/06. These programs constitute the vast majority of the state's overall assistance caseload.

Effective as of October 1, 2008, Certain Exempt TFA households became solely state funded and are no longer funded with Federal TANF or Commingled funds, or as a Separate State Program, as was the case prior to FFY 2008.

Foster Care Maintenance (FCM-TANF)

Connecticut uses TANF funds to provide Foster Care Maintenance (FCM) payments for 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 law Emergency Assistance (EAF) program. Benefits are funded by TANF for up to twelve months of care, but only those issued for more than four consecutive months are included as "assistance."

Assistance begins for cases that meet the durational criterion in addition to the other criteria described under the former EAF program and the TANF state plan.

There have been no eligibility changes to Foster Care Maintenance, in the context of the TANF block grant. Therefore, no case closures are evaluated for their effect on the overall assistance caseload. The FFY 2011 FCM average monthly assistance caseload is simply added into the TANF assistance caseload for FFY 2011.

Safety Net Basic Needs (Program No Longer TANF MOE)

Effective September 30, 2006 the State stopped claiming as a TANF state maintenance of effort expenditure the Safety Net "Basic Needs" Program for families who exhausted time-limited TFA and who were not eligible for extensions for reasons other than having income over the TFA payment standard. The program continues to operate outside of the TANF program. The Safety Net Basic Needs program provides eligible families with vendor payments for basic needs such as food, rent, utilities, and clothing. This component was previously categorized as a Separate State MOE *assistance* program. The caseload for this program in FFY 11 from non-TANF funds are "added back" to the average FFY 2011 Caseload for Caseload Reduction Credit comparison to FFY 2005.

Two-Parent TFA (No TANF Federal, SSP or MOE Expenditures)

Effective as of October 1, 2007, the Two-Parent Temporary Family Assistance program, previously funded as a Separate State Program, is funded as a solely state funded program. The Two-Parent Temporary Family Assistance program has been removed from the TANF Plan as an assistance program. Effective October 1, 2007, cash assistance is provided to two parent households as a solely state-funded program, although the families are eligible for non-assistance programs such as Employment Services. Since that date, there have been no changes in eligibility to evaluate for caseload effects. Therefore, the average monthly FFY 2011 Two-Parent TFA caseload would normally have been added to the State's overall assistance caseload. However, the state did not utilize TANF federal or state Maintenance of Effort dollars for this program as of October 1, 2007, and thus the effect was a reduction in the total SSP-MOE caseload. The caseload for this program in FFY 11 from non-TANF funds are "added back" to the average FFY 2011 TANF caseload for Caseload Reduction Credit comparison to FFY 2005.

Certain Exempts - Temporary Family Assistance (TFA)

The Temporary Family Assistance (TFA) program provides cash assistance for ongoing basic needs for families including families with adults who are identified with certain exempt status. Effective as of October 1, 2008, Certain Exempt TFA households became solely state funded and are no longer funded as regular TFA with Federal TANF or Commingled funds (FFY 2008), or as a Separate State Program, as it was prior to FFY 2008.

Therefore, similar to Two-Parent TFA, the caseload for this program in FFY 2011 is "added back" for Caseload Reduction Credit comparison to FFY 2005.

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 includes the removal of the Safety Net Basic Needs Program (SNBN), and the Two-Parent and Certain Exempt Temporary Family Assistance program from TANF Commingled, and Separate State Program Maintenance of Effort to solely state-funded programs. These eligibility and funding changes impact the caseload reduction credit. For the purposes of analysis, the state has reviewed the monthly caseloads of Temporary Family Assistance (TFA), Two Parent TFA and Certain Exempt TFA case data obtained from the Eligibility Management System (EMS), as well as Foster Care Maintenance, and Safety Net Basic Needs data obtained from the contractors and other sources described in detail below, to arrive at the estimated impact of eligibility and caseload changes on Connecticut's total FFY 2011 assistance caseload.

TANF MOE EXCESS CASELOAD REDUCTION METHODOLOGY

The methodology used to calculate the excess MOE Expenditures and Caseload ratios are based on total FFY 2011 TANF, state MOE, and separate state program MOE expenditures. The total TANF expenditures equaled \$477,824,663, of which \$240,109,297 was from the federal block grant. In FFY11, the amount of MOE dollars required at 75% equaled \$183,421,057, while actual MOE expenditures were \$237,715,366. This resulted in an excess amount of MOE expenditures equal to \$54,294,309. Based on an average Assistance caseload cost of \$6,281 and expenditures on Assistance programs equal to \$95,504,364 or 19.99% of all TANF expenditures, the excess MOE Assistance equals \$10,851,980 or an offset number of cases equal to 1,728.

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 total average number of TANF and SSP cases served in FFY 2011 equaled 15,205. Due to program eligibility & policy changes, 3,490 cases (1,522 Two Parent, 1,900 Certain Exempt and 68 Safety Net Basic Needs cases), are to be added back into the overall caseload when it is compared to the base year caseload of 24,088 in FFY 05. The adjusted caseload equals the 2011 TANF and SSP average monthly number of cases served. This is 15,205 minus the excess MOE caseload offset of 1,728 for a caseload equal to 13,477, plus the 3,490 "added back" or net impact cases that are no longer included because of eligibility or policy changes but are included to maintain comparable caseloads to the FFY 2005 program. The total adjusted caseload with net impact changes therefore equals 16,967.

The difference between the base year caseload of 24,088 (FFY 2005) and an adjusted FFY 2011 caseload of 16,967 equals a decline with net impact of 7,121 cases. This is divided by the base year caseload to establish a Caseload Reduction Credit for 2012 of 29.6%.

In Connecticut the pro rata share of excess Maintenance of Effort (MOE) for TANF and SSP expenditures and caseload was calculated as follows:

Connecticut

Fiscal Year to which credit applies: 2012

Date of Completion: 12/06/2011

Excess MOE Calculation Worksheet

Caseload Data

FY 2005 TANF Caseload	19,830
FY 2005 SSP Caseload	4,258
Total FY 2005 Caseload	24,088
FY 2011 TANF Caseload	15,205
FY 2011 SSP Caseload	0
Total FY 2011 Caseload	15,205

2-Parent Caseload Data

FY 2005 2-p TANF Caseload	0
FY 2005 2-p SSP Caseload	1,423
Total FY 2005 Caseload	1,423
FY 2011 2-p TANF Caseload	0
FY 2011 2-p SSP Caseload	0
Total FY 2011 Caseload	0

Adjusted Caseload Data

Adjusted FY 2011 Overall Caseload	13,477
Adjusted FY 2011 2-parent Caseload	0

Expenditure Data

Total Expenditures

FY 2011 Total Federal Expenditures	\$240,109,297
FY 2011 Total MOE Expenditures	\$237,715,366
Total Expenditures (Federal + MOE)	\$477,824,663

Assistance Expenditures

FY 2011 Federal Expenditures on Assistance	\$1,591,284
FY 2011 MOE Expenditures on Assistance	\$93,913,080
Total Expenditures on Assistance (Federal+MOE)	\$95,504,364
Percentage of Expenditures on Assistance	19.99%

Expenditures Per Case

Average Expenditures per Case	\$31,425
Average Expenditures per Case on Assistance	\$6,281

MOE and Excess MOE

Required MOE (80% or 75%)	\$183,421,057
Excess MOE Expenditures	\$54,294,309
Excess MOE Expenditures on Assistance	\$10,851,980

Assistance Cases Funded by Excess MOE	1,728
2-Parent Assistance Cases Funded by Excess MOE	0

Date of Completion: 12/06/11

State: CONNECTICUT

Fiscal Year to which credit applies: 2012

Overall Report (check one)
Two-parent Report

Apply the overall credit to the two-parent participation rate? N/A_ yes
 no

PART 1 –Eligibility Changes Made Since FY 2005
(Complete this section for EACH change)

1. Name of eligibility change: **Safety Net Basic Needs Program – No TANF or MOE Expenditures**
2. Implementation date of eligibility change: **October 1, 2006**
3. Description of policy, including the change from prior policy:

Safety Net Basic Needs Program (SN-BN)

Effective September 30, 2006 the State stopped claiming as TANF or MOE expenditures the Safety Net “Basic Needs” Program for families who exhausted time-limited TFA and who were not eligible for extensions for reasons other than having income over the TFA payment standard. The Safety Net Basic Needs program provides eligible families with vendor payments for basic needs such as food, rent, utilities, and clothing. This component was categorized as a Separate State MOE assistance program. The caseload data for this group from the last report is listed as to be “added back” to the Average Monthly FFY 2011 Caseload.

There had been no changes in eligibility to evaluate for caseload effects. Therefore, the average monthly SN-BN caseload would have been added to the State’s overall assistance caseload. However, the state did not utilize TANF federal or state Maintenance of Effort dollars for this program as of October 1, 2006, and thus the effect was a reduction in the total SSP-MOE caseload.

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

The state does not utilize TANF or Maintenance of Effort dollars for this program as of October 1, 2006.

The average monthly caseload between October 1, 2010 and September 30, 2011 equaled 68. These cases are not claimed in the Maintenance of Effort expenditures. There were no participants which may be claimed in the caseload from the Safety Net – Basic Needs. The impact of this establishes a reduction in the average monthly caseload by 68 cases. These 68 cases are to be “added back to the TANF caseload” to level the comparison to the FFY 2005 base year average monthly caseload.

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

Avg. Monthly Caseload FFY 2011 = 68 as compared to the Avg. Monthly Caseload FFY 2005 = 56

Date of Completion: 12/06/11

State: CONNECTICUT

Fiscal Year to which credit applies: 2012

1. Name of eligibility change: **Two Parent TFA Program – No TANF or MOE Expenditures**
2. Implementation date of eligibility change: **October 1, 2007**
3. Description of policy, including the change from prior policy:

Two Parent TFA Program

Effective October 1, 2007 the State stopped claiming the Two Parent component of the TFA program as TANF or MOE expenditures. The Two-Parent Temporary Family Assistance program has been removed from the TANF Plan as an assistance program. Effective October 1, 2007, cash assistance is provided to two parent households in a solely state funded program. Two Parent families are eligible for non-assistance programs such as Employment Services.

There had been no changes in eligibility to evaluate for caseload effects. The average monthly caseload data for this group is "added back" to the Average Monthly FFY 2011 Caseload. Caseload numbers for Two Parent TFA in prior years had been shown in the Separate State Program (SSP) sections. The state did not utilize TANF federal or state Maintenance of Effort dollars for this program as of October 1, 2007, and thus the effect was a reduction in the total SSP-MOE caseload.

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

The state does not utilize TANF or Maintenance of Effort dollars for this program as of October 1, 2007.

The average monthly caseload between October 1, 2010 and September 30, 2011 equaled 1,522; however, none of these cases were claimed in TANF federal or state Maintenance of Effort expenditures. There were no participants which may be claimed in the caseload from the Two Parent Family assistance units. The impact of this establishes a reduction in the average monthly caseload by 1,522 cases. These cases are to be "added back" to the TANF caseload to level the comparison to the FFY 2005 base year average monthly caseload.

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

Avg. Monthly Caseload FFY 2011 = 1,522 as compared to FFY 2005 = 1,423

Date of Completion: 12/06/11

State: CONNECTICUT

Fiscal Year to which credit applies: 2012

1. Name of eligibility change: **Certain Exempt TFA Program – No TANF or MOE Expenditures**
2. Implementation date of eligibility change: **October 1, 2008**
3. Description of policy, including the change from prior policy:

Two Parent TFA Program

Effective October 1, 2008 the State stopped claiming the Certain Exempt component of the TFA program as TANF, Commingled, or Separate State Program MOE expenditures. The Certain Exempt Temporary Family Assistance program has been removed from the TANF Plan as an assistance program. Effective October 1, 2008, cash assistance is provided to Certain Exempt households in a solely state funded program.

There had been no changes in eligibility to evaluate for caseload effects. The average monthly caseload data for this group is “added back” to the average monthly FFY 2011 caseload. Caseload numbers for Certain Exempt TFA in prior years had been shown in TANF Caseload (FFY 2008) and Separate State Program (prior to FFY 2008). The state did not utilize TANF federal or state Maintenance of Effort dollars for this program as of October 1, 2008, and thus the effect was a reduction in the total caseload.

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

The state does not utilize TANF or Maintenance of Effort dollars for this program as of October 1, 2008.

The average monthly caseload between October 1, 2010 and September 30, 2011 equaled 1,900; however, none of these cases were claimed in TANF federal or state Maintenance of Effort expenditures. There were no participants claimed in the caseload from the Certain Exempt assistance units. The impact of this establishes a reduction in the average monthly caseload by 1,900 cases. These cases are to be “added back” to the TANF caseload to level the comparison to the FFY 2005 base year average monthly caseload.

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

Avg. Monthly Caseload FFY 2011 = 1,900 as compared to FFY 2005 = 2,401

Date of Completion: 12/06/11

State: CONNECTICUT

Fiscal Year to which credit applies: 2012

PART 2 – Estimate of Caseload Reduction Credit

Connecticut

Fiscal Year to which credit applies: 2012

Date of Completion: 12/06/11

PART 2 – Estimate of Caseload Reduction Credit

Impact of All Changes

Caseload Reduction Calculation

Two Parent Cases (No TANF or MOE Funding)	-1522
Safety Net Basic Needs (No TANF or MOE Funding)	-68
Certain Exempt Cases (No TANF or MOE Funding)	-1,900

FY 2005 TANF Caseload	19,830
FY 2005 SSP Caseload	4,258
Total FY 2005 Caseload	24,088

FY 2011 TANF Caseload	15,205
FY 2011 SSP Caseload	0
Total FY 2011 Caseload	15,990

Excess MOE Cases FY 2011	1,728	
Adjusted FY 2011 Caseload	13,477	
Caseload Decline	10,611	44.0%
Decline – Net Impact	7,121	

Caseload Reduction Credit = 29.6%

Net Impact -3,490

Pro rata offset / Excess MOE (>75%) Eligible Families adjusted in TANF & SSP FFY 11 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."

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Safety Net Basic Needs Program
No TANF Federal or MOE Funds Claimed in FFY 2011

Safety Net Basic Needs Program (SN-BN)
No TANF Federal or Maintenance of Effort Expenditures were claimed in FFY 11 for SN-BN Program

Time of Closure	Impact on Each Month in FY 2011												Grand Total					
	Oct-10	Nov	Dec	Jan-11	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep						
Oct-10	-91																	
Nov		-103																
Dec			-99															
Jan-11				-87														
Feb					-48													
Mar						-26												
Apr							-77											
May								-44										
Jun									-57									
Jul										-44								
Aug											-59							
Sep												-76						
Total	-91	-103	-99	-87	-48	-26	-77	-44	-57	-44	-59	-76	-811					
	FY 2011 monthly average												-68					

No TANF Federal or Maintenance of Effort Expenditures were claimed in FFY 11 for the Safety Net Basic Needs Program. The impact shown on the average monthly caseload of the program operating with non-TANF Funds for the program year. The average monthly caseload equaled 68 in FFY 2011.

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Two Parent TFA Program

No TANF Federal or MOE Funds Claimed in FFY 2011

Two Parent TFA Program FFY 2011

Time of Closure	Impact on Each Month in FY 2011												Grand Total					
	Oct-10	Nov	Dec	Jan-11	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep						
Oct-10	-1,482																	
Nov		-1,521																
Dec			-1,557															
Jan-11				-1,577														
Feb					-1,567													
Mar						-1,569												
Apr							-1,528											
May								-1,534										
Jun									-1,495									
Jul										-1,483								
Aug											-1,482							
Sep												-1,468						
Total	-1,482	-1,521	-1,557	-1,577	-1,567	-1,569	-1,528	-1,534	-1,495	-1,483	-1,482	-1,468	-18,263	FY 2011 monthly average -1,522				

There were no TANF Federal or Maintenance of Effort expenditure claims FFY 11 for the Two Parent Program. It is a Solely State Funded (SSF) Program. The average monthly caseload equaled 1,522 in FFY 2011.

FORM ACF-202 – TANF CASELOAD REDUCTION REPORT

Date of Completion: 12/23/11

State: CONNECTICUT

Fiscal Year to which credit applies: 2012

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)

Claudette J. Beaulieu

(name)

Deputy Commissioner, Connecticut Department of Social Services

(title)