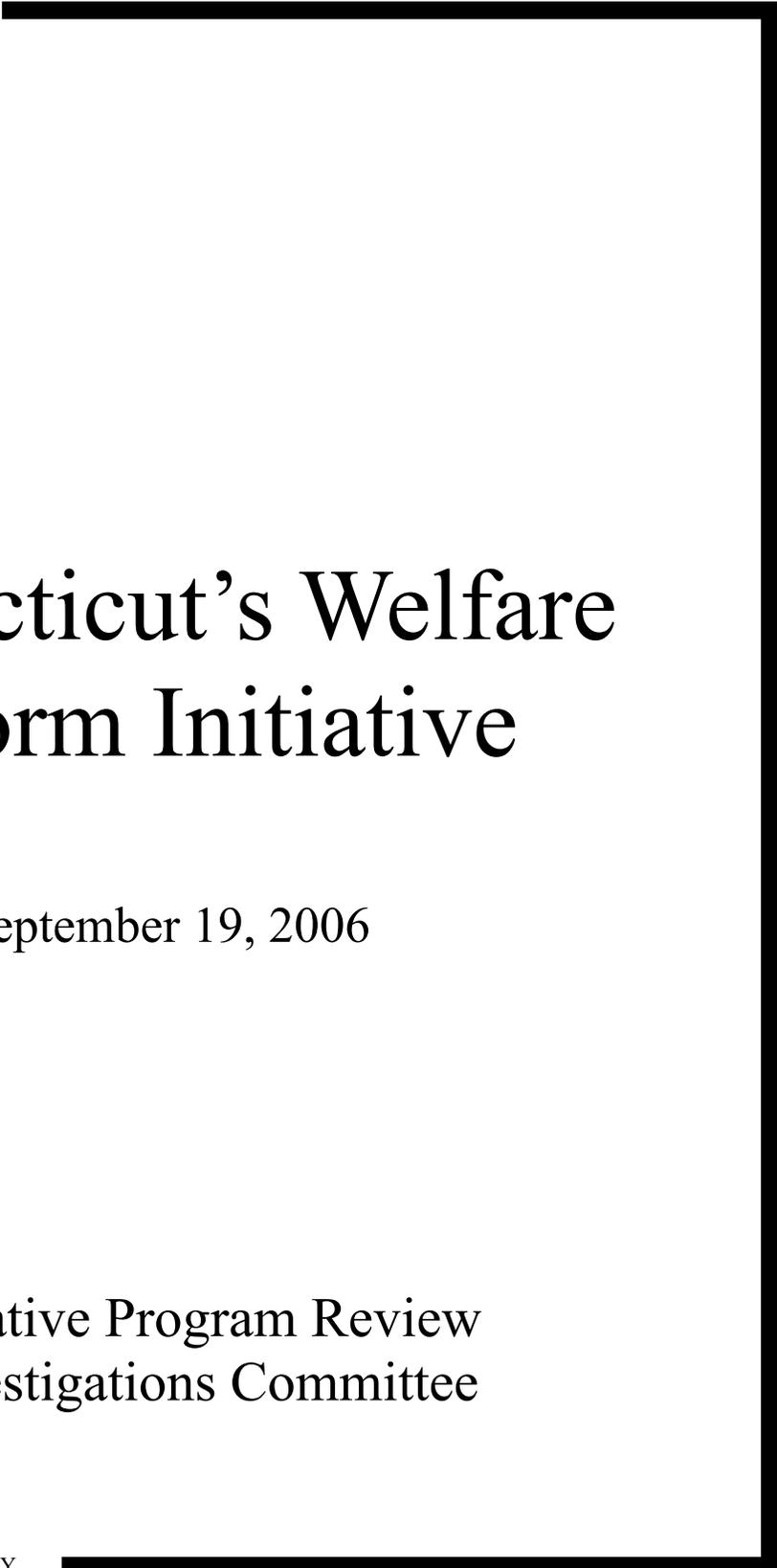


Staff Briefing



# Connecticut's Welfare Reform Initiative

September 19, 2006

Legislative Program Review  
& Investigations Committee



# Introduction

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## Welfare Reform

The Jobs First program, Connecticut's welfare to work program, is financed by both the federal Temporary Assistance for Needy Families (TANF) block grant and state funds. There are two parts to the Jobs First program – temporary family assistance (TFA), which gives cash benefits to clients, and the Jobs First Employment Services (JFES) program, which provides employment services to TFA recipients who are not considered “exempt.” For clients participating in the JFES program, cash assistance is limited to 21 months and recipients are required to work or participate in employment services. The program began on January 1, 1996.

In April 2006, the Legislative Program Review and Investigations Committee voted to undertake a study to examine the impact of Connecticut's welfare reform initiative on welfare recipients. The study focus is to: 1) describe the exempt and non-exempt families currently enrolled in the Jobs First program by comparing barriers to employment, financial conditions, and the services received by each group; 2) evaluate the implementation and success of the JFES program including measuring the level of economic change experienced by participants; and 3) describe how Connecticut has allocated its federal TANF Block Grant and related state funds.

The TANF program was recently reauthorized by Congress under the Deficit Reduction Act (DRA) of 2005 and contains several changes that will be described later in this report. However, it is important to note that to meet the provisions of the act, Connecticut will have to double the number of time-limited clients participating in work activities. Failure to meet federally mandated work participation rates (WPRs) could result in the loss of TANF funds. A full description of the new requirements and possible policy changes are described later in this report.

**Study methodology.** Program review committee staff are currently compiling a database consisting of approximately 1,278 Jobs First clients that were granted TFA in October 2003. Answers to many of the study questions will be based on the background and experiences of these clients throughout their time on TFA, in contrast to a snapshot approach of all TFA recipients at a given point in time. An analysis of the 1,278 cases will include: 1) recipient characteristics; 2) Jobs First Employment Services (JFES) experience; and 3) outcomes. Information will be collected from four automated sources: 1) DSS' Eligibility Management System; 2) DOL's CTWorks Business System; 3) DOL's Wage Records Database; and 4) DOL's Unemployment Insurance Benefits Database.

For the 1,278 clients, PRI staff will describe demographic characteristics, evaluate differences between exempt and time-limited TFA recipients, and compare recipients who left due to: a) reaching their time limit; b) sanctioning; or c) exceeding the TFA income limit. PRI staff will also describe recipient experience with JFES, including employment, and whether particular JFES activities are associated with improved client outcomes. To the extent that this information is available, staff will also assess financial condition, including employment status once clients have left TFA.

The study will also provide additional information on current federal and state welfare funding streams, changes that occurred over time during the transition from AFDC to TANF funding, and the types of programs being funded. A multitude of sources of information for this analysis will include reports produced by the U.S. Department of Health and Human Services Administration for Children and Families, DSS, DOL, OFA, budget analyses, and the CTWorks Business System.

Staff has also conducted several on-site interviews with key stakeholders. These include legislators, legislative staff, members of the TANF Council, DSS central office and regional staff, DOL central office staff, Connecticut Employment and Training Commission members, staff from the Office of Workforce Competitiveness, directors of Workforce Investment Boards, and advocacy organizations.

**Report Organization.** The briefing report is organized into six sections. The first section summarizes Connecticut's welfare reform initiative in Connecticut. It discusses the administrative structure of the program and major program components, and provides some overall caseload trend data. Section II identifies funding sources available to operate the TFA and JFES programs and identifies federal restrictions in how those funds must be used. Expenditure trends are also provided in this section.

Section III discusses how the U.S. Department of Health and Human Services (HHS) determines if states are meeting federally required work participation rates (WPR). This section also identifies changes in the methodology to calculate WPR, and other relevant provisions of DRA. Section IV examines other social service programs that TFA recipients are eligible for, while Section V describes the case flow process from initial application for TFA through system exit. Finally, Section VI examines how the JFES program is monitored and client outcomes are measured.

## An Overview of Welfare Reform in Connecticut

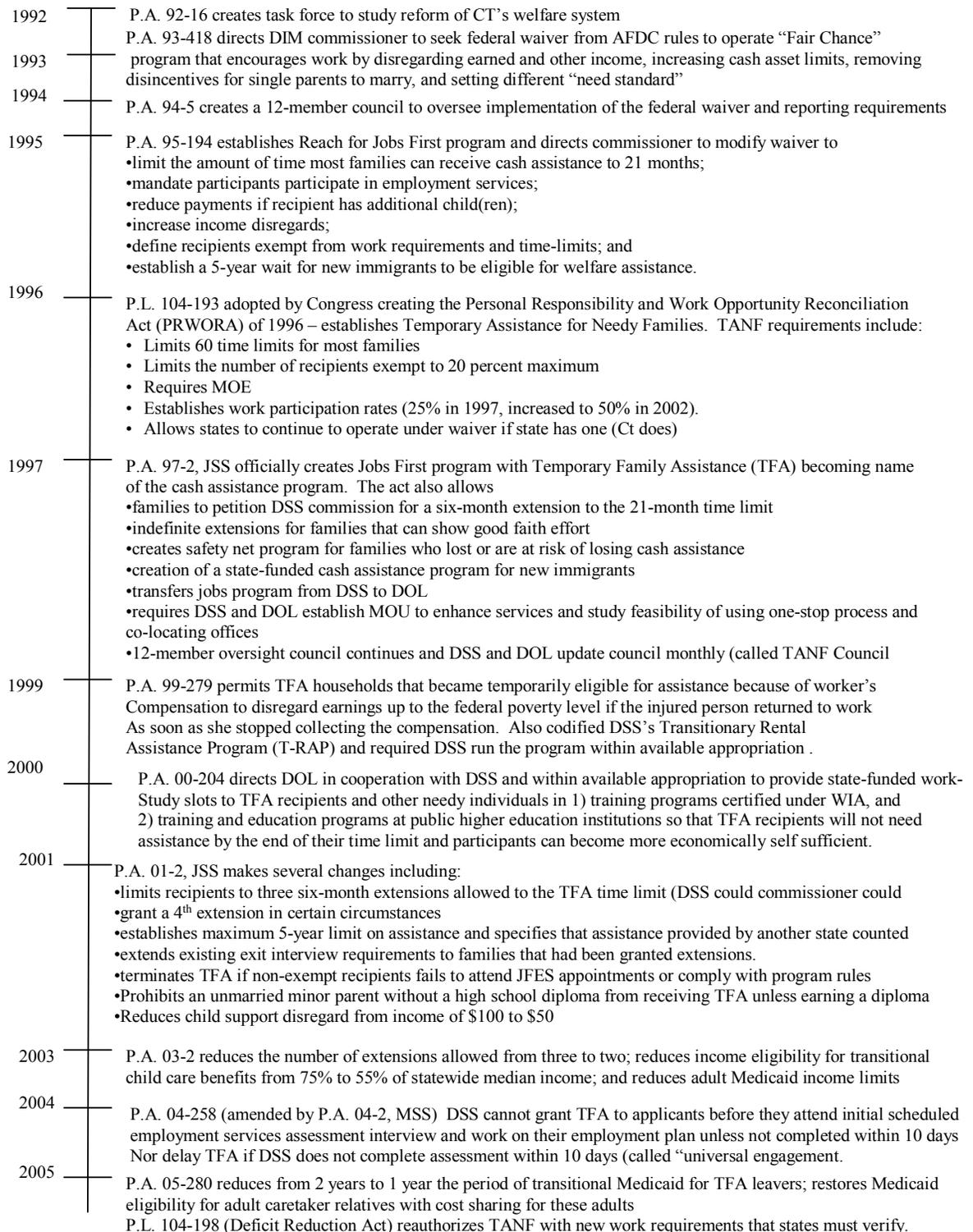
Connecticut's welfare system has undergone dramatic changes in the 13 years since the Department of Social Services (DSS) initially obtained a waiver in 1993 from the U.S. Department of Health and Human Services (DHHS). The waiver, which was modified in 1995, allowed Connecticut to deviate from the rules of the earlier national welfare program called Aid to Families with Dependent Children (AFDC), now referred to as Temporary Assistance for Needy Families (TANF), and be one of the first states in the country to embark on a major reform of its welfare system. Implemented in 1996, Connecticut's Reach for Jobs First program, renamed Jobs First in 1997, uses a three-prong approach to encourage clients to transition from welfare to work:

1. a limitation of 21 months of cash assistance, called "Temporary Family Assistance" (TFA) for certain welfare recipients classified as time-limited (although extensions to the time limits are possible);
2. a "balanced work-first" approach, requiring recipients to work or participate in employment services intended to assist in finding jobs quickly (called the "Jobs First Employment Services Program"(JFES)); and
3. a financial work incentive that permits employed recipients to retain their full welfare grant for up to two years.

Figure I-1 shows a timeline of key legislative actions to reform welfare, beginning in 1992 when the Connecticut General Assembly established a task force to study whether the welfare system needed to be changed. As the timeline shows, there have been several modifications to the state and federal welfare system, culminating in the recent passage of the Federal Deficit Reduction Act (DRA) of 2005 that reauthorizes TANF until the year 2010. The DRA modifies welfare further by strengthening work requirements and requiring states to verify that clients are actually engaged in work activities. These changes are discussed fully in Section III of this report.

**Components of federal welfare reform.** In August 1996, six months after Connecticut began implementing the Reach for Jobs First program, the U.S. Congress passed national legislation -- the Personal Responsibility and Work Opportunity Reconciliation Act (P.L. 104-193, also known as PRWORA). Eliminating entitlement programs such as AFDC, Emergency Assistance (EA), and Job Opportunities and Basic Skills Training (JOBS) programs under Title IV of the Social Security Act, PRWORA embraced many of the reforms that were already underway in Connecticut. The act established the TANF program, a non-entitlement federal block grant, which replaced the AFDC entitlement program. The federal law established a five-year lifetime limit for assistance for most recipients and mandated work requirements

**Figure I-1. Welfare Reform Timeline in CT**



Under PRWORA, states were given flexibility to design their programs within certain parameters. The act changed the welfare funding formula by replacing the open-ended federal funding of AFDC that matched state expenditures, with the federal TANF block grant that provides fixed federal funding and requires a specified matching level of state spending, called maintenance of effort (MOE). The TANF block grant provides for fixed federal funding and requires a specified matching level of state spending, called maintenance of effort (MOE). Under AFDC, Connecticut received a 50 percent federal match regardless of enrollment caseload.

The new law shifted the fiscal risk for managing the program's costs from the federal government to the states. As a result, states were given broader discretion over the types of services and activities to fund in order to meet welfare reform goals and could set different eligibility criteria depending on the type of program being offered. The 2005 Deficit Reduction Act tightened some requirements, restricting discretion over what are allowable work activities.

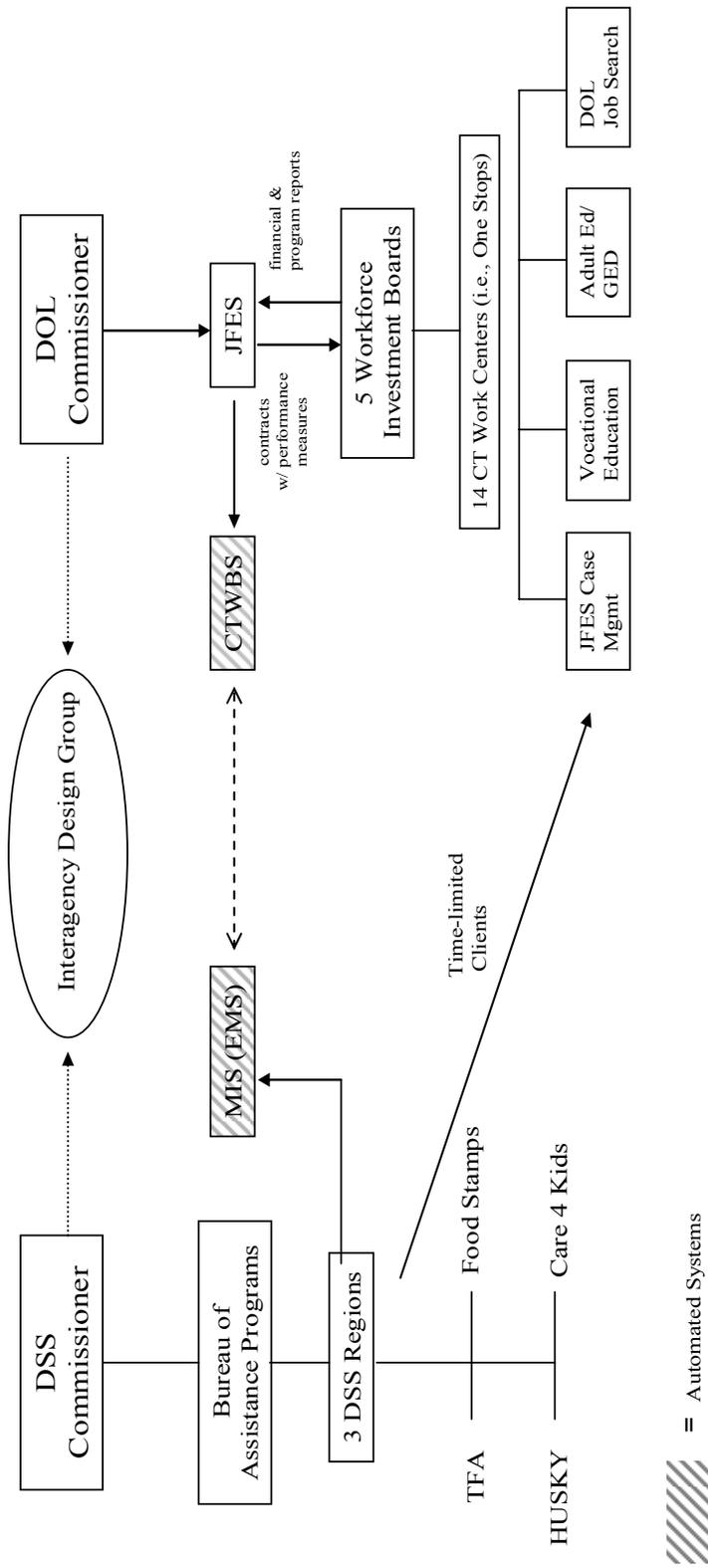
### **Jobs First Administrative Organization**

Administration of the Jobs First program is currently divided between two state agencies – the Department of Social Services and the Department of Labor. The social services department determines eligibility for benefits and administers the cash assistance portion of the program (TFA). Most Jobs First clients also receive other assistance from DSS-administered programs, including medical services under the HUSKY program, food stamps, daycare under the Care 4 Kids program and rental assistance; all described more fully in Section IV.

The labor department operates the employment services portion of the program, called JFES, for clients that are time-limited. Time-limited clients are non-exempt from job requirements and must participate in job activities and are, as the term implies, cut off from cash assistance after a period of time. The JFES program provides employment services such as job search assistance and skills training to time-limited Jobs First clients. The department contracts for these services through CT Works -- a partnership of the Department of Labor, five regional Workforce Investment Boards (WIBs), and other state and local agencies -- to promote workforce development. The JFES program is described in Section IV.

**Organizational structure.** Figure I-2 shows the relationship between the entities involved in the operation of the Jobs First program. The WIBs are statutorily required under federal law and receive federal funds under WIA, the federal Workforce Investment Act. They also receive state funds required by the PRWORA maintenance of effort (MOE) provisions to operate the JFES program. The WIBs contract for case management services to develop Jobs First clients' employment plans and perform assessments (WIBs are prohibited by federal law to perform this function). WIBs also contract with a variety of other programs, described later in this section, based on client assessment outcomes and with the Department of Labor to assist clients with job search activities. Clients actually access services at one of 14 state "one-stop centers," known as Connecticut Works (CTWorks) centers. JFES case managers and DOL regional staff are located at these centers

**Figure I-2. Jobs First Program – Agency Organization**



Source: LPR&JC

*Interagency Design Group.* The JFES Design Group (referred to in Figure I-2) was informally established in order to monitor the implementation of the JFES program and to address issues of concern among various stakeholders. The group meets monthly and includes three representatives each from DOL, DSS, and each of the WIBs. The group is responsible for promoting continuous improvement in JFES and initiating new policies to meet client needs.

## **TANF Council**

State law (C.G.S. Sec. 17b-29) establishes a statutory oversight council, created initially in 1994 to oversee the implementation of the federal waiver for the AFDC program. Its charge was modified in 1997; the council is now required to monitor the Jobs First program. The council meets at least quarterly and DSS and DOL update the council on TFA and JFES implementation. The council submits recommendations to each of these agencies on issues including child care, family planning and pregnancy prevention information, client education rights and responsibility, Medicaid coordination, time limits and increased sanctions, and the fiscal impact of program changes.

Most recently, the council has held meetings to determine what the impact of the recently adopted federal DRA and ensuing regulations on Connecticut's TFA population will be, how funding will be affected, and whether program delivery and services offered need to be modified. The council will continue to monitor and make recommendations on how DSS and DOL should implement these changes.

## **Key Features of Connecticut's Jobs First Program**

**Eligibility criteria.** Table I-1 shows the key components of the Jobs First program as it is currently operated (for information on selected other states' programs, see Appendix A). To be eligible for the Jobs First program, families and pregnant women must meet the definition of a needy family. Connecticut defines a needy family as one with gross income less than 75% of CT's median income level<sup>1</sup> and include a dependent child and a caretaker relative.<sup>2</sup> There are also asset limits that are shown in the table. A dependent child must be either:

- less than 18 years of age;
- 18 years of age and attending secondary school or its equivalent; or
- less than 24 years of age and attending a postsecondary school and considered a dependent student through the Free Application for Federal Student Aid (FAFSA) process.

A Jobs First client must comply with other provisions of the law, including any child support enforcement actions needed, and participate in JFES if a non-exempt individual. The program requirements, including agency administration and responsibilities, are described more fully in Section V.

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<sup>1</sup> Seventy-five percent of median income for a family of three in Connecticut is \$56,271.

<sup>2</sup> For example, to be eligible for TFA for a family of three in Region B (See Appendix E for towns) in Connecticut, monthly income must be at or below \$745, assets in savings cannot exceed \$3,000, and a vehicle cannot be worth more than \$9,500.

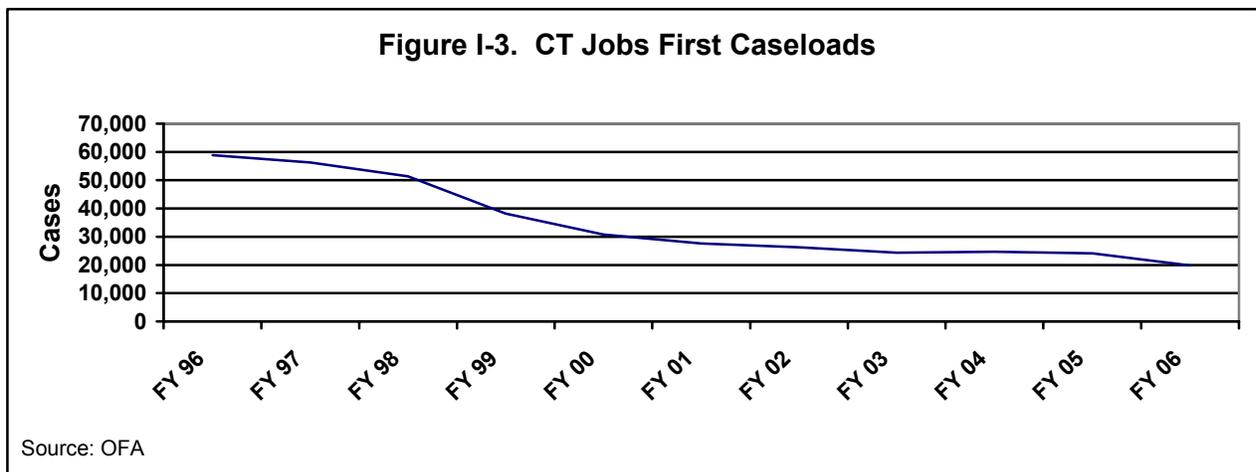
**Table I-1. Major Provisions of Jobs First Program in Connecticut.**

<i>Provision</i>	<i>Provision</i>
<p><b><i>Time Limits</i></b></p> <ul style="list-style-type: none"> <li>• 21 months of benefits if employable recipient</li> <li>• Multiple six month extensions available for those who “time out” and qualify under certain criteria (more restrictive for 3 or more extensions)</li> <li>• <b>Must</b> participate in JFES program or face sanctions</li> </ul>	<p><b><i>Exemptions from Time Limits</i></b></p> <ul style="list-style-type: none"> <li>• “Child-only” cases<sup>1</sup></li> <li>• Adult family member is: incapacitated; age 60 or older; caring for child under age one and child was not conceived while parent was receiving cash assistance; a pregnant or postpartum woman and has a doctor’s certificate stating that she is unable to work; unemployable; or a minor parent</li> </ul>
<p><b><i>Child Support Enforcement Services</i></b></p> <ul style="list-style-type: none"> <li>• Locating absent parents</li> <li>• Establishing paternity</li> <li>• Getting, changing, and enforcing support orders</li> <li>• Collecting and distributing child support to families</li> </ul>	<p><b><i>Family Cap</i></b></p> <ul style="list-style-type: none"> <li>• Families who conceive children while on welfare will receive half of the increase that would normally be granted for an additional household member</li> </ul>
<p><b><i>Earnings Incentive</i></b></p> <ul style="list-style-type: none"> <li>• Families can keep all earnings up to the federal poverty level (FPL) with no reduction in benefits</li> <li>• Income earned as child support is disregarded</li> </ul>	<p><b><i>Time-Limited Rental Assistance</i></b></p> <ul style="list-style-type: none"> <li>• Rental assistance for families who do not qualify for an extension because their income is above the payment standard (within available appropriation)</li> </ul>
<p><b><i>Health Care</i></b></p> <ul style="list-style-type: none"> <li>• Medicaid continues for a minimum of one year after leaving welfare for work</li> <li>• Husky medical coverage is available to children of any income level who qualify. Families with higher incomes pay premiums or copays</li> </ul>	<p><b><i>Safety Net</i></b></p> <ul style="list-style-type: none"> <li>• Arrange for services for families who do not qualify for an extension (because of noncompliance with program rules)</li> <li>• Individual Performance Contracts (IPCs) are established for families who are at risk of not qualifying for an extension because of prior non-compliance with employment services requirements</li> </ul>
<p><b><i>Child Care</i></b></p> <ul style="list-style-type: none"> <li>• Help with child care costs for those who qualify. Child care assistance continues for working families, after leaving welfare, as long as household income is below 55% of state median income</li> </ul>	<p><b><i>Other Benefits</i></b></p> <ul style="list-style-type: none"> <li>• Families are allowed up to \$3,000 in savings or other assets</li> <li>• Families may own a reliable car valued up to \$9,500</li> <li>• Many families receive food stamps</li> <li>• Earnings of dependent students are not counted</li> </ul>
<p><b><i>Two Parent Families</i></b></p> <ul style="list-style-type: none"> <li>• Families can receive help even if both parents are in the home</li> </ul>	<p><b><i>Fraud Reduction</i></b></p> <ul style="list-style-type: none"> <li>• To reduce fraud, families are required to cooperate with digital imaging of recipients</li> </ul>
<p><sup>1</sup>A “child-only” case is where the adult in the family is not counted when calculating the assistance amount because the adult is: not the child’s parent; is the child’s parent and receives Supplemental Security Income for a disability; or is an ineligible alien. Any relative, legal guardian or individual acting in loco parentis may receive assistance for a child. Source: DSS and DOL.</p>	

*Time-limited versus exempt clients.* Table 1-1 also shows the criteria used to determine if a case is time-limited (i.e., non-exempt) or exempt from job participation requirements. The major criteria used to determine whether a client is time-limited or exempt from time limits and job requirements are described fully in Section V.

### Jobs First Caseload Trends

**Overall Jobs First caseload.** Figure I-3 shows the dramatic drop in the average monthly Jobs First caseload since FY 96. While caseloads decreased 66 percent -- from an average monthly of almost 59,000 in FY 96 to about 20,000 in June 2006 -- the greatest drop occurred between FY 98 and FY 00 when many of the first recipients obtained jobs or reached the time limits and were removed from the welfare rolls. As of June 30, 2006, there were 42,154 Jobs First recipients -- 13,034 were adult recipients and 29,120 were children.



DSS noted a steady decline in the time-limited Jobs First caseload from FY 04 to FY 05: “The exempt caseload has remained fairly stable over the past year while the time-limited caseload has shown a steady decline on average of approximately 120 cases per month. The drop in families served was attributed to declining applications for assistance and to the impact of the requirement of engagement at DOL prior to qualification for benefits.”<sup>3</sup>

**Time-limited versus exempt.** Figure I-4 trends the number of cases that were time-limited and therefore subject to the 21-month time limit and those exempt from participation in JFES. For the first six years of the program, Connecticut operated under a federal waiver and placed some clients in a control group to measure certain waiver elements. The waiver expired in 2001 and those recipients were placed into either the time-limited or exempt category. Over the years, as shown in the figure, not only have caseloads shrunk significantly since the advent of welfare reform, but since FY 01 the number of exempt cases has either equaled or exceeded those that are time-limited. As of June 2006, there were 7,555 cases that were time limited and 12,305 exempt.

<sup>3</sup> DSS Report to the TANF Council, October 5, 2005.

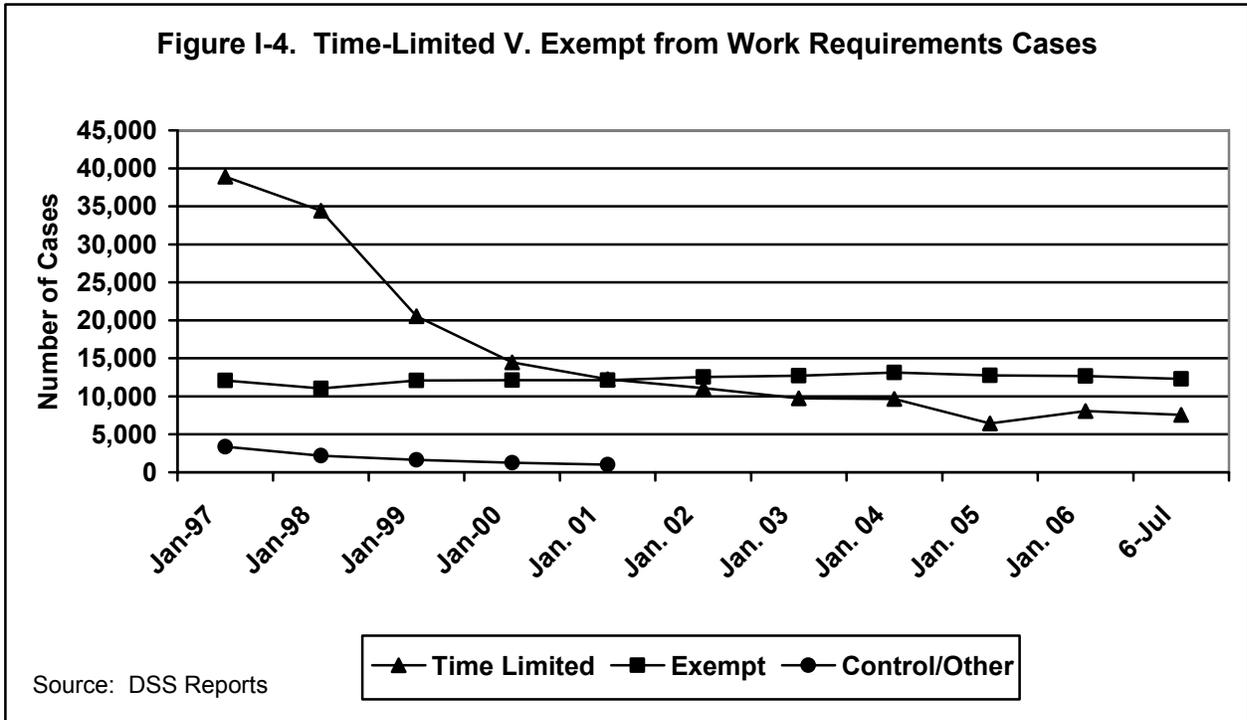
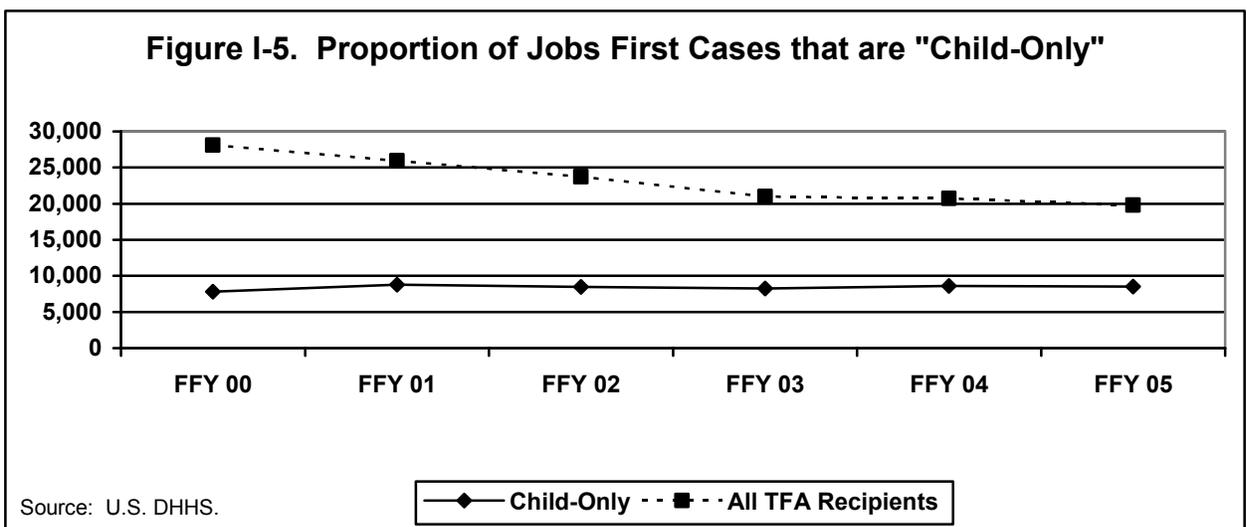


Figure I-5 compares the number of “child-only” cases to the total Jobs First caseloads for each federal fiscal year since 2000. While the number of “child-only” cases has remained relatively steady, they represent a greater percent of the shrinking TFA caseload. “Child-only” cases comprised about 28 percent of the total caseload in FY 00 and 43 percent by FFY 05. “Child-only” cases accounted for almost 70 percent of the 12,614 exempt cases as of June 2006. Thus, the traditional notion that welfare is a “family” program is not entirely true given that almost half the Jobs First caseload supports only children.



## Summary

There have been many changes to Connecticut's welfare program since family entitlement to cash assistance (AFDC) was eliminated in 1996 and the state moved to a time-limited program with work participation requirements for many of its recipients (TANF). Since then, cash assistance spending has fallen over the decade, driven by declining caseloads, no cost-of-living increases granted since 1991, and an actual reduction in payment in 1995.

Additional changes are anticipated under the 2005 DRA that reauthorized the federal TANF program. Scheduled to take effect beginning October 1, 2006, DRA modifies TANF by strengthening work requirements, defining acceptable work activities, and requiring states to verify time-limited recipients are actively engaged in work activities. The act will require more TANF recipients be engaged in work activities or states will be financially penalized by TANF block grant reductions. Issues surrounding how work participation rates will be calculated to determine if states are meeting the DRA are discussed in the Section III.



### TANF and State Maintenance of Effort (MOE) Spending

States fund their welfare programs with a combination of federal and state funds from two primary sources – the annual federal TANF block grant and state maintenance of effort (MOE) dollars to meet federal MOE standards. These federal standards require states to maintain historical levels of state spending of at least 75 percent of what they were spending in FY 94 on cash assistance-related programs.

Since 1997, Connecticut has received a flat TANF block grant of almost \$266.8 million annually. Federal law allows states to transfer up to 30 percent of their TANF grant to the Social Security Block Grant (SSBG), the Child Care Development Fund (CCDF), and up to 10 percent to the Job Access Transportation Grant. To date, Connecticut has only transferred funds to SSBG (in FFY 05, \$26.7 million was transferred).

Connecticut's MOE requirement has been \$183.4 million since 1997, although Connecticut has exceeded its MOE requirement each year with spending ranging between \$183.5 and \$217.4 million. In FY 05, Connecticut spent \$217.4 million in MOE and \$240.1 in TANF dollars for a combined total of \$457.5 million.

**Purposes of TANF.** States must use all federal TANF and state MOE funds to meet at least one of the four purposes articulated in PRWORA or to continue providing services and benefits that they were authorized to provide under their former Title IV-A or Title IV-F state plans (which covered AFDC, Emergency Assistance, and JOBS). The four purposes of the TANF program are:

4. *to provide assistance to **needy** families* – programs funded for this purpose cover **only needy families** so children must live with their parents or other relatives.<sup>4</sup> It does not cover children living with non-relatives. (Assistance is defined in federal regulations as cash payments, vouchers, and other forms of benefits designed to meet a family's ongoing basic needs);
5. *to end dependence of **needy** parents by promoting job preparation, work and marriage* – programs funded could help **any needy parent**, including a non-custodial parent or working parent. Activities that provide job preparation and work activities would be consistent with this purpose;
6. *to prevent and reduce out-of-wedlock pregnancies* – programs funded for this purpose **are not limited to needy families or individuals**. A state may only use federal TANF funds, not MOE funds, for programs for non-needy families or individuals; and

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<sup>4</sup> Any relative may receive assistance for a child. In addition, legal guardians and others acting in loco parentis may receive assistance.

7. to encourage the formation and maintenance of two-parent families - programs funded **are not limited to needy families or individuals** but are extended to those that encourage two-parent families. Activities could include premarital and marriage counseling, parenting skills, job placement and training services for non-custodial parents, and initiatives to promote responsible fatherhood.

Spending to achieve purposes No. 1 and No. 2 must be targeted to **needy** families as defined in a state TANF plan, while spending for purpose No. 3 or No. 4 are not limited to needy families. In its plan, a state must:

- describe how each of its funded programs meets federal requirements; and
- define the term “needy family” (as noted in Section I, Connecticut defines a needy family as a family with gross income of less than 75 percent of Connecticut’s median income, and must include a dependent child and a caretaker relative, legal guardian, or others acting in loco parentis).

### **TANF and MOE Funding Restrictions**

By federal law, the two funding sources -- TANF and MOE -- have different restrictions in terms of the types of programs that can be funded by them. Federal law distinguishes between funding programs that are considered “assistance”, defined as providing ongoing basic needs, such as cash, food, clothing, and shelter and those that are not. If states use TANF funds to provide “assistance,” recipients are subject to: work participation requirements, a five-year time limit on federal assistance, and child support assignment rules. These restrictions do not apply to recipients when states use TANF funds for services and benefits not considered “assistance” such as child care for working families, refundable income tax credits, work subsidies, and short-term cash benefits (four months or less) designed to meet a specific crisis or episode.

Furthermore, a state may use TANF funds, but not its MOE funds, for activities previously authorized under its Title IV-A or Title IV-F plans, but which are now allowable under TANF (including juvenile justice and/or state foster care maintenance payments). Table II-1 shows the ways in which states can use TANF funds.

**MOE funding restrictions.** Figure II-1 graphically depicts three different ways in which states can use MOE funds for *cash assistance*. States may only use MOE funds for “eligible families” (i.e., similar to needy families but must be TANF eligible or would be eligible except for the five-year federal time-limits for TANF).

The figure shows that states use Separate State Program (SSP) funds to exclude some families from federal time limits and work requirements, while still counting these funds towards their MOE requirement. Connecticut currently funds its exempt (from work requirements) client populations with SSP; however, the recently adopted DRA and interim regulations require that most of these clients must now be included when states calculate their work participation rate, a major performance measure in TANF. This will have major implications on the way in which

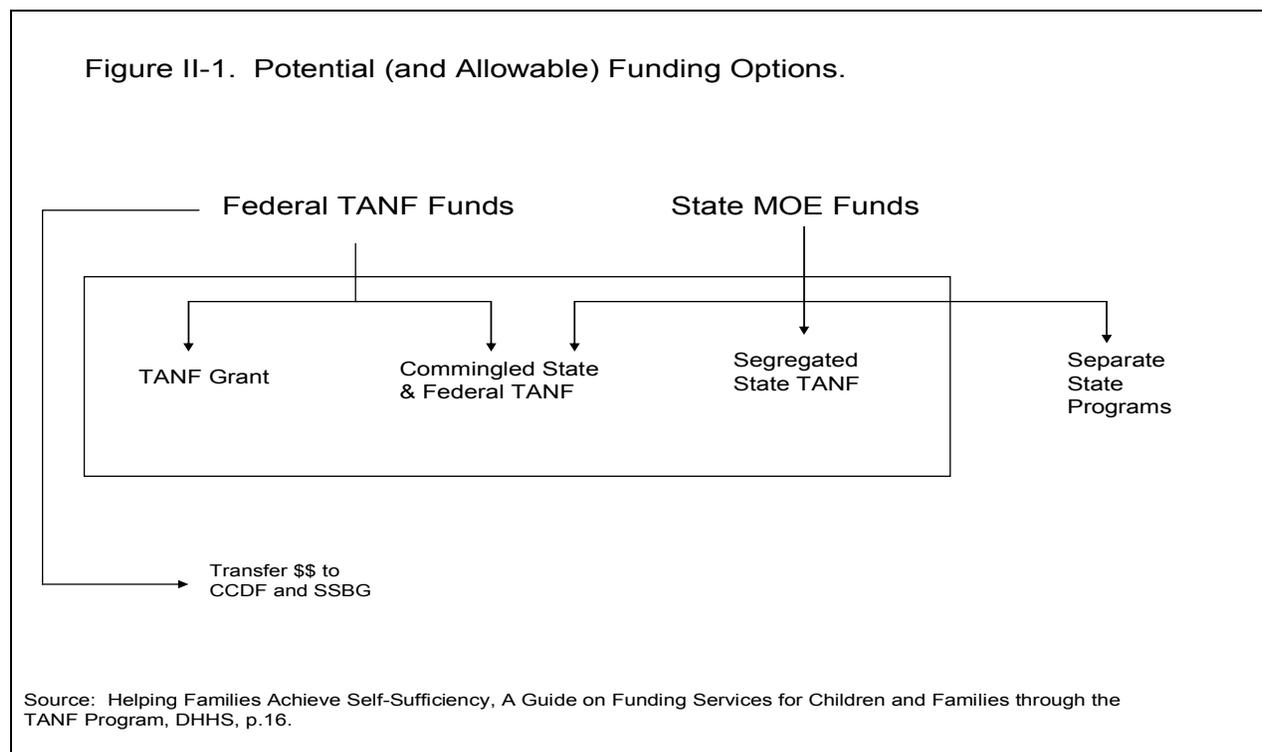
states will continue to use SSP funds and on federally mandated work participation rates. These issues are discussed further in Section III.

**Table II-1. Use of TANF and State MOE Funds.**

<i>Type of Funding Stream</i>	<i>Allowable Activity</i>	<i>Level of Restriction</i>
<b>Commingled funds</b>	State funds commingled with federal TANF funds and expended in the TANF program. These funds count as part of state MOE.	Most restrictive - subject to federal funding and TANF requirements and MOE limitations
<b>Segregated State Program</b>	State only funds that are segregated from federal TANF funds, but spent in the TANF program. These funds count as part of state MOE.	Subject to TANF work participation requirements, child support, and reporting. Time limits do not apply
<b>Separate State Program (SSP)</b>	State only funds used to fund programs that are operated outside of the TANF program, but meet one of the four TANF purposes. These program costs are allowed to count as part of the state MOE.	Most flexible however clients must be TANF eligible or would be if not subject to 60-month federal time limits

Source: HHS, Office of Family Assistance, Helping Families Achieve Self-Sufficiency. A Guide on Funding Services for Children and Families through the TANF Program and DSS, Temporary Assistance for Needy Families (TANF) Expenditure Report, march 10, 2006.

**Figure II-1. Potential (and Allowable) Funding Options.**



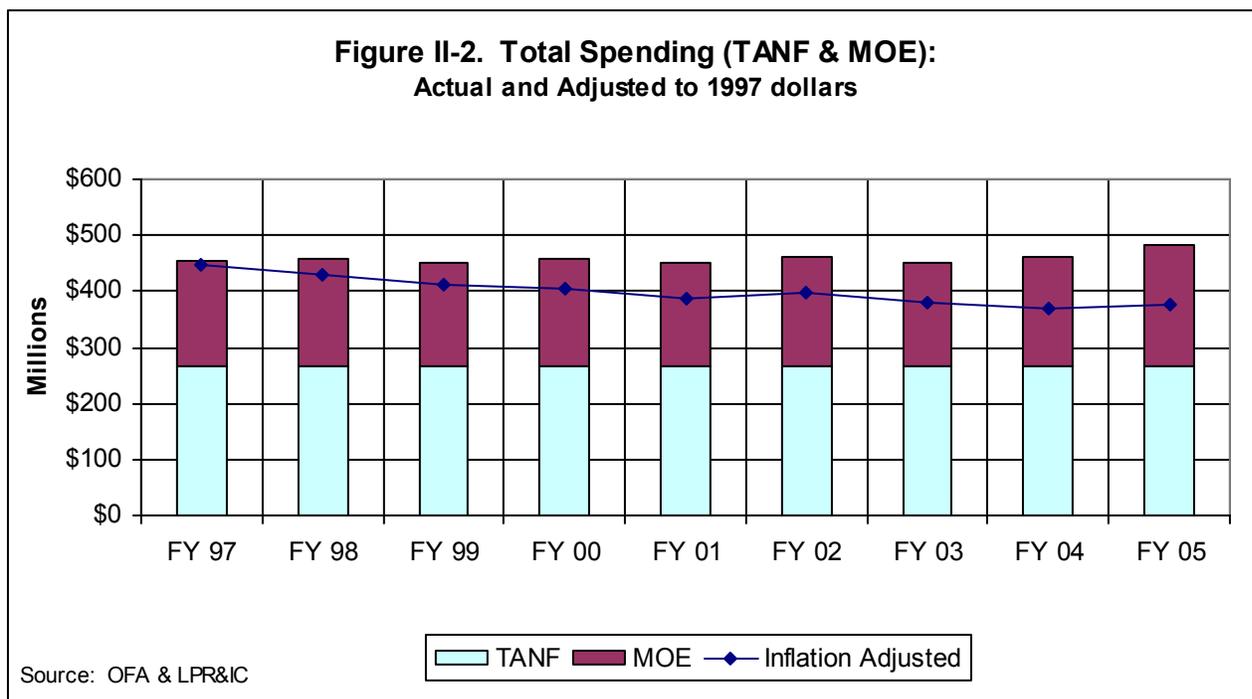
Source: Helping Families Achieve Self-Sufficiency, A Guide on Funding Services for Children and Families through the TANF Program, DHHS, p.16.

*Additional funding under TANF.* Supplemental grants were also provided under PRWORA for certain states with high population growth or low block grant allocations relative to their needy population, as well as a contingency fund to help states weather a recession. Connecticut has not received any funds from these grants.

In addition, two “performance bonus” grants were also established. The first, known as the “high performance bonus,” rewards states for meeting employment-related goals like job entry, job retention, and wage progression. The second is a bonus for reductions in non-marital births, sometimes referred to as the “out-of-wedlock” bonus (Connecticut has never received this bonus). Connecticut received high performance bonuses in FFY 2000-2003 totaling slightly more than \$30 million over the four-year period, but has not since FFY 2004.

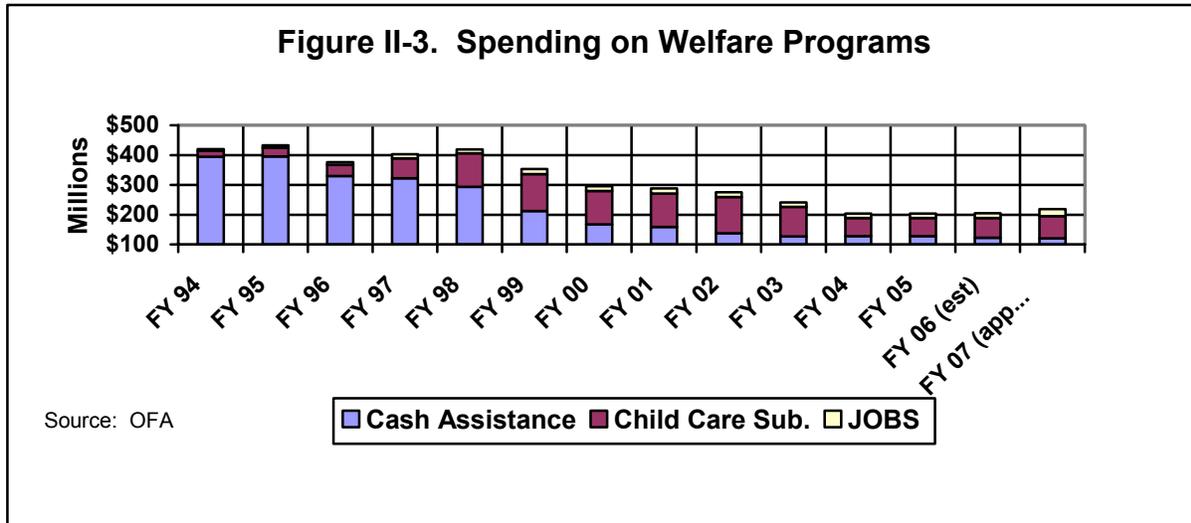
### Jobs First Expenditure Trends

**Overall spending.** Figure II-2 shows total federal TANF and MOE spending since FY 97. As noted above, the state receives a fixed amount of \$266,788,107 in TANF block grant funds yearly, while MOE spending has fluctuated only slightly. When spending is deflated to 1997 dollars, the figure shows that total spending has actually decreased by 16 percent over the time period examined. One reason for the shift may be because client caseloads have been greatly reduced over the years and spending is now on other allowable TANF purposes. Committee staff will continue to examine this issue during the remainder of the study.

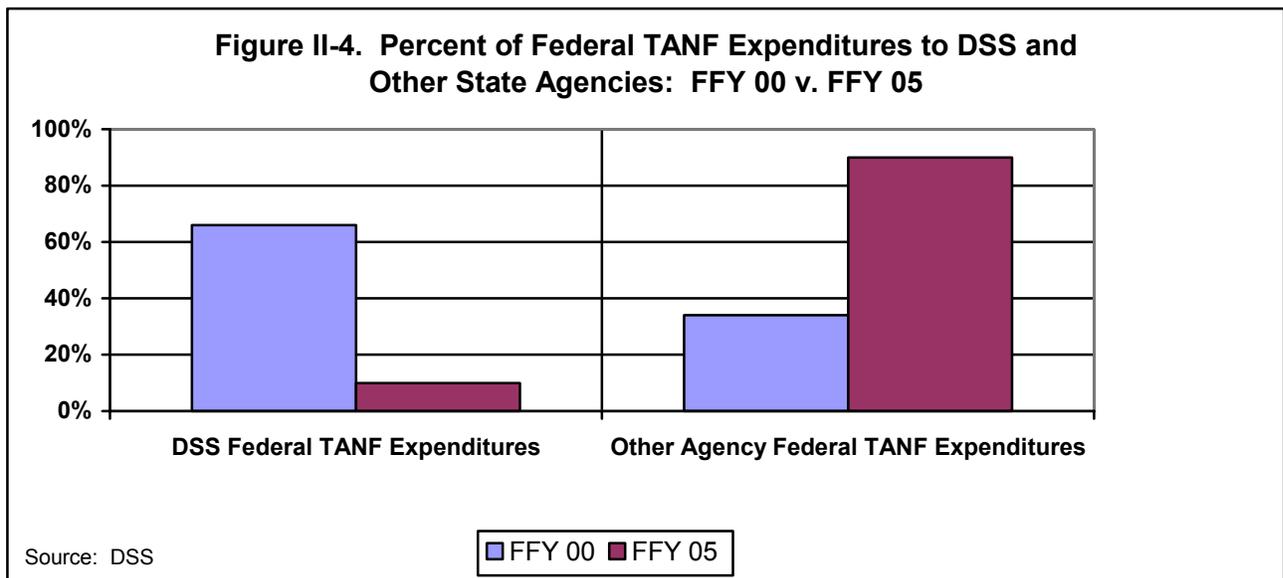


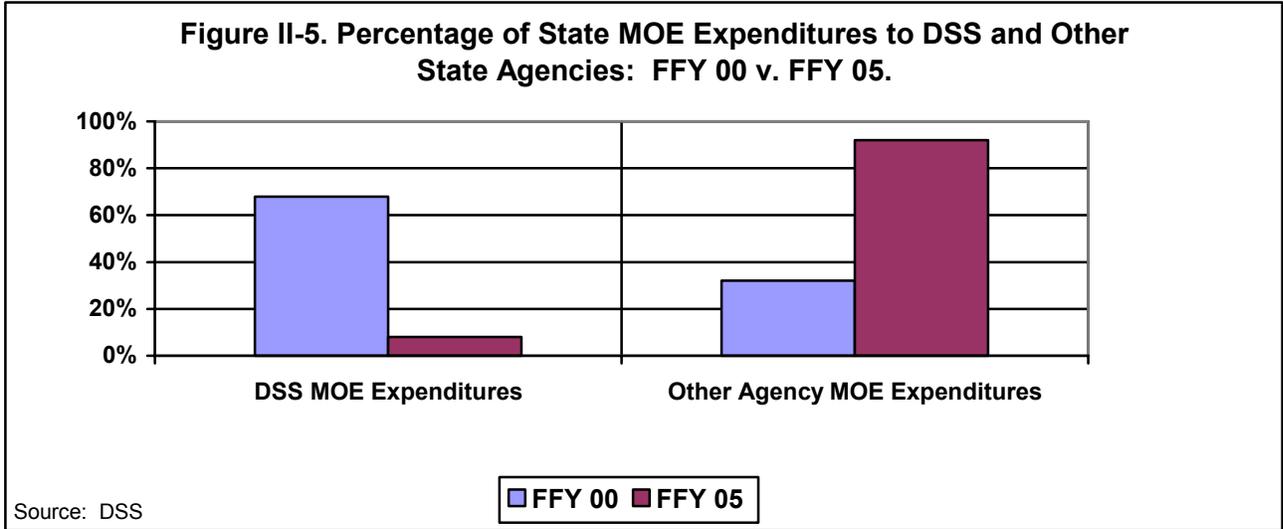
**Spending on core programs.** Before federal welfare reform in 1996, Connecticut distributed almost \$400 million in cash assistance to welfare clients through DSS, Connecticut’s welfare agency. Now, 12 state agencies, departments, and offices use TANF and MOE dollars to fund more than 60 programs. Funds have shifted away from core welfare programs, such as cash assistance, and increased only for job training, given the number of time-limited recipients that have been required to participate in job activities. Spending on these three programs since FY 94 is shown in Figure II-3. Spending on cash assistance dropped 68 percent between FY 94 to FY 05, while child care assistance expenditures increased from \$19.4 million in FY 94 to \$60.4

million in FY 05 (211 percent). Expenditures for job activities increased from \$6.3 million to \$15.6 million over the same period (148 percent). It is clear from the graph that there has been a refocus of welfare from giving cash assistance to families to funding other supportive programs.



Figures II-4 and II-5 compare two points in time – FFY 00 and FFY 05 -- to show how TANF and MOE expenditures have shifted away from DSS-administered programs to those administered or operated by other state agencies. While DSS consumed 66 percent of all TANF spending and 68 percent of MOE in FFY 00, by FFY 05, DSS consumption had dropped to 10 and 8 percent respectively.





Figures II-6 and II-7 show the percent of TANF and MOE total expenditures by type of program respectively. As shown in Figure II-6, the Department of Children and Families expended almost 40 percent of TANF dollars received in FFY 05 (about \$95 million). The next largest federal TANF expenditure was to fulfill TANF purpose No. 3 -- preventing teen pregnancy. Cash assistance (TFA) accounted for less than 5 percent of TANF dollars expended.

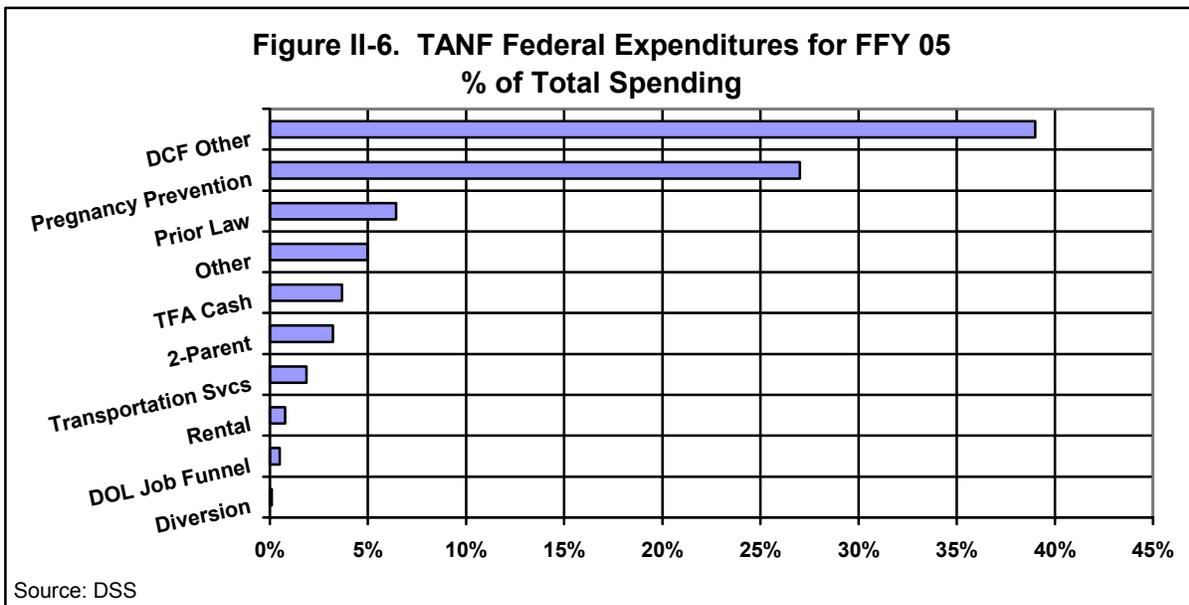
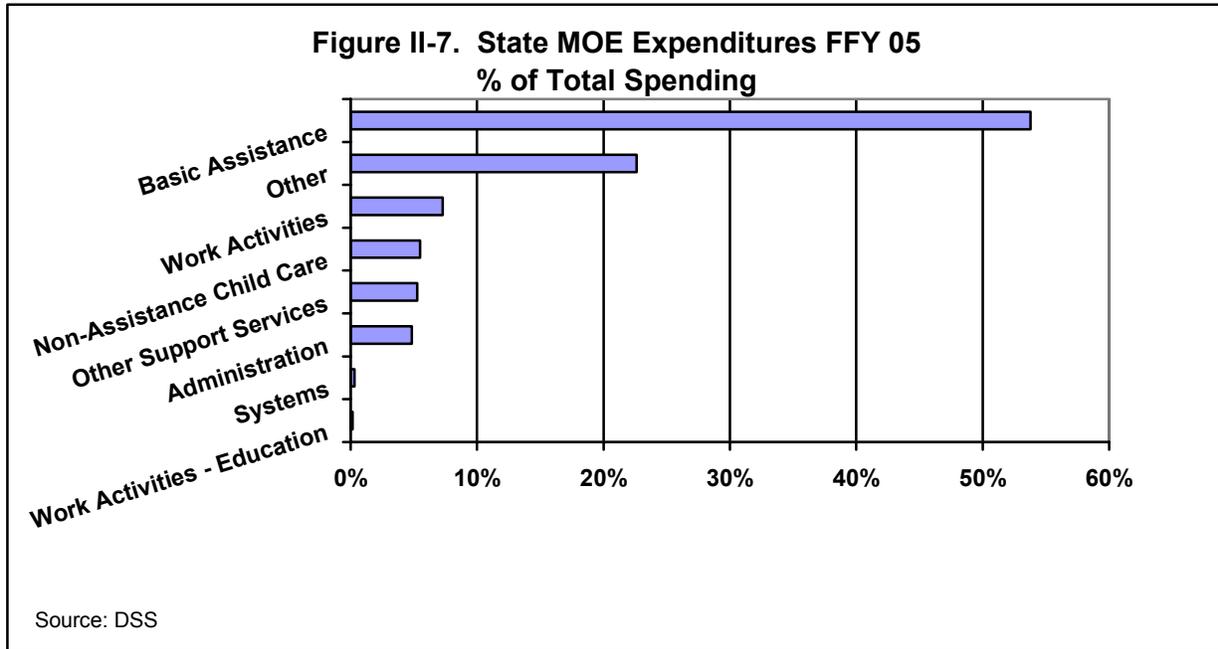


Figure II-7 shows MOE expenditures using any of the three funding streams noted above -- commingled, segregated, and SSP MOE. As shown, the largest expenditure occurred in the basic assistance category (54 percent). This category provides TFA to a variety of clients, including those funded under SSP, who are not included in the calculation of the federally mandated work participation rate. The “other” category are expenditures for child care claimed

under CCDF and countable under TANF. The category of “work activities” includes expenditures by DOL to operate the JFES program, as well as to provide enhanced case management services. Non-assistance child care includes the Good New Garage and transportation benefits for clients.



## Summary

The shift from AFDC to the TANF Block Grant program gave states much broader discretion over program funding and eligibility levels as long as programs met one of the four purposes of TANF. Over the years Connecticut has either -- shifted funds away from DSS for cash assistance or increased funding only slightly for jobs programs -- to programs funded by other agencies, particularly DCF. Committee staff will continue to examine TANF and MOE funding to identify the programs being funded, the major recipients of those programs, and trends over time.



### **Work Participation Rate Requirements under Federal Law**

The Temporary Assistance for Needy Families (TANF) block grant program was reauthorized by Congress and signed into law in February 2006 under the federal Deficit Reduction Act (DRA) of 2005. The act significantly increases the number of adults that states must have meet the TANF work participation requirements and adds new verification requirements that states must adhere to in documenting the number of hours that adult members of these families are engaged in work activities. As a result, states will be facing considerable pressures over the next few years to increase the percent of welfare recipients engaged in work activities in order to meet federally mandated work participation rates (WPR). Failure to meet the higher WPR, or to follow the verification procedures, could result in significant fiscal penalties being imposed on states.

With respect to Connecticut, estimates produced by DSS and DOL indicate that about 3,018 Jobs First recipients are currently engaged in work activities that meet the 30-hour threshold needed to count toward inclusion in the WPR. Beginning October 1, 2006, an additional 3,035 Jobs First recipients will need to be engaged in work activities totaling 30 hours per week to meet the new WPR requirements contained in DRA. This means that the state will have to more than double the number of recipients involved in work activities for the minimum number of required hours, or potentially face financial penalties. Thus, Connecticut faces a major and very difficult undertaking, given that those left on welfare appear to have the most significant barriers.

This section explains the current WPR requirements and the changes that are scheduled to occur beginning October 1, 2006. In addition, the section describes the methodology used to calculate WPRs and identifies potential policy options that states are considering in order to meet the new federal requirements.

#### **TANF Funding and Work Participation**

In order for states to receive full TANF block grant funding, federal law requires states to prove that a certain number of their welfare recipients are involved in work activities by meeting federally specified WPRs. The 1996 law reforming the welfare system (PRWORA) provided for a phase-in of the WPR requirements. Beginning in 1997, states had to have 25 percent of their caseloads participating in countable work activities--with five percent annual increases each year -- to meet a WPR of 50 percent of all time-limited families by 2002 (and 90 percent for two-parent welfare families). The phase-in gave states time to change their welfare programs from providing ongoing cash assistance to preparing welfare recipients to enter the workforce. Also, a caseload reduction credit, described later in this section, provided further relief for states.

Connecticut has met the WPR requirements every year since FFY 97 even though it has never met the 50 percent or 90 percent two-parent work requirement. This was accomplished in two ways:

- Federal law gave states caseload reduction credits based on total caseload decreases over a certain time period. Connecticut’s credit has varied from 26 percent to 31 percent, effectively reducing the number of adults that must participate in work activities from 50 percent to between 24 percent and 19 percent depending on the year.
- Connecticut has increased its effective participation rate, or avoided sanctions, by funding a certain portion of its Jobs First caseload, including all two-parent families, with separate state program funds that satisfy state MOE requirements but removes these families from the WPR requirement.

**WPR components.** The WPR has two components and is unchanged by the 2005 DRA. It applies to cash assistance recipients who must participate in work activities (non-exempt) and includes the:

- minimum number of hours Jobs First non-exempt recipients must participate in order to be counted as engaged in work activities (shown in Table III-1); and
- percentage of Jobs First non-exempt recipients that a state must have engaged in work activities (50 percent for single-parent and 90 percent for two-parent).

<b>Table III-1. Hours Required by Type of Recipient in order to Count toward WPR.</b>	
<i>Type of Recipient</i>	<i>Required No. of Hours on Avg. per Week</i>
Two parents	35
Single parent	30
Single parent with child under 6 years old	20
Single parent under 20 years old	Satisfactory school attendance or equivalent
Source: GAO-05-821 Welfare Reform, p.27.	

**Types of activities that states can count toward meeting WPRs.** Federal law outlines 12 categories of work activities that count in calculating WPR (Table III-2). These are further subdivided into two types -- core and non-core activities. As the table shows, only a few of the core activities are limited for WPR purposes while those in the non-core category all have time restrictions imposed. Hours spent in some non-core activities do not count toward the WPR unless 20 hours are also spent in other countable core activities. A more detailed description of each of these activities is found in Appendix B.

*TANF reauthorization.* Reauthorization of DRA makes several significant changes, effective October 1, 2006, that will impact countable work activities. Under PRWORA, states were given considerable flexibility in defining allowable work activities as long as they fell into one of the twelve categories. However, the General Accountability Office (GAO) issued a study in 2005 that found states used a range of different definitions and there was little consistency among states.<sup>5</sup> The report further noted some states counted questionable activities with little

<sup>5</sup> Government Accountability Office, Welfare Reform: HHS Should Exercise Oversight to Help Ensure TANF Work Participation Is Measured Consistently across States, GAO-05-821 (August 2005).

oversight by the federal Department of Health and Human Services (HHS). Thus, a state’s high participation rate in a given activity may indicate actual high participation in a distinct set of activities, or it may reflect differences in definitions -- for example, one state included activities to promote a healthier life style, such as personal journaling, motivational reading, exercise at home, smoking cessation, and weight loss promotion as a Job Search/Job Readiness activity; while other states did not allow this.

<b>Table III-2. Allowable Categories of Federal Work Activities and Federal Limitations on Counting Time in Those Activities when Calculating a State’s WPR.</b>	
<i>Activity</i>	<i>WPR Limitation</i>
<b>Core Activities</b>	
Unsubsidized Employment	None
Subsidized Private Sector Employment	None
Subsidized Public Sector Employment	None
Work Experience	None
On-the Job Training	None
Job Search and Job Readiness Assistance	6-week annual time limit no more than 4 weeks consecutively
Community Service Programs	None
Caring for Child of Community Service Participation	None
Vocational Education Training	12-month total time limit per client; no more than 30 percent of total state caseload
<b>Non-Core Activities</b>	
Job Skills Training directly related to employment	Counts only after accumulating 20 hours in core activity
Education directly related to work	Counts only after accumulating 20 hours in a core activity (except if under 20 years old)
Satisfactory attendance at high school or equivalent	Counts only after accumulating 20 hours in a core activity (except if under 20 years old)
Source: GAO-05-821 Welfare Reform, p. 8.	

As a result of the GAO study, DRA requires the adoption of federal regulations that define:

- the specific work activities that are “countable” toward the WPR (rather than allowing states to use their own definitions of activities); and
- uniform methods for tracking, verifying, and reporting each recipient’s participation hours.

Interim regulations were issued on June 29, 2006. DHHS accepted comments on the regulations until August 28, 2006, and the interim regulations are effective as published until DHHS revises them. DHHS asked states that believe they cannot meet the required participation rates without state legislative action to submit comments explaining why and to make

suggestions on how DHHS should use the “reasonable cause” exemption to provide penalty relief.

Although the new work definitions do not appear to have any significant adverse consequences for Connecticut, the state will need to develop a process that will track and validate recipient participation in countable work activities. Currently, much of the participation information is self-reported by recipients – for verification of the number of hours worked in a job, a recipient’s case manager will ask a recipient to bring in a pay stub for documentation, but this is typically only done once. After the initial documentation, the recipient’s hours are recorded as the number of hours scheduled, rather than those actually worked. Furthermore, how countable hours are reported and tracked may vary depending on the workforce investment board.

**Calculation of WPR.** The formula (shown in Figure III-1) to calculate the WPR was unchanged by DRA; what has changed are the recipients that must be included in the calculation (Table III-3). The rate is calculated by dividing the number of families receiving TANF-funded assistance who are engaged in work activities (numerator) by the total number of non-exempt families receiving TANF assistance (denominator).

Every state must collect monthly and file quarterly information required by the TANF Data Report. The TANF Data Report has four sections, two with data on individual recipients (disaggregated data) and two with grouped, aggregated data. States have the option of reporting on their entire welfare population or a sample to calculate the WPR -- Connecticut uses the sample option.

**Figure III-1.**

$$\text{Work Participation Rate} = A/B*100$$

**A (the numerator)** = number of families in which an adult or minor head of household worked the required minimum number of hours in countable work activities

**B (the denominator)** = all adult or minor heads-of-households receiving TANF

As Table III-3 shows, under PRWORA, all Jobs First recipients in Connecticut that were exempt from the work requirements were also excluded from the WPR calculation because their benefits are paid under separate state program (SSP) funds. PRWORA does not require SSP recipients be included in the WPR calculation. However, there is a significant change under DRA -- almost all exempt cases (except “child-only” cases, and women with a child under age one) will be included in the denominator for the WPR calculation beginning October 1, 2006.

<b>Table III-3. Comparison of Recipients that Can be Excluded in WPR under Federal Law.</b>	
<b>PRWORA (until 9/30/06)</b>	<p>All recipients funded through Separate State Programs (SSP) excluded from WPR calculation (denominator)</p> <p><i>Excluded recipients from WPR are:</i></p> <ul style="list-style-type: none"> <li>– Two-parent families</li> <li>– Incapacitated adults</li> <li>– Those caring for an incapacitated household member</li> <li>– Elderly (age 60 or older)</li> <li>– Unemployable (at 21-month time limit have had no or very limited employment for five or more years, is age 40 older and has less than a 6<sup>th</sup> grade education).</li> </ul>
<b>DRA As of 10/1/06)</b>	<p><i>Excluded recipients from the WPR are:</i></p> <ul style="list-style-type: none"> <li>– Non-parents receiving assistance only for the children (e.g., non-needy grandparents, aunts, uncles, etc.)</li> <li>– SSI parents, although CT has the option of including such parents if they are working and meeting the WPR</li> <li>– Ineligible alien parents (undocumented non-citizens)</li> <li>– Parents caring for a disabled family member on a full-time basis</li> <li>– Single custodial parents of a child under age one for a maximum of 12 months</li> </ul> <p><i>No Longer Excluded (but still exempt from work under state law) are:</i></p> <ul style="list-style-type: none"> <li>– Incapacitated recipients who do not receive SSI</li> <li>– Age 60 or older</li> <li>– Pregnant and unable to work due to pregnancy-related condition or postpartum for six weeks (or longer if medically documented)</li> <li>– Determined to be “unemployable” after 21 months of assistance</li> </ul>
Source: LPR&IC Analysis.	

**Caseload reduction credit.** Under PRWORA, the work participation rates that states were required to meet beginning in 1997 have been offset by state caseload reduction credits based on caseload decreases since 1995. The credit allows states to reduce the required WPR based on the percentage decline in welfare cash assistance caseloads between federal fiscal year 1995 and the fiscal year most recently completed, as long as the decreases were not based on program eligibility changes. Thus, because of these credits, the actual WPR that states were required to meet was much lower than the current 50 percent required by federal law. The caseload reduction credit will continue, but it will now be based on caseload decreases since 2005, essentially eliminating the credits that most states have depended on to meet the WPR requirement.

An example of how the caseload reduction credit works in Connecticut is shown in Figure III-2. Connecticut’s total caseload declined from 60,985 in FFY 1995 to 42,799 in FFY 03. The caseload reduction credit for FFY 04 would be the percentage caseload decrease between FFY 95 and FFY 03 (29.8 percent). The credit amount would then be subtracted from the federally required work participation rate of 50 percent to yield an effective work

participation rate. Thus the effective work participation rate for the state would be 20.2 percent for FFY 04 (50 percent minus 29.8 percent).

According to the Congressional Research Service, under DRA, 47 states fall short of meeting a 50 percent work participation rate, and 16 of those states (including Connecticut) having FFY 04 rates below 25 percent. (For the effect of these new requirements on other states see Appendix C).

**Impact of changes in Connecticut.** The effect of recalibrating the caseload reduction credit base year from 1995 to 2005 and including welfare recipients not previously counted in the calculation will have serious consequences for almost all states including Connecticut since most will be required to significantly increase work participation rates. In Connecticut, the impact of changing the base year to 2005 for the WPR caseload reduction credit will change

**Figure III-2. Caseload Reduction Credit in FFY 04 for Connecticut**

*FFY 95 TFA caseload = 60,985*

*FFY 03 TFA caseload = 42,799*

*FFY 95 – FFY 03 caseload = 18,186 (29.8% decrease)*

*Required Work Participation Rate = 50%*

*Participation credit = 20.2% (50% -29.8%)*

*Effective FFY 04 WPR = 50% - 29.8% = 20.2% of non-exempt caseload must  
Be engaged in work activities.*

Connecticut's caseload credit from approximately 26.5 percent to close to zero. This means that as of October 2006, double the number of current recipients must be in countable activities at least 30 hours per week to meet the 50 percent federal mandate. As of October 2006, according to estimates produced by DOL, 12,106 TFA recipients will be federally mandated to participate and 6,053 (50 percent) will need to meet the federal participation requirements.

**Penalties.** The reauthorization act includes penalties of up to five percent of a state's TANF block grant for failing to meet the new WPR. This increases by two percent for each year of noncompliance, up to 21 percent. The Department of Social Services has indicated to the TANF Council that HHS may waive penalties for a state's failure to meet the work participation rates if a state has reasonable cause. In addition, a state may receive relief from a penalty by achieving significant compliance under a corrective action plan.

In addition, noncompliant states must also increase MOE spending to at least 80 percent of its FY 1994 historic state expenditures in that fiscal year. If the state subsequently meets both one-parent and two-parent minimum work program participation rate requirements, the required spending level will return to 75% of its historic FY 94 state expenditures.

DRA regulations include additional penalties for non-compliant states: a work verification penalty for failure to submit a work verification plan and a penalty for failure to maintain adequate procedures to ensure a consistent measurement of the work participation rate. Failure to maintain adequate internal controls to ensure a consistent measurement of work participation will result in successively larger penalties, ranging from 1 percent of a state's TANF block grant for the first year, up to 5 percent by the fifth year.

### **Possible State Options to Increase WPR**

In response to the more stringent requirements under DRA, states are considering policy options that will increase WPRs to meet federal requirements in FFY 2007. Essentially, these options fall under three approaches states may take:

- monitor work participation closely and cut off cash assistance promptly (i.e., decrease denominator);
- increase the time working parents may remain on welfare (i.e., increase numerator); or
- provide non-TANF funded state programs for those individuals least likely to participate in work activities (i.e., remove from the WPR equation altogether).

Table III-4 identifies each of the policy options and describes how the WPR would be affected.

### **Summary**

Several policy decisions will need to be made in the upcoming legislative session to address the new requirements of DRA. Clearly the thrust of any legislation will be on how to increase Connecticut's WPR and get more TFA recipients engaged in work activities. Additionally, the additional workload for JFES case managers in terms of verifying that clients are actually engaged in scheduled activities will increase the administrative burden since more intensive client interaction may be necessary. To date, several of the possible ideas that could evolve into policy options are still being discussed by legislators, agency personnel, and advocate representatives.

<b>Table III-4. Policy Options Designed to Increase Work Participation Rates</b>	
<i>Policy Option</i>	<i>Effect on WPR</i>
<b>Recipient work-related policies</b> - expand the disregard of earned income by allowing families to combine work and welfare	Working families increase WPR
<b>Diversion programs</b> - provides a lump sum payment that covers a limited time period	Eliminating families from caseload increases WPR
<b>Sanction policies</b> – levy penalties on noncompliant families and eventually remove them from the caseload	Sanctioning families and removing them from caseload increases WPR
<b>Time limits</b> – extend time limits so working families can stay on rolls longer	Working families increase WPR
<b>Improve service delivery</b> – increase capacity to engage recipients in work activities if lack of capacity results in extended periods of inactivity  Identify gaps in referral process from one agency to another to move recipients as quickly as possible into work activities.	Increases WPR
<b>Improve access to child care and other work supports</b> - Linking clients to child care services quickly so clients can get into work activities faster	Increases WPR
<b>Increase number of case managers</b> - It is labor-intensive for case managers to determine reasons for noncompliance by recipients and develop strategies to address them. When time is limited, these families may fall through the cracks and not participate in work activities for extended periods of time and may not be sanctioned for nonparticipation.	Increases WPR
<b>Improve data collection and program monitoring</b> – system needs to monitor all activities in which recipients are engaged and determine which programs lead to successful outcomes	Increases WPR

### Programs Available for Jobs First Program Recipients

Table I-1 in Section I provides a summary of the major provisions of Connecticut's Jobs First program. This section describes in more detail some of the program elements connected to the Jobs First program including: JFES; Empowering People for Success Program (safety net program); rental assistance; diversion program; and additional supports such as Care 4 Kids, Food Stamps, and health insurance.

**Jobs First Employment Services (JFES).** Once clients are determined to be time-limited, they are required to participate in the Jobs First Employment Services (JFES) program. The program has three goals:

- enable participants, through employment, to become independent from cash assistance by the end of the 21-month time limit established by state law;
- enable participants who become independent from cash assistance to remain employed and independent of TFA; and
- ensure that federally established participation rates are met through employment of participants and engagement in other countable TANF work activities deemed appropriate based on assessment of client needs.

In addition, there are nine operating principles that JFES program staff is required to adhere to including: 1) focusing on assisting participants to become independent of assistance through employment; and 2) developing employment plans that are based on the participant's interests, ability, availability of resources and labor market demands. A complete list of the nine operating principles is found in Appendix D.

As noted in Section III, there are nine core activities in which time-limited clients are expected to spend a minimum amount of time, depending on single or two-parent status, and age of youngest child. A single parent family with a child under age 6 must participate for an average of 20 hours a week while all other one-parent families must participate for an average of 30 hours a week (unless a single parent under age 20 and in school), and two-parent families for 35 hours a week.

**Empowering People for Success Program (EPS).** This program helps current time-limited families address barriers to employment, and provides safety net services for those no longer receiving TFA. The Connecticut General Assembly created the program in 1997 as part of the comprehensive welfare reforms. The Empowering People for Success Program (EPS) is funded with MOE dollars through DSS and DOL. The following tables describe the four components of EPS: 1) Employment Success Program (ESP); 2) Prevention Services; 3) Safety Net Program; and 4) Temporary Rental Subsidy Program.

**Table IV-1. Employment Success Program**

<p><i>Eligibility/ Target Population</i></p>	<ul style="list-style-type: none"> <li>- Clients are identified as having significant barriers to employment during the initial assessment by the DSS eligibility worker or during the first six months of JFES by their JFES case manager</li> <li>- Clients applying for exemption from work participation for medical reasons and going through the medical review process are also eligible for ESP</li> <li>- Qualifying ESP clients must specifically have one or more barriers in the following areas: <ul style="list-style-type: none"> <li>• transportation;</li> <li>• children’s issues;</li> <li>• employment issues;</li> <li>• mental health issues;</li> <li>• physical health issues;</li> <li>• substance abuse/use;</li> <li>• domestic violence;</li> <li>• education; and</li> <li>• other (e.g., application for a 2<sup>nd</sup> or greater extension, non-compliance, etc.).</li> </ul> </li> </ul>
<p><i>Program Description</i></p>	<ul style="list-style-type: none"> <li>- Referral documents are faxed to the Connecticut Council of Family Service Agencies (CCFSA), a network of non-profit family organizations (e.g., Catholic Family Services) that provide ESP services from more than 90 locations across the state</li> <li>- Program provides home visits, in-depth assessment, intensive case management and referrals to community resources</li> <li>-</li> </ul>
<p><i>Length of Service</i></p>	<ul style="list-style-type: none"> <li>- Three to six months, based on client need</li> </ul>
<p><i>Agency Responsible</i></p>	<ul style="list-style-type: none"> <li>- DSS</li> </ul>
<p><i>Program Cost and Usage</i></p>	<ul style="list-style-type: none"> <li>- \$515,600 expended for 515 families in FY 05 (Employment Success Program and Safety Net Program combined)</li> </ul>

<b>Table IV-2. Prevention Services</b>	
<i>Target Population</i>	<ul style="list-style-type: none"> <li>– Clients who have received their second sanction</li> <li>– May on occasion be offered to clients who have fewer than two sanctions</li> <li>– Participation in Prevention Services is voluntary</li> </ul>
<i>Program Description</i>	<ul style="list-style-type: none"> <li>– Offers support needed to restore client's good faith effort</li> <li>– Client works intensively with Prevention Services case manager <ul style="list-style-type: none"> <li>• A short-term plan of 30 or 60 days (called an Individual Performance Contract or IPC) is developed to address any major barriers to employment</li> <li>• IPCs may require participation in job training, job search, volunteer work, parenting programs, and counseling</li> </ul> </li> </ul>
<i>Length of Service</i>	– Minimum of 30 days
<i>Agency Responsible</i>	<ul style="list-style-type: none"> <li>– In October 2001, in accordance with PA 01-2, June Special Session, the responsibility for and administration of Prevention Services was shifted from DSS to DOL.</li> <li>– DOL contracts with the Connecticut Council of Family Service Agencies to provide the Safety Net program</li> </ul>
<i>Program Cost and Usage</i>	– \$320,000 expended for 306 referrals made in FY 06 (160 cases opened and received intensive services)

<b>Table IV-3. Safety Net Program</b>	
<i>Target Population</i>	<ul style="list-style-type: none"> <li>– Clients who have received two or more sanctions or have been sanctioned during an extension, and are not now receiving TFA</li> <li>– DSS notifies Safety Net Program that client has been sanctioned off of TFA</li> <li>– Safety Net Program then determines whether client would benefit from Safety Net</li> </ul>
<i>Program Description</i>	<ul style="list-style-type: none"> <li>– Provides basic needs to clients including food, clothing and rental assistance through a vendor or voucher</li> <li>– Also provides employment assistance, eviction prevention, intensive case management, and ongoing monitoring for child abuse and neglect</li> </ul>
<i>Length of Service</i>	– Up to 18 months overall, and up to 6 months for rental assistance
<i>Agency Responsible</i>	– DSS contracts with the Connecticut Association for Community Action and with the Connecticut Council of Family Service Agencies (CCFSA) to administer the Safety Net Program, and CCFSA subcontracts with the United Way to provide payment for basic needs
<i>Program Cost and Usage</i>	– \$1,158,136 expended for 158 families in FY 05. Of that amount, \$271,270 was paid to families for basic needs

Beyond the four components of EPS, there is a Transitional Rental Assistance Program (see Table IV-5) available to some families.

<b>Table IV-4. Temporary Rental Subsidy Program (TRSP)</b>	
<i>Target Population</i>	<ul style="list-style-type: none"> <li>– Current TFA recipients with unstable housing as a barrier to employment</li> <li>– Former TFA recipients who have exhausted their 21-month TFA time limit, or been sanctioned off of TFA, resulting in homelessness or risk of homelessness</li> <li>– To qualify, clients must initially have income below the TFA payment standard and, while receiving the subsidy, cannot have income above 50 percent of the area median income or 75 percent of the state median income</li> </ul>
<i>Program Description</i>	<ul style="list-style-type: none"> <li>– Clients locate their own housing, including private housing that meets the TRSP requirements               <ul style="list-style-type: none"> <li>• Qualifying families are required to pay 30 percent of their income for the cost of the rental unit, with TRSP paying the balance of the rent</li> <li>• The average subsidy is \$654 per month</li> </ul> </li> </ul>
<i>Length of Service</i>	– Up to 12 months
<i>Agency Responsible</i>	– DSS
<i>Program Cost and Usage</i>	– \$791,597 expended for 40 families in FFY 05 (Funding level and number of families participating varies from year to year, depending on the amount appropriated for that particular year)

<b>Table IV-5. Transitional Rental Assistance Program (T-RAP)</b>	
<i>Target Population</i>	<ul style="list-style-type: none"> <li>– Clients who have used up their 21 months of TFA and do not qualify for an extension due to income above the TFA payment standard</li> <li>– Maximum allowable income for clients is 50 percent of the state median income (SMI) level (SMI was \$56,409 in 2003)</li> <li>– Clients may apply within six months of leaving TFA</li> <li>– Lottery system used to select from the eligible pool of applicants</li> </ul>
<i>Program Description</i>	<ul style="list-style-type: none"> <li>– Provides rental assistance directly to the landlord</li> <li>– Rental must be in privately owned housing</li> <li>– Case management services provided to the client</li> </ul>
<i>Length of Service</i>	– Up to 12 months
<i>Agency Responsible</i>	– DSS administers the program via a contractor (currently John D’Amelia and Associates), who in turn subcontracts with 14 local subcontractors (i.e., housing authorities and community action agencies).
<i>Program Cost and Usage</i>	– \$553,265 expended for 152 families in FFY 05 (Funding level and number of families participating varies from year to year, depending on the amount appropriated for that particular year)

## **Diversión Program**

Applicants applying for TFA may elect the Diversión Program instead of traditional TFA. Effective since October 1, 1998, the purpose of the Diversión Program is to help families remain self-sufficient instead of becoming dependent on monthly cash assistance. Clients are

A client is ineligible for TFA for three months after receiving a Diversión Program payment unless the family experiences undue hardship. The family is considered to have an undue hardship when there are forces beyond the client's control that result in serious threats to given assistance in the form of a lump sum payment equivalent to up to three months of TFA cash assistance.

The Diversión Program is geared toward clients who are likely to succeed with this one-time help. The applicants to this program need to be working or have received a job offer, have a strong work history, marketable skills, and barriers they should be able to overcome or remove within a three-month period if given the lump sum payment. the health, safety or welfare of the family, and do not allow the client to maintain or get a job. Should the client become a TFA recipient in the future, then the Diversión Program payment counts as three months of payments out of the client's 21-month time limit.

DSS staff is required to give clients a side-by-side comparison of the benefits they would receive under either TFA or the Diversión Program. Less than a dozen families annually choose the Diversión Program over TFA. This results in longer-term dependency for families that could otherwise be served with a one-time lump sum payment. In June 2006, for example, only one family consisting of one adult and five children was enrolled in the Diversión Program.

## **Additional Supports for TFA Recipients**

Beyond these programs and services, TFA recipients may receive child care assistance through the Care 4 Kids program, food assistance through Food Stamps, and medical assistance through HUSKY. Each is now briefly described.

**Care 4 Kids.** Connecticut's child care subsidy program, Care 4 Kids, was designed to offer financial assistance to moderate- and low-income families who need help to pay for child care. All time-limited clients are eligible for Care 4 Kids while on TFA and also when they leave cash assistance as long as they meet the eligibility requirements. The vouchers may be used at centers, licensed family day care homes, and unlicensed family and neighbor care. Payment rates differ based on the age of the child, type of child care provider, range of hours for which assistance is provided, existence of a child's special needs, and region of the state. Full-time care (35-50 hours per week), for example, ranges from \$89 per week (for care in any region by a relative, care in the child's home, or recreational programs) to \$227 per week (for care in the southwest region of the state in a licensed facility such as a child care center, group child care home, or school-operated program).

Out of approximately 10,750 families receiving Care 4 Kids subsidies in May 2006, a total of 1,721 were TFA families.

**Food Stamps.** Connecticut uses a joint TFA/Medicaid/Food Stamps application, although persons can apply for just one, two or all of the programs. All TFA recipients qualify for food stamps, a USDA federal program designed to help end hunger and improve nutrition and health. Food stamps are intended to assist low-income households buy the food they need for a nutritionally adequate diet. The monthly food stamp amount ranges from a maximum benefit of \$152 to \$1,140, depending on the number of people in the food stamp unit. A family of three, for example, would receive a maximum of \$399 per month in food stamps.

**Medicaid.** Almost all TFA clients qualify for HUSKY A for families. They also continue to receive medical assistance after they leave TFA for one year as long as family income does not go above 150 percent of the federal poverty level. Prior to July 2006, families had received transitional medical assistance for two years. According to a September 24, 2003 OLR Research Report, the state spent just over \$62 million during the first two quarters of FFY 02-03 on Medicaid benefits for families receiving TFA.

### Job First Program Client Process

An individual seeking assistance under the Jobs First program goes through many steps, first to be determined eligible, and then to be maintained in the program. This section describes the various steps, which involve two different state agencies: DSS and DOL. DSS staff is responsible for determining the eligibility of prospective Jobs First program clients for cash assistance (TFA), and whether the clients are time-limited, meaning the clients are required to participate in work activities through the JFES program, or are exempt, at least at that time. The Department of Labor administers the JFES program, primarily through a collection of many different contract providers. Figure V-1 depicts the initial Jobs First eligibility determination steps, including whether a client may only be in the program on a time-limited basis, and thus must participate in the JFES program. Figure V-2 shows the steps in the Jobs First program once eligibility has been determined, which are also described in more detail. Finally, the section concludes with information about Jobs First program staffing.

#### Initial Jobs First Eligibility Determination

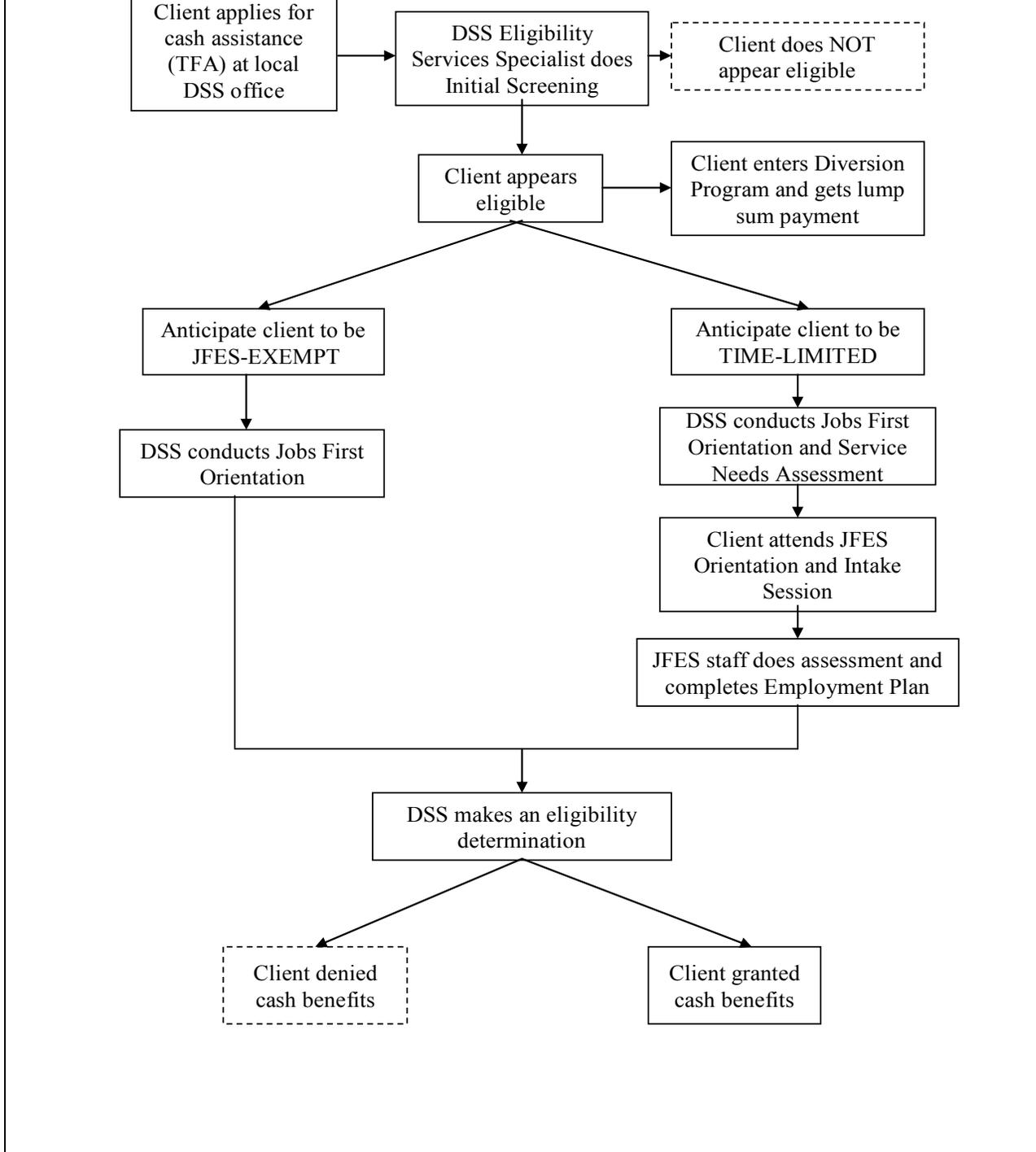
**Application and initial financial screening.** As Figure V-1 shows, a prospective Jobs First program client seeking cash assistance begins the eligibility determination process by requesting services in person at a local DSS office. The applicant completes an eligibility determination form, answering detailed questions about household members, assets, current and previous employment, and living arrangements. A DSS worker interviews the client and documents income, assets, citizenship, and social security information. The completed application is date stamped, and DSS has 10 business days to complete the initial screening, examining asset and income resources to determine whether a client appears eligible for TFA as well as food stamps and Medicaid. In reality, however, some DSS offices conduct those reviews on the day of application.

At this point in the process, an eligible Jobs First program applicant may be told about the Diversion program and choose to participate in that program, receiving a lump sum payment equal to up to three months' assistance rather than monthly TFA cash assistance. (There have been less than 10 participants annually in the Diversion Program, which was described in Section IV.)

**Jobs First Program Orientation.** DSS provides a Jobs First program orientation to all prospective recipients who appear eligible for TFA cash assistance after the initial screening. For persons who are anticipated to be time-limited, the orientation topics covered include:

- program's work and personal responsibility focus and requirements;
- the 21-month time limit;

Figure V-1. TFA Eligibility Process



- work participation (30 hours per week for single parent families and 35 hours for two parent families);
- sanctions for noncompliance; and
- incentives such as the earnings disregard, higher asset limits, and transitional Medicaid and child care benefits.

**Service Needs Assessment.** As noted in Section I, the majority of current recipients are exempt from work requirements. However, for those that are not exempt, the client is required to participate in the Jobs First Employment Services (JFES) Program, administered by DOL. Prospective clients who appear eligible for the Jobs First Employment Services (JFES) program based on the initial screening, take part in a Service Needs Assessment (SNA). The DSS eligibility specialist completes the SNA as part of the TFA application process. Areas assessed include education, employment and training history, basic educational needs, and other social service needs such as: transportation; child care; child support; domestic violence experience; substance abuse; and mental health issues. The purpose of the assessment is to ensure there is information available about a client when the JFES case manager and client first meet.

**Universal Engagement.** In anticipation of federal requirements, beginning October 1, 2004, Universal Engagement of TFA applicants was put into practice. Client engagement is demonstrated by completing the JFES Orientation/Intake and the resulting employment plan within specific time frames.

### **JFES Orientation/Intake**

After the general orientation and service needs assessment by DSS, as Figure V-1 shows, the prospective Jobs First program client must attend another orientation and intake, this one targeted to the employment services component of the Jobs First program. These prospective clients must also participate in the development of their own employment plan. This part of the process is overseen by the Department of Labor, utilizing a variety of contracted entities.

The JFES orientation and intake occurs at one of the 14 CTWorks One-Stop Centers (Universal Engagement procedures specify that the applicant's employment plan must be completed within 10 business days of the JFES Orientation/Intake session.). The JFES program orientation/intake consists of three components: 1) JFES/CT Works Orientation; 2) Assessment; and 3) Employment Plan Development.

**1) JFES Orientation/CTWorks Orientation.** During orientation, a One-Stop caseworker explains the available services including:

- job service registration and job matching;
- eligibility determinations for other employment and training programs;
- automated labor exchange and Talent Bank;

- resource center (labor market information, personal computers, fax machines, etc.); and
- workshops (e.g., resume writing).

**2) Employment Services Assessment.** In addition to the JFES orientation, a prospective client also participates in an employment services assessment, or “intake,” to prepare for the development of an individual employment plan. The existing Service Needs Assessment (completed earlier by DSS) is reviewed by the JFES worker. Each prospective client is interviewed and the following information gathered or developed:

- test scores and other tools, including the Comprehensive Adult Student Assessment System test (CASAS) (often administered by a contractor)<sup>6</sup>;
- past and current work experience;
- education;
- resources;
- labor market information; and
- availability of programs.

**3) Employment Plan.** Based on the employment services assessment, the case manager develops an employment plan in conjunction with the client. The employment plan may include activities such as:

- maintaining current employment (if working);
- locating a child care provider;
- completing a child care application and parent provider agreement form to submit to the JFES case manager;
- arranging for transportation to activities;
- using the One-Stop self-help services; and
- arranging for any other support services needed.

If the person is a new TFA applicant and has not previously received TFA, then activities will be planned that do not incur cost to the program.

**Exempted Jobs First program clients.** A prospective Jobs First client may appear to be exempt to a DSS worker, and not be required to participate in JFES. Table I-1 summarized the reasons for exemptions. Additionally, the DSS eligibility worker has the authority to approve temporary exemptions for situations where there is a child under one or a medical need that should last for less than three months. For medical exemptions that are expected to last more than three months (i.e., permanent exemptions), a Medical Review Team, located in the DSS Central Office and consisting of physicians, nurses, psychologists and others, makes the

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<sup>6</sup> Since Universal Engagement in October 2004, testing is now done at the Employment Plan Review and Modification meeting.

determination. The normal processing time for the Medical Review Team is 60 days although it is backlogged and so determinations currently take longer than three months.

The largest category of clients exempt from work participation is the “child only” category. These are situations where either the adult in the family is not the child’s parent and is not counted when calculating how much assistance the family will receive, or the adult in the family is the parent but is not counted because the parent is receiving Supplemental Security Income for a disability (SSI) or is an ineligible alien. Thus, cash assistance is only provided for the child in that assistance unit.

***Change in Exemption Status.*** Exempt clients may become non-exempt from JFES if, for example, the client has completed her six week postpartum exemption, a non-cap child turns one year old, or a medical exemption is lost.

Also, time-limited (non-exempt) participants may become exempt after 20 months in JFES if the adults in the family worked less than six months during the past five years, and have not completed the 6<sup>th</sup> grade.

## **DSS Eligibility Determination and Payment**

As Figure V-1 shows, once a prospective Jobs First client has gone through all the steps required, DSS will determine eligibility for cash assistance. The DSS worker verifies information provided by the applicant such as social security number, earnings, and previous cash assistance. A determination is then made on eligibility for TFA (as well as food stamps and Medicaid) by applying the Combined Income Test and the Benefit Test.

**Combined Income Test.** The applicant’s gross earnings (less \$90) and countable unearned income are compared with the Standard of Need for her/his town or city.

**Standard of Need.** The Standard of Need is defined as the monthly amount of money considered necessary to cover 23 usual, recurring basic needs of a family, such as food, clothing, shelter, fuel and utilities (The Standard of Need has not been updated in at least 15 years.). If income is at or above the Standard of Need, the application is denied. Other reasons for denial of TFA include failure to cooperate with the child support enforcement program, and family assets that exceed the allowable limit.

The Standard of Need varies depending on the: 1) geographic region where an applicant resides; 2) number of members in the assistance unit (family); and 3) presence of any children in the home who fall under the family cap.

*1) Geographic region.* Connecticut is divided into three geographic regions on the basis on similarity in the cost of living. The cities and towns contained in the three geographic regions are shown in Appendix E.

*2) Number of members in the assistance unit.* The Standard of Need also varies depending on the number of members in the assistance unit (family). Standards for assistance

units are as small as 1 and as large as 20. An AU of 1 in Region B, for example, has a standard of need of \$457, while an AU of 8 has a standard of need of \$1,413 per month.

3) *Presence of children who fall under the family cap.* The Standard of Need is adjusted for any families with children who fall under the Cap (i.e., children conceived while the mother was receiving TFA). In these situations, the Standard of Need is based on the total number of members in the assistance unit minus any Cap children plus \$68.50 for each Family Cap child (roughly 50 percent less than they would have otherwise received for that child).

A family cap has been incorporated into the Jobs First program since 1995. There are exceptions for rape and incest. Another exception to the cap is the first child born of a minor dependent in a family. As of December 1997, according to DSS, 1,870 children have been born after 10 months of the mother’s application for benefits (i.e., “cap babies”).

**Benefit Test.** The Benefit Test checks that the assistance unit’s countable unearned income is below the Payment Standard. If the unearned income is at or above the Payment Standard, then the assistance unit is ineligible for continued TFA.

**TFA Payment**

As just described, the Standard of Need is the monthly amount of money considered necessary to cover usual, recurring basic needs of a family. The TFA cash assistance amount is equal to 73 percent of the Standard of Need. Because of its link with the Standard of Need, the amount of cash assistance given to eligible clients varies by geographic region, number of members in the assistance unit (family), and presence of any children in the home who fall under the family cap.

Table V-1 shows both the Standard of Need and Payment Standard for a family of three by geographic region. For example, in order to qualify for TFA, a family of three living in Region A must have a monthly income below \$872, less adjustments for child support payments. Assuming no cap children, their TFA cash assistance each month will be \$636.

<b>Table V-1. Standard of Need and Payment Standard for a Family of Three by Geographic Region</b>			
	<i>Geographic Region</i>		
	<i>A</i>	<i>B</i>	<i>C</i>
Standard of Need	\$872	\$745	\$735
Payment Standard	\$636	\$543	\$536
Source: DSS			

**Ongoing Case Monitoring**

**Employment Plan Review and Modification.** Figure V-2 depicts the case steps after eligibility is determined. Once an applicant is granted TFA and is determined to be time-limited, a JFES case manager is assigned. The first step is to review the employment plan developed

during the JFES orientation/intake session (Universal Engagement calls for the review of the Employment Plan to be scheduled within 30 days of the granting of TFA). This more in-depth review may occur one-on-one or in a group with a JFES case manager at the One-Stop Center.

During the Employment Plan review, the JFES case manager assists the client in developing realistic objectives for becoming and remaining independent through employment. The Employment Plan is an employment-focused document and outlines the steps needed for the JFES customer to accomplish these objectives. Modifications to the Employment Plan may include the addition of work participation activities such as job search and job readiness, and vocational education training.

Case managers are trained by DSS and DOL to take into account factors that would significantly restrict participation in employment related activities and objectives. The employment plan review gathers information about the client including:

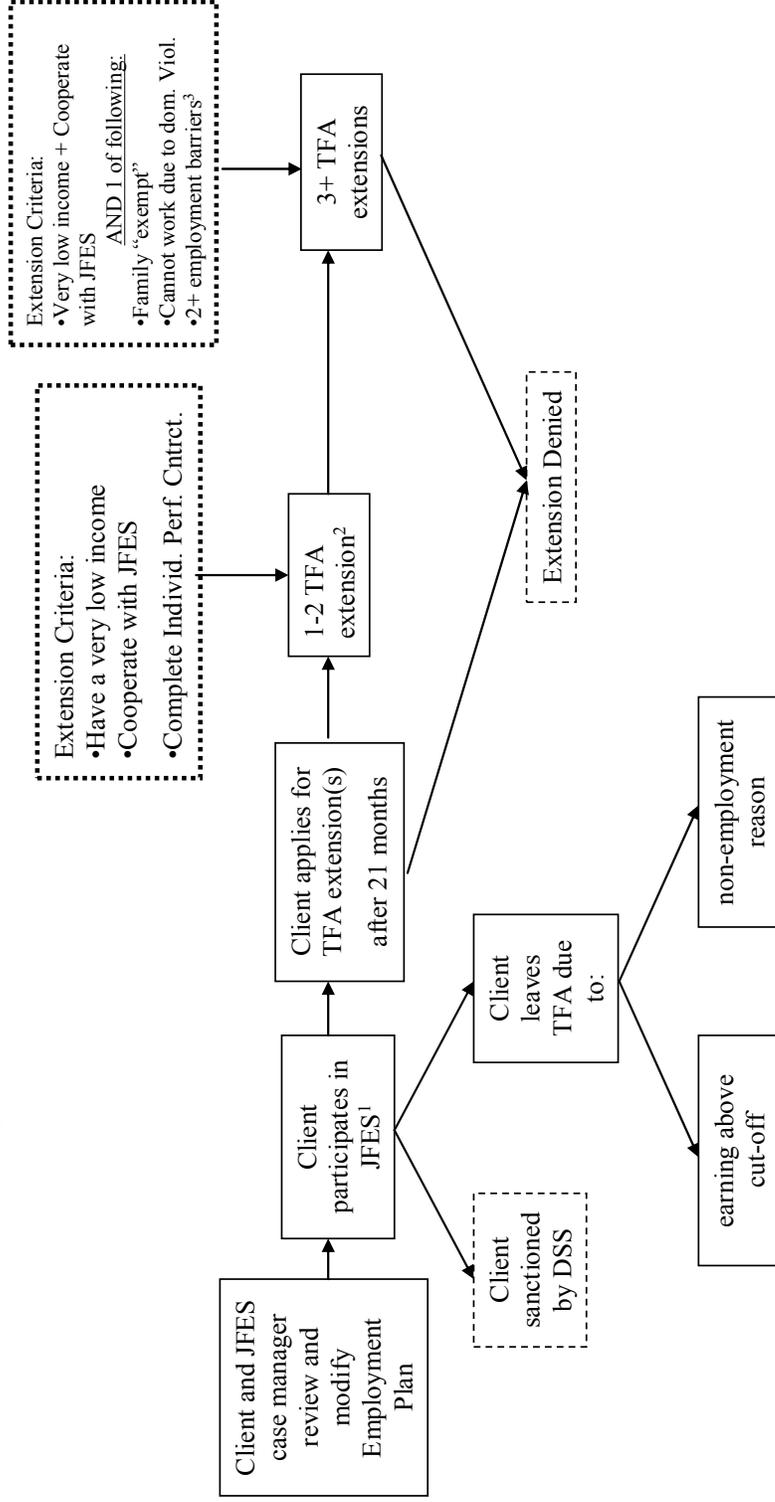
- skills;
- work experience and employment history;
- prior and current participation in education and training activities;
- education level;
- months of TFA eligibility remaining;
- life skills;
- resources;
- language ability;
- math and reading test scores;
- interest inventory, attitude, and motivation;
- transportation and child care availability; and
- social services needs (counseling, legal services, substance abuse treatment, etc.).

### **Employment Plan Activities**

The initial employment plan contained activities with little or no cost associated with them. The modified employment plan includes a range of activities for JFES clients. The modified employment plan also identifies client barriers that cannot be addressed due to a lack of available TANF federal and state resources.

The employment plan has specific details on assigned employment activities and support services as well as responsibilities of both the case manager and participant. Time frames are specified for completion of each of the tasks. As noted in Section III, employment plan activities are divided into two groups: core activities; and non-core, supplemental activities.

Figure V-2. Flow for Time-Limited TFA Clients



<sup>1</sup> After 20 months in JFES, family may be "exempt" if adult(s) worked less than 6 months in past 5 years and has not completed 6th grade (Note: Family becomes "non-exempt" if adult works 2 months in a row)

<sup>2</sup> Each TFA extension is for 6 months of additional cash assistance and is granted by DSS

<sup>3</sup> Client employment barriers are: 1) lack of child care; 2) lack of transportation; 3) substance abuse or addiction; 4) serious mental or physical health problems or child with serious physical or behavioral health problem; 5) learning disability; 6) domestic violence; 7) low literacy; 8) DCF case plan requirements prevent work or compliance with other employment plan requirements; and 9) court order requirements prevent work or compliance with other employment plan requirements

Support services are also contained in the employment plan and may include the following:

- child care assistance – Care 4 Kids;
- transportation/baby-sitting special benefits; and
- community resources:
  - substance abuse services
  - mental health services
  - domestic violence
  - Department of Children & Families referrals
  - Bureau of Rehabilitation Services (Division of DSS that provides vocational rehabilitation services to people with disabilities).

The activities and support services are described in Appendix B.

**Other employment plan tasks.** Other tasks may be assigned that are expected to help eliminate barriers to employment and support the transition to independence. Tasks may include: having the participant request more hours of employment; apply for a driver's license, complete an application for available services or benefits, and arrange for backup child care and/or backup transportation.

**DSS eligibility redetermination.** DSS does an eligibility redetermination 12 months after start of benefits for exempt and non-exempt TFA recipients. The 12-month redetermination is mandatory and requires that the client come to the DSS office for a face-to-face interview. Should the client fail to complete the redetermination process without good cause, then cash assistance is discontinued.

At the redetermination meeting, the DSS worker interviews the TFA client, updating the Service Needs Assessment and reviewing current income status. The purpose of the 12-month redetermination is to:

8. determine ongoing eligibility for assistance;
9. collect information about the family (assistance unit);
10. assess employment efforts of TFA time-limited Jobs First Employment Services participants;
11. determine whether exempt clients continue to meet the requirements for exempt status; and
12. revise the case file as needed.

The client is redetermined eligible for continued TFA by passing the Gross Earnings Test, the Unearned Income Test, and the Benefit Test. The Gross Earnings Test checks that the assistance unit's gross monthly earnings are equal to or lower than the Federal Poverty Level—if it is greater, then the assistance unit is ineligible for continued TFA.

The Unearned Income Test checks that the assistance unit's countable unearned income is below the Standard of Need. If the unearned income is at or above the Standard of Need, then the assistance unit is ineligible for continued TFA.

Finally, time-limited recipients must once again pass the Benefit Test. The Benefit Test checks that the assistance unit's countable unearned income is below the Payment Standard. If the unearned income is at or above the Payment Standard, then the assistance unit is ineligible for continued TFA.

## **TFA Extensions**

In addition to the standard 21 months in the JFES program, TFA time-limited clients may qualify for extensions of six months at a time. There is a maximum 60 month federal lifetime limit, however, for time-limited clients. TFA extensions may be discussed during exit interviews, which are held in the DSS office during the 20<sup>th</sup> month of TFA and, should an extension be granted, occur again at the 5<sup>th</sup> month of an extension and at the 58<sup>th</sup> month.

Two extensions beyond 21 months are generally available if the client is unable to get a job that would make the family financially independent. Clients may be working at the time the extension is requested, but need help in increasing their hours of work or wage level.

Since July 1, 2003, time-limited recipients may not get more than two extensions unless they meet certain criteria: having two or more substantiated barriers to employment; working full-time and not earning at least the welfare payment standard; or not being able to work full-time because of a medical impairment or because of care-giving responsibilities for a disabled household member.

In order to receive one or two extensions, the family must meet the: 1) Payment Standard Test; and 2) Good Faith Effort Test.

**1) Payment Standard Test.** The Payment Standard Test is met if the family's gross earned and unearned income (minus \$90 for each person working) is less than the payment standard for a family of that size and in that DSS region. For example, the payment standard for a family of two in Region B is \$443 per month. A client who has a gross earned and unearned income (minus \$90 for each person working) less than \$443 would pass the payment standard test.

**2) Good Faith Effort Test.** To meet the Good Faith Effort Test, the client must have complied with JFES requirements, including no more than one sanction and successful completion of any Individual Performance Contracts (IPCs).

If the client is in the first 20 months of assistance and received more than one sanction, or DSS believed the family to be at risk of becoming ineligible for an extension, then an IPC can be completed. Should the IPC be successfully completed (with DSS or DOL), and no other sanction received, the family may have good faith effort status restored, and be eligible for an extension.

In order to receive a third or more TFA extensions, the client must meet the Payment Standard Test, the Good Faith Effort Test, and experience at least one of the following situations:

- family is prevented from working due to domestic violence;

- adult in the home is working at least 35 hours per week earning at least the minimum wage and still earning less than the TFA payment standard;
- adult in the family works less than 35 hours due to a medical impairment that limits employment, or must care for an incapacitated family member; or
- adults in the home are not working due to two or more of the following substantiated barriers to employment:
  - lack of child care
  - inadequate transportation
  - substance abuse or addiction
  - serious mental or physical health problems
  - learning disabilities
  - child with a serious physical or behavioral health problem
  - literacy problems (as demonstrated by a score below 235 on the Connecticut Competency System Test (i.e., CASAS))
  - requirements of a DCF case plan prevent work or compliance with other employment plan requirements
  - requirements of a court order prevent work or compliance with other employment plan requirements

## **Sanctioning**

When a time-limited client does not comply with an employment service requirement without good cause, the client is sanctioned through a penalty process. During the first 21 months, the penalties are imposed as follows:

- 1<sup>st</sup> penalty – TFA is reduced by 25 percent
- 2<sup>nd</sup> penalty – TFA is reduced by 35 percent
- 3<sup>rd</sup> penalty – TFA is discontinued and client may not reapply for TFA for at least three months

If a client is sanctioned during an extension, TFA is discontinued, the client is referred to the Safety Net program, and is not eligible for future TFA extensions (the Safety Net program is discussed in Section IV). Clients can only receive TFA again if they become exempt rather than time-limited, or experience circumstances beyond their control that prevent them from working.

**Sanctioning process.** Sanctioning is triggered when a time-limited client does not cooperate with an employment services requirement such as not showing up and not calling prior to the start of an activity, being disruptive, or dropping out after the start of an activity.

The sanctioning process includes a conciliation phase before the sanction is imposed during which time the JFES client has up to 30 calendar days from the date of initiation to document that the client had good cause for failing to cooperate. DSS staff reported that there was a backlog in this process for 2003 and 2004 due to DSS office closures, caseload transfers,

and staff bumping. As a result, the sanction referrals were not done in a timely manner. Additionally, because of all the staffing changes, workers did not necessarily know if a sanction was pending.

Good cause for stopping the sanctioning process includes:

- illness of person;
- illness of family member that requires care to be provided by person;
- unavailability or loss of child care;
- unavailability of transportation;
- family emergency;
- domestic violence; and/or
- unreasonable terms and conditions of employment.

Once a determination regarding non-compliance is made, the DSS worker informs the JFES case manager of the decision within three business days. If the client did not have good cause, the DSS worker imposes a sanction and, if it is a first or second sanction, instructs the participant to comply with JFES requirements, including following the local procedures for a plan review and modification session. If the DSS worker determines that the participant had good cause, the client is not sanctioned, but instructed by DSS to attend a JFES plan review and modification session.

The client may request a hearing before a DSS Fair Hearing Officer after receipt of the notice of the proposed sanction. The Fair Hearing Officer will schedule a due process hearing. The case manager may not need to attend if the issue is whether the participant had good cause for non-compliance, since staff cannot usually testify about the client's personal reasons for not meeting the terms of the employment plan activity. On the other hand, if there is an issue of fact as to whether the participant failed to comply with a JFES requirement, testimony from the case manager may be needed.

An additional requirement for clients receiving a second sanction is that an Individual Performance Contract (IPC) be completed. Clients are referred to a specialized case manager from the Connecticut Council of Family Service Agencies (CCFSA). CCFSA works closely with the client for at least 30 days to determine whether there are any significant barriers to employment, and provide supports so that the client can comply with the employment plan.

Related to the TANF work participation rate formula described in Section III is the issue that clients who have received their first sanction are removed from the work participation denominator, while clients in their second sanction are included in the denominator. Since clients on their second sanction are unlikely to be engaged in work participation activities, this has the effect of lowering the work participation rate.

DSS regional staff reports that sanctioning is a high priority. Some previous confusion regarding what constitutes good cause and when a client may be referred to DSS for a sanction has been addressed and clarified in training that occurred within the past 18 months, according to DSS staff.

**Automated Counters.** Time-limited clients are only allowed 21 months (plus extensions) of TFA assistance in Connecticut—and there is a 60-month lifetime limit for receiving services in all states combined. Each time-limited adult client has an “automated counter” and each family or assistance unit has an “automated counter.” Counters are generated by the DSS automated system to track the number of months of cash assistance that have been used up by JFES clients so that assistance does not exceed federal and state limits. As individuals come together or separate, their individual counters may change, depending on the rules governing whose counter to assume.

There are five ways to count the number of months of cash assistance that time-limited clients have been receiving:

1. Federal non-Connecticut TANF counter;
2. Federal Connecticut TANF counter;
3. Federal total TANF counter;
4. State TFA counter; and
5. Jobs First/AU counter.

Appendix F shows the similarities and differences among the five counters.

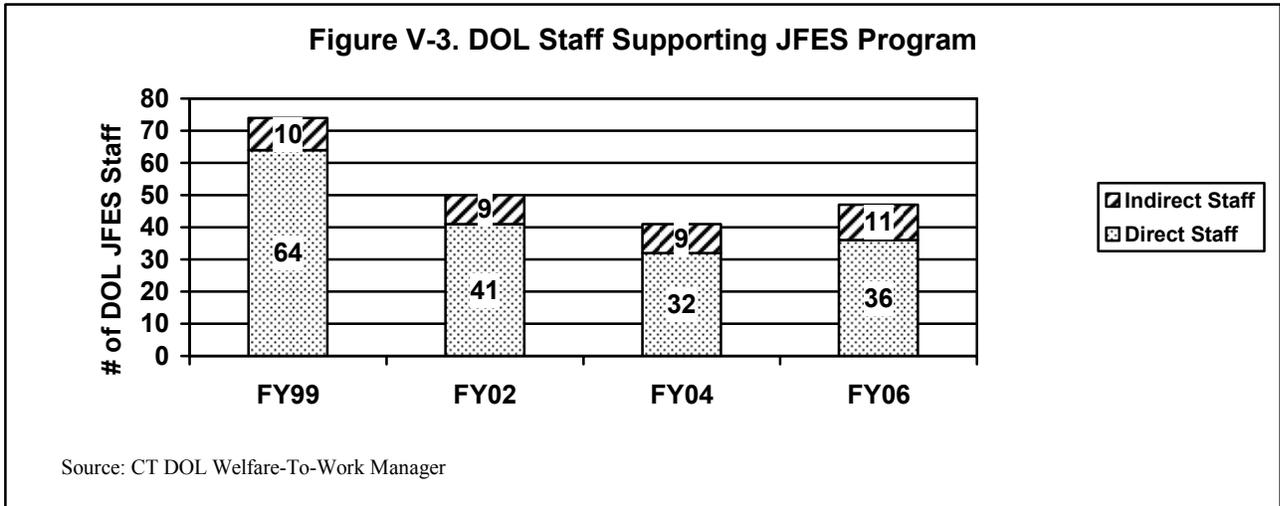
### **Eligibility and Staffing**

The assignment of DSS case managers, DOL staff for JFES, JFES case management and implications for caseload given the new DRA requirements are detailed in this section.

**DSS case management.** The DSS offices vary in the way they assign applicants and clients to case managers. In the New Haven office, for example, some case managers are dedicated to time-limited clients and others to exempt clients. In the Manchester office, some case managers only process intakes and have no ongoing caseloads; other case managers are assigned clients alphabetically by EMS; and one case manager handles “child only” cases. Thus, it is difficult to determine caseloads and compare them across offices.

**DOL staffing for JFES.** DOL employees work directly and indirectly to support JFES. Direct service DOL staff provide job search assistance to the JFES clients. Beginning in FY 07, the job search Pathways curriculum will be used statewide. Pathways is reported by DOL management to be an up-to-date curriculum with a standardized training manual. It includes such training modules as: self awareness and skills assessment; resources to find a job; and applying for a job.

DOL employees who work indirectly to support JFES operate out of the central office and provide performance measurement, the automated management information system, and business management. Figure V-3 shows the number of DOL staff supporting the JFES program was reduced by 33 staff between FY 1999 to FY 2004. While staff increased 15 percent between FY 04 and FY 06, the overall number of staff is 36 percent less than in 1999.



**JFES case management.** As described in Section I, services are provided to JFES clients at One-Stop Centers. Rather than allowing Regional Workforce Investment Boards to operate One-Stop Centers, the Federal Workforce Investment Act (WIA) of 2000 changed their role to one of coordinator of services, planner, and assessor; they are prohibited from operating One-Stops and doing case management. Each of the five WIBs contracts for the delivery of case management services (e.g., Human Resources Agency), and the 14 One-Stops tailor the delivery of services to the needs of their clients within available resources. The Hartford WIB, for example, has integrated the case management of clients registered in the JFES and WIA programs, but assigned them to workers based on the age of the client (18-24 years old, 25+ years old). Until their integration in 2004, the New Haven WIB had two sets of case managers: one for WIA clients; and another for JFES clients. Waterbury, on the other hand, maintains separate case managers for JFES and WIA participants.

In addition to the assessment and employment plan, the core functions of the JFES case manager also include arranging for services and monitoring and documenting the participants' progress. Case managers are required to contact JFES clients every other month. The contact may occur by telephone or in a face-to-face meeting.

While the number of JFES time-limited cases has continued to decrease over the past five years, Figure V-4 shows that the number of JFES full-time equivalent case managers decreased at a relatively greater rate, leading to significantly larger size caseloads. According to DOL contracts with each of the WIBs, JFES case manager-required contact used to be monthly, but after the staff cutbacks in 2004, the minimum required contact became every other month. One WIB estimated that there is steady turnover in caseloads, with 10 percent of cases in any given month opening, and 10 percent closing. A time-limited client is assigned to a JFES case manager for as long as the client is receiving TFA cash assistance.

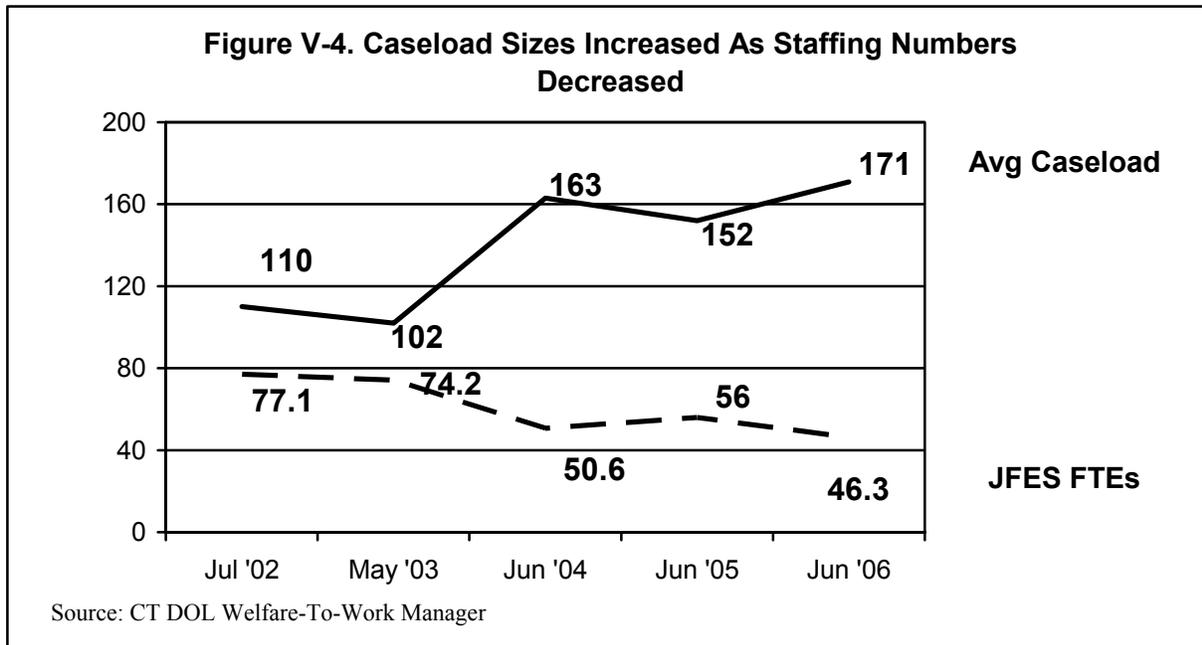


Table V-2 shows the variation in the average JFES caseload in June 2006 for each of the WIB regions. The specific terms of the DOL contracts with the WIBs for FY 06 required caseloads of 150-175 JFES clients per each full-time equivalent case manager and all but one region was within this range. DOL may approve a lower caseload for an individual case manager if the WIB can demonstrate that special case circumstances apply such as caseloads with many clients of limited English proficiency.

Regional Workforce Investment Board	Number of JFES Cases <sup>1</sup>	Percent of CT Caseload	Number of JFES FTE's <sup>2</sup>	Average JFES Caseload
North Central	2990	37.7%	15.8	189
South Central	1665	21.0%	9.8	170
Northwest	1233	15.5%	8	154
Southwest	1196	15.1%	7.5	159
Eastern	850	10.7%	5.2	163
Statewide	7934	100%	46.3	171

<sup>1</sup> Source: DOL At-A-Squint Report for June 2006  
<sup>2</sup> Source: DOL Welfare-To-Work Program Manager

Many changes will occur beginning October 1, 2006 when DRA is implemented. Table V-3 shows the required frequency of case manager contact, depending on work activity. Job search/job readiness activities, for example, will require daily contact with the case manager. Given this closer monitoring of activities, there are serious implications for caseload sizes. In a March 27, 2006, memo to the Secretary of OPM, the Commissioners of Labor and Social Services recommended lowering the average caseload size to 100 based in part on the new verification requirements.

<b>Table V-3. New DRA Required Frequency of Verification of Specific Work Activities</b>	
<b>Core Activities</b>	<b>Verification Frequency</b>
Unsubsidized employment	Projected up to six months (based on actual hours)
Subsidized employment	Projected up to six months (based on actual hours)
Work experience	Every two weeks
On The Job Training	Projected up to six months (based on actual hours)
Job search/job readiness	Daily
Community Service	Every two weeks
Vocational education	Every two weeks
Child care for community service	Every two weeks
<b>Non-Core Activities</b>	
Job Skills Training	Every two weeks
Education related to employment	Every two weeks
Secondary school attendance	Every two weeks

Source: Federal Register of June 29, 2006

### **Automated Systems to Assist the Case Flow**

There are two key automated systems that DSS and DOL use in processing and managing the TFA and JFES caseload: EMS and CTWBS.

**Eligibility Management System (EMS).** Department of Social Services eligibility workers enter all client information into EMS. This automated mainframe system supports the determination of client eligibility, calculates benefit amounts and issuance of cash assistance, and supports financial accounting and management reporting. In addition to TFA, EMS also supports other major DSS assistance programs such as food stamps, medical assistance, state supplement to the aged, blind, and disabled, and the State Administered General Assistance (SAGA). The system was not intended for research purposes.

**CTWorks Business System (CTWBS).** DSS eligibility workers also enter client information directly into CTWBS, the Department of Labor web-based system. The SNA is entered into CTWBS, making it available to the case managers working with these clients at the One-Stop Centers. CTWBS also contains the employment plan, employment information, and information on non-JFES programs that the client participates in (e.g., WIA, Wagner-Peyser). CTWBS has an ad hoc reporting server that produces lists to facilitate case management of JFES clients. CTWBS interfaces with EMS, making demographic background information available to the JFES case managers. This sharing of information between EMS and CTWBS is considered relatively unique, according to managers associated with JFES, representing an innovative model of system integration between two state departments—the Department of Social Services and the Department of Labor.

### Monitoring and Outcomes

Connecticut's current workforce development system evolved from federal job training programs established in the 1960s for dislocated and disadvantaged workers. Currently, the system includes federal, state, and local programs aimed at helping people find employment and ensuring that employers have a skilled workforce. The Connecticut Department of Labor is the lead agency in administering and overseeing the funds and programs that are offered.

In terms of JFES clients, several funding sources are used to support the overall goals of welfare reform. These include funds available from:

- The TANF Block Grant;
- Workforce Investment Act; and
- Wagner-Peyser Act (federal legislation that provides assistance to laborers through unemployment insurance and job assistance services).

Depending on the source of the funding, there are different requirements in terms of program outcome monitoring. In addition, monitoring of the system occurs at several levels across multiple agencies, including the Department of Labor, the Connecticut Employment and Training Commission (CETC), the Workforce Investment Boards, and the programs themselves.

**Differences in outcome results.** Program review committee staff examined several reports that provided data on JFES employment, retention, and wages, and identified several discrepancies among the data depending on the entity reporting it. One reason for the discrepancies is because different entities assessing JFES outcomes have dissimilar reporting time-frames and include other client populations in their measurements. The definitions among similar outcomes also vary by reporting entity.

The CETC Report Card, for example, defines the percent of JFES clients who "entered employment" by looking at the number of program completers for whom there is evidence of wages earned in Connecticut *in the first quarter* following program completion. The Department of Labor, on the other hand, measures employment as the number of JFES participants *who entered employment during the program fiscal year*.

An additional challenge is that the Department of Labor wage database information for all residents employed in Connecticut lags behind by six to seven months due to the employer submission process. Also, because WIBs are limited to aggregate rather than individual client wage data, they are unable to evaluate outcomes for particular programs or initiatives.

These differences in measurement and definitions are evident in the following example: Using a program fiscal year of July 2003 to June 2004, CETC reported that after leaving TFA: 58.5 percent of JFES clients entered employment; and 80 percent retained employment for six months. They report that the average weekly wage was \$238.53, or \$12,403 annually. In

contrast, the DOL June 2004 At-A-Squint report cited that 31 percent of current JFES clients were employed, with an average hourly wage of \$8.65.

Committee staff will continue to examine reporting issues, including lack of uniform definitions and time frames, during the next phase of this study. However, a brief summary regarding how each of the entities monitors JFES outcomes and the type of reports produced is now discussed.

**WIA compliance reviews.** The Connecticut Department of Labor WIA Program Manager conducts compliance reviews, evaluating the performance of the WIBs. Client satisfaction surveys, currently carried out by the UConn Roper polling center, are mandated by WIA. Telephone surveys gather information from both program participants and employers, completing the American Customer Satisfaction Index based on responses.

The WIA program staff also conduct client file reviews, monitoring case managers for accuracy, completeness of information, timeliness, and conformance with JFES policy and procedures. Corrective action plans to address deficiencies are submitted by WIBs as necessary. Written reports identify any noncompliance, corrective actions and best practices that should be incorporated by the contractor. Evaluation results, including follow-up results of required corrective actions, are contained in annual reports. The review is primarily a paper audit that ensures the process has been followed, rather than one that examines program outcomes.

Results from a review of 47 case records by WIA staff during FY 05 found an 81 percent full compliance rating, indicating that the majority of JFES client records reviewed had complete information and conformed to JFES policies and procedures. The few compliance issues singled out included:

- missing occupation code;
- estimated rather than actual start date for an activity; and/or
- missing normal scheduled hours worked for unsubsidized employment activity.

**Welfare-To-Work monitoring of WIB performance measures.** WIA requires states to evaluate program success using certain core performance indicators. WIBs develop and evaluate the following performance measures in contracts with providers: the number of people entering training, receiving a license, or other certificate; obtaining a high school diploma or GED; finding a job; keeping a job for six months; and earnings change after six months of employment. Because of the client overlap between WIA and JFES, and serving JFES clients at One-Stops, which are a part of WIA, similar performance measures are required by DOL for JFES clients.

For FY 07, DOL's contract with each WIB contained the following six performance measures for placing and retaining JFES clients in employment (referred to as "Entered Employment Benchmarks"):

- 50 percent of JFES clients shall enter unsubsidized employment (was 40 percent in FYs 04-06);
- 50 percent of JFES clients employed during the current fiscal year (could have entered employment in the previous fiscal year) shall have gross monthly earnings equal to or exceeding \$633 a month, which is the amount of cash assistance received by a family of three in DSS rent Region B (monthly payment standard for TFA plus \$90);
- At least 25 percent of employed JFES clients shall have gross monthly earnings equal to or exceeding the Federal Poverty Level for a family of three;
- At least 60 percent of employed JFES clients will retain their jobs for a minimum of 13 weeks;
- At least 35 percent of employed JFES clients will retain their jobs for a minimum of six months; and
- At least 40 percent of JFES clients who left TFA employed shall attain a minimum 10 percent increase in wages in the second full quarter following exit from TFA.

<b>Table VI-1. JFES Employment Benchmarks and Outcomes for FY 05</b>		
<i>Benchmark</i>	<i>Outcome</i>	<i>Was Benchmark Met?</i>
40% enter unsubsidized employment	63.8%	√
50% of employed clients with gross earning of at least \$633 monthly/\$7,596 annually (TFA payment standard + \$90)	65.3%	√
25% of employed clients with gross earnings at or above the Federal Poverty Level (\$1,305 monthly/\$15,660 annually in 2004)	31.4%	√
<sup>a</sup> 60% of (newly) employed clients retain job at least 13 weeks	78%	√
<sup>b</sup> 35% of (newly) employed retain jobs at least 6 months	57.7%	√
<sup>c</sup> 40% of clients who left TFA employed attain at least a 10% wage increase within six months of exit	29.5%	<b>X</b>
<sup>a</sup> Using the DOL Earned Wage Data Base, calculated as percent employed in two consecutive quarters for those who entered employment between April 2004-March 2005 <sup>b</sup> Using the DOL Earned Wage Data Base, calculated as percent employed in three consecutive quarters for those who entered employment between January 2004-December 2004 <sup>c</sup> Using the DOL Earned Wage Data Base, calculated as those who had a 10% increase between the first and second quarters following exit from TFA in FY 05 Source: Welfare-to-Work Department of Labor		

Additionally, the WIB contracts with DOL have a performance measure that requires at least 60 percent of JFES clients to be enrolled in TANF work activities that can be counted toward the federally required work participation rate (it was 50 percent of JFES clients in FYs 02 through 06).

Assessing progress on whether these performance measures are being achieved is difficult because this information is not regularly reported by DOL in any statewide reports. The DOL Welfare-to-Work Unit, however, recently released performance data on the WIB contract employment benchmarks for FY 05. As shown in Table VI-1, five of the six employment benchmarks were met in FY 05 (Note that the percents required in FY 05 for the first and last benchmarks are slightly lower than the percents that will be required in FY 07).

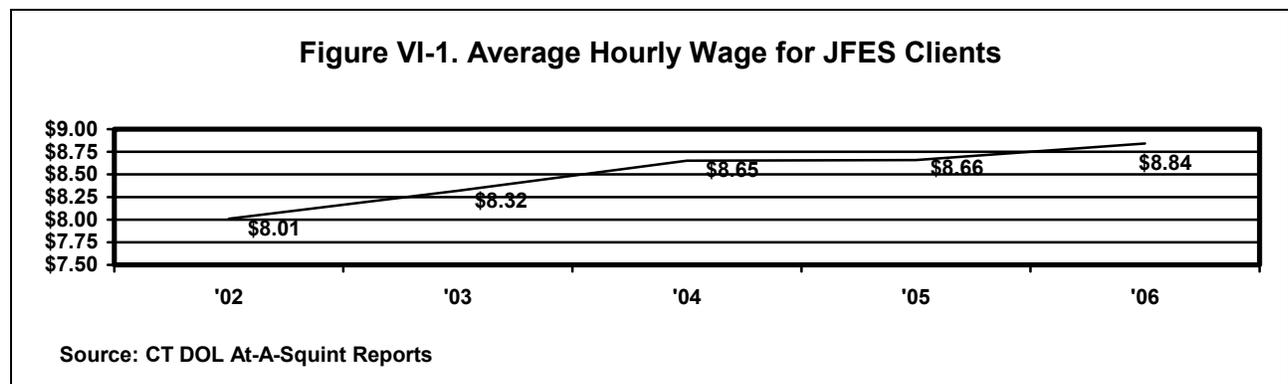
Additionally, the Welfare-To-Work Unit reported that 47.5 percent of FY 06 JFES clients served by the five WIBs were in activities that counted toward the federally required work participation rate, a figure very close to the performance goal in the FY 06 WIB contracts of 50 percent.

### Other Monitoring Activities

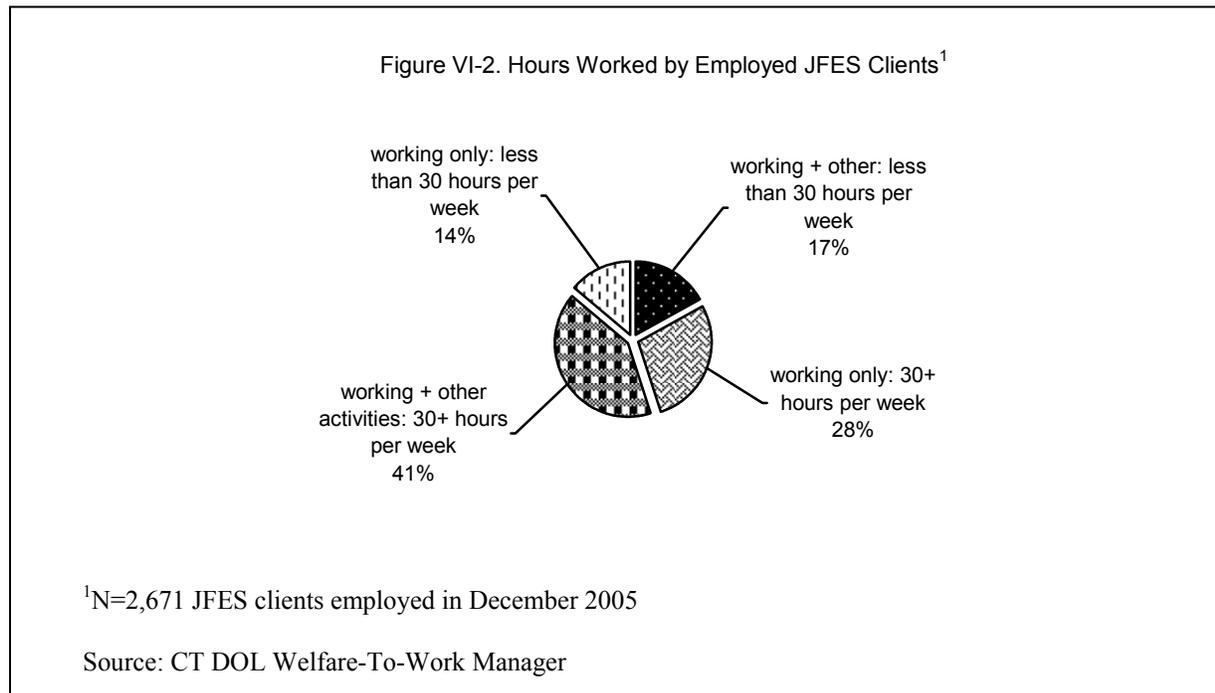
**Annual report.** Another report produced by DOL that measured JFES client outcomes was released in FY 04 and entitled “Annual Welfare To Work Report.” The report noted the following:

- JFES cost \$1,037 per participant in FY 04 (and totaled \$15,040,648 for all 14,504 participants);
- Of 14,504 time-limited clients served in FY 04, a total of 41 percent were employed while on JFES; and
- Of these 5,937 time-limited clients who were employed while on JFES, almost half (45 percent) were working when they entered TFA.

**Monthly DOL monitoring of case flow and activity.** Another unit within DOL, the Performance Measurement Unit, produces monthly assessments of JFES clients called, “At-A-Squint” reports. These reports contain information about enrollment in employment activities, total clients employed, hourly wage, and number of JFES participants earning above the TFA payment standard and federal poverty level. In the June 2006 report, for example, 28.9 percent of JFES clients were employed, with an average hourly wage of \$8.84. This percent reflects a gradual decrease of employed JFES clients from the 32 percent employed in June 2002, although Figure VI-1 shows the gradual increase in average hourly wage during that same time period.



In preparation for the increased federal work participation rates, DOL has identified and will be working toward increasing employment hours for JFES clients who are currently employed, but for not enough hours to be included in Connecticut’s work participation rate. Figure VI-2 shows that approximately one-third of the JFES clients who are working are excluded from the work participation rate because of an insufficient number of work or other countable hours. Overall, just under three-quarters of JFES clients working are employed for less than 30 hours per week.



### Connecticut Employment and Training Commission

The Connecticut Employment and Training Commission (CETC) is responsible for overseeing and improving the coordination of all education, employment, and training programs in the state in addition to serving as the state workforce development board required under WIA. It is also required to develop and update the state’s workforce development plan that includes state performance measures.

**CETC monitoring** C.G.S. Section 31-3bb requires that employment outcomes for all employment and training programs be reported annually, including the outcomes for the JFES program. The Connecticut Employment and Training Commission (CETC) is charged with conducting an annual inventory to gather this information, six of which have been produced since 1998. Published as the “Report Card,” the report links programs with employment-related outcome information obtained from the Department of Labor Office of Research. Information from the most recent Report Card, for program year 2003-2004, for example, shows that 58.5 percent of JFES clients entered employment and 80 percent retained employment for six months. The average weekly wage was \$238.53, or \$12,403 annually.

***Federal reports on welfare leavers.*** Information on the 15,846 TFA cases that closed in FFY 04 is published on the U.S. Department of Health and Human Services Administration for Children & Families Office of Family Assistance website. The reasons for closure are shown in Table VI-2. Approximately one-quarter left because they had exhausted their time on the state counter, and a handful had exhausted their lifetime maximum of 60 months. Almost one in five left because they had failed to cooperate, or had been sanctioned off of TFA. Only 11.8 percent left because they had secured employment that exceeded the allowable earnings limit. Despite the goal of encouraging the formation and maintenance of two-parent families, no one left TFA due to marriage.

**Table VI-2. TFA Case Closure Reasons in FFY 04**

<b><i>Reason</i></b>	<b><i>Number</i></b>	<b><i>Percent</i></b>
State Time Limit	3,756	23.7%
State Policy	2,329	14.7%
Transfer to MOE	2,329	14.7%
Employment	1,886	11.9%
Failure to Cooperate	1,806	11.4%
Voluntary Closure	1,268	8.0%
Sanction	887	5.6%
Federal Time Limit	48	0.3%
Marriage	0	0%
Other	1,537	9.7%
Total	15,846	100%

Source: U.S. Department of Health and Human Services

Additional monitoring and oversight occurs via the TANF Advisory Council through review of quarterly reports, and DSS through its many EMS-generated reports.

### **Trends in Interviews**

Program review staff spoke with over 20 organizations and other interested parties (see Appendix G for a complete list). Based on these interviews, several themes emerged which are now presented.

#### **The Clients**

- The majority of JFES clients are people who want to succeed, but their barriers to employment, the system, and other issues get in their way and they drop off. The majority of customers really want to benefit from JFES. They just need the guidance and support to do it.
- A sizeable number of clients (estimated at 40 percent) do not show up for their exit interviews. Had they attended the interview, they may have received extensions, food stamps, and/or other services.

### **The Economy**

- Greater numbers of the earlier welfare leavers found jobs: this may be due to the economy and employers willing to take inexperienced employees (now the market is tighter). The current caseload is harder to serve and slower to find jobs.
- The first four years of TANF—pre-9/11—were good years for the economy and this contributed to the sharp decline in the number of TFA cases. The economy is a big factor in TFA recipients finding employment.
- Unconfirmed suspicion that there are many people living in deep poverty.

### **The TFA Program**

- There are regional differences across the WIBs with different operational systems and processes.
- TANF block grant money originally used and intended to directly provide cash assistance and employment services is now being used for other, indirectly related programs, short-changing the employment services, child care and sufficient number of DSS and DOL agency staff
- Cash assistance amounts have remained unchanged for many years.
- Not enough is done to prepare temporarily exempt clients for possible future work. For example, someone who is exempt because they have a child under 1 year old, can still be preparing for their future entrance into the workforce (e.g., GED, other preparations); someone caring for an elderly/disabled parent will someday need to enter the workforce after the parent dies or goes into a nursing home; and someone caring for a disabled child will eventually have that child in school and the parent will be freed up to work.
- The sanctioning rate is not very high in Connecticut (ranges from 1-2 percent), and there are concerns about the length of time taken to process sanctioning referrals.

### **Related Programs**

- The Diversion program is not used very often. It compares unfavorably to the TFA cash assistance. Ways to make the Diversion program more attractive would encourage greater usage.
- The Safety Net program rewards sanctioned, uncooperative participants while not serving participants who have made a good faith effort to find employment and have been timed off the system. A safety net does not exist for cooperative people who have timed out of the system.
- There are issues with the Care 4 Kids program including: difficulty processing the lengthy applications in a timely fashion; providers caring for children without reimbursement for rejected applications; and communication between JFES case managers and Care 4 Kids staff. The recent transfer of the administration of the program to the United Way, however, has resulted in an improvement to the system.

### **The Barriers**

- The Service Needs Assessment under-reports barriers to employment. This may occur because: there is not enough time to do a more thorough assessment; the client is unwilling to disclose barriers; or the client does not recognize the issue as a barrier to employment. DSS officials are hoping to have a more extensive mental health screen, particularly if a client is being sanctioned.
- More education and vocational training is needed to assist clients in getting good paying jobs. To really help these clients, deeper issues need to be addressed instead of focusing on trying to get them into any job as soon as possible.

### **The Outcomes**

- Measuring program outcomes is very difficult—not only because of the limitation of the automated systems—but because of the staff reductions—particularly in research functions—and difficulties maintaining contact with recipients once they have left cash assistance.
- The automated systems used by the Department of Social Services and the Department of Labor were not intended for use to conduct research such as the measuring of outcomes, summarizing information about caseloads, and tracking what happens to welfare recipients. Wage data is also very challenging to obtain due to confidentiality issues, six-month lags in availability of information, and exclusion of wages earned in self-employment, at companies headquartered outside of Connecticut, or earned in another state.
- Many would like to know whether recipients have benefited at the end of the 21 months—are they any better off? It is hard to get a handle on what has happened to leavers. Are some programs or activities more effective than others? What would be most useful?

## **APPENDICES**



## Appendix A

This appendix contains some comparative information on selected other states and some of the key provisions of their welfare programs. Table A-1 provides a summary of the narrative.

### **Time Limits**

Welfare time limits apply to non-exempt TANF recipients in Connecticut and are among the shortest in the nation. The lifetime limit of 21 months is the lowest lifetime limit; however, most clients that apply can receive at least two 6-month extensions, extending the limit to 33 months for time-limited clients which would surpass three other states. No other New England state has a lifetime limit under the federal limit of 60 months. Massachusetts does limit its nonexempt recipients to 24 months out of a 60 month period, and 11 other states have similar policies that allow for the full 60 months of lifetime eligibility while allowing for shorter periods within a specific time frame.

### **Diversions Payments**

Since 1999 Connecticut has provided potential TFA recipients who are facing a short term set back with the option of taking a lump sum diversion payment instead of beginning long-term monthly assistance. While Maine is the only other New England state to offer this option, a majority of other states outside of New England offer similar programs.

### **Initial Eligibility (family of three)**

Nationwide, Connecticut ranks 5<sup>th</sup> in cost of living, and 2<sup>nd</sup> (only behind D.C.) in per capita income, it ranks first in both categories in New England. The maximum income for initial TANF eligibility has remained at \$835 for a family of three since the beginning of the Jobs First program in 1996, falling from the 11<sup>th</sup> highest limit to 18<sup>th</sup>. Only Massachusetts and New Hampshire have lower income eligibility limits in New England. Connecticut's asset limit of \$3000 is the highest in New England and 11<sup>th</sup> in the nation. Connecticut allows a vehicle exemption of up to \$9500. New Hampshire and Vermont allow one vehicle per licensed driver, and Maine allows one vehicle per household, regardless of value. Eleven states exempt all vehicles owned by a household.

### **Earned Income Disregard**

Connecticut's earned income disregard, the amount that a family can earn and still remain eligible for TFA, is 100% of the federal poverty level which is the highest in New England and among the highest in the nation.

### **Maximum Monthly Benefit (family of three)**

While Connecticut's maximum monthly benefit for a family of three is the 11<sup>th</sup> highest in the nation, it has remained unchanged since 1995 and only Maine has a lower benefit level in New England. Vermont offers the highest monthly benefits in New England.

### **Family Cap**

Along with 21 other states, Connecticut has a family cap policy that reduces benefit amounts for children who are conceived while on assistance. Massachusetts, however, is the only other New England state with a similar policy.

### **Work-Related Activity Requirements**

Connecticut is among the majority of states that require work-related activities to begin immediately in order to receive benefits; Massachusetts is the only New England state that does not, requiring them to begin within 60 days. Connecticut is the only state in New England, and one of only five in the nation that does not include postsecondary education as an allowable activity. The other four states are California, Hawaii, Idaho and Indiana.

**Table A-1. Comparison of Key Provisions – Selected Other States.**

<i>States</i>	<i>Time Limits</i>	<i>Maximum Income for Initial Eligibility (family of three)</i>	<i>Asset Limit</i>	<i>Vehicle Exemption</i>	<i>Earned Income Disregard</i>	<i>Monthly Benefit (family of three)</i>	<i>Family Cap</i>	<i>Diversion Payments</i>
CT	21 months <sup>1</sup>	\$835	\$3000	\$9500 equity	100% of FPL	\$543	Yes	Yes
MA	24 of 60 months for nonexempt, no time limit otherwise	\$723	\$2500	\$5000 equity / \$10000 fair market value	\$120 and 33.3% of remainder (exempt) \$120 and 50% of remainder (nonexempt)	\$633	Yes	No
ME	None <sup>2</sup>	\$1023	\$2000	One vehicle per household	\$108 and 50% of remainder	\$485	No	Yes
NH	60 months	\$781	\$2000 <sup>7</sup>	One vehicle per licensed driver	50%	\$625	No	No
RI	60 months <sup>3</sup>	\$1278	\$1000	\$1500 equity / \$4650 fair market value	\$170 and 50% of remainder	\$554	No	No
VT	None	\$1001	\$1000 <sup>8</sup>	One vehicle per adult	\$150 and 25% of remainder	\$639	No	No
NJ	60 months	\$636	\$2000	\$9500 fair market value	100% first month, 50% thereafter	\$424	Yes	Yes
NY	60 months <sup>4</sup>	\$667	\$2000/ \$3000 <sup>9</sup>	\$4650 fair market value	\$90 and 51% of remainder	\$577	No	Yes
VA	24 months, followed by 24 months of ineligibility <sup>5</sup>	\$1272	\$1000	One vehicle per household	\$120 and 33.3% of remainder first 4 months, \$120 next 8 months, \$90 thereafter	\$320	Yes	Yes
WI	60 months	— <sup>6</sup>	\$2500	\$10000 equity	No disregards – flat grant amount	\$673	No	Yes

<sup>1</sup> Recipients may apply for an extension to the time limit once their 21 months of assistance have expired. Recipients must reapply for extensions every six months. Recipients may only receive two extensions unless they meet specific criteria. If recipients are sanctioned during the extension period, they are ineligible to receive benefits again. Units may only receive a total of 60 months, including extensions.

<sup>2</sup> Units in compliance with TANF program rules may continue to receive benefits beyond 60 months. If members of the unit have been sanctioned three or more times during their 60 months of assistance, the adult's needs are not considered for benefit computation for an amount of time equal to the length of the adult's last sanction period.

<sup>3</sup> Only the adult portion of the benefit is terminated at 60 months.

<sup>4</sup> After 60 months, the unit is still eligible to receive non-cash assistance through the state's Safety Net Assistance program

<sup>5</sup> After receiving 24 months of assistance, the unit may receive up to 12 months of transitional benefits. The 24

months of ineligibility begins with the month in which the case was closed or the month in which transitional benefits were terminated, whichever is later. There is a 60 month lifetime limit.

<sup>6</sup> Units with full-time employment (generally greater than 30 hours a week) will not receive a cash benefit in the state. There are provisions to provide prorated benefits to Community Service Jobs participants who are also employed part-time at an unsubsidized job. These eligibility determinations are made on a case-by-case basis. Recipients may earn up to \$1462 and still be eligible for non-financial assistance.

<sup>7</sup> The asset limit for applicants is \$1000

<sup>8</sup> In addition to the \$1000 asset limit, up to 100% of the unit's total gross earnings from the previous month, if placed in a savings account, will not count toward its asset limit.

<sup>9</sup> Units including a member age 60 years and over may exempt \$3000, all other units exempt \$2000.

Sources: Rowe, Gretchen and Versteeg, Jeffrey. (2005). Welfare Rules Databook: State TANF Policies as of July 2003. *The Urban Institute*.



<b>Appendix B. Definitions of Allowable Work Activities to Count Toward WPR under DRA.</b>	
<b>Core Work Activity</b>	<b>Definition</b>
<i>Unsubsidized Employment</i>	Any work in which the wages are paid solely by the employer without any public sector subsidy. Unsubsidized employment also includes self-employment.
<i>Subsidized Private Sector Employment</i>	Work in which wages are paid for in part by the employer and in part with public funds. Employers may have jobs in the for-profit or not-for-profit sector. The subsidy is given for a limited period of time.
<i>Subsidized Public Sector Employment</i>	Work in which wages are paid for in part by the employer and in part with public funds. Employers may have jobs in a federal, state or local government organization. The subsidy is given for a limited period of time.
<sup>1</sup> <i>Work Experience</i>	Time-limited, paid, supervised work that is intended to improve the employability level of clients who have not otherwise been able to secure a job. The supervised work can occur in either the public or private sector. The work experience must follow Connecticut wage and hour laws as well as adhere to the Fair Labor Standards Act requirements.
<i>On-The-Job Training (OJT)</i>	Paid and supervised work activities that may take place in either the public or private sector. In these situations, the client is given training in the skills and knowledge needed to do a specific job. The public or private sector employer is reimbursed at least in part to cover the training and supervision given to the client.
<i>Job Search and Job Readiness Training</i>	Encompasses a variety of structured activities that last for a period of four to six weeks. The activities that may occur either in a supervised group or one-on-one with the client and include: <ul style="list-style-type: none"> <li>• Job search techniques, completing job applications, interviewing, resumes;</li> <li>• Life skills training;</li> <li>• Orientation to the world of work, motivational exercises, family budgeting;</li> <li>• Job placements and job development; and</li> <li>• Supervised support groups.</li> </ul>
<i>Vocational Education Training</i>	Training that is expected to result in the client gaining a particular skill or knowledge. This formal training can occur in a classroom and/or workplace setting and includes: occupational skills training; ESL, GED and ABE when the education is delivered as part of a vocationally focused curriculum; and entrepreneurial training as appropriate.
<i>Community Service</i>	A client volunteers to work at a public or non-profit organization. The advantage to the client is development of appropriate work skills and a work history that can be used when applying for future employment. Community service may also include volunteering in community-based programs, where the goal is community enhancement rather than improving the employability of the client.
<i>Child Care for Others Doing Community Service</i>	Counted toward time spent in a core activity when the child care is for a client in community service. Two-parent households can not count care for their own child as an activity while the other parent is participating in community service.
<b>Non-Core Work Activity</b>	<b>Definition</b>
<i>Job Skills Training Directly Related to Employment</i>	Any suitable occupational or vocational training given to a client that will result in a job.
<i>Education Directly Related to Employment</i>	For clients who do not have a high school diploma or GED, and includes Adult Basic Education (ABE), GED, and English as a Second Language (ESL) programs that are not a piece of a vocational educational program.
<i>High School Completion/GED</i>	an option for clients who did not complete high school earlier. With instruction delivered in adult education or other settings, clients work toward attaining the academic skills and concepts needed to pass a multi-part written exam, resulting in the equivalency of a high school diploma.
<sup>1</sup> Consistent with the Deficit Reduction Act definition, beginning July 1, 2006, the activity previously defined as “work experience” will now be included under “subsidized employment.”	
Source: Department of Labor	



**Appendix C. State TANF Work Participation Rates Gaps to Avoid Federal Penalties in FFY 2007**

<i>State</i>	<i>Baseline TANF WPR FFY2004</i>	<i>WPR "Gap" for FFY2007</i>	<i>Percentage Improvement Needed</i>	<i>Loss of 5% of Block Grant for Failing to Meet Rate</i>	<i>Increase in Required State Spending</i>
ALABAMA	38%	12%	32%	\$4,665,760	\$7,280,035
ALASKA	39%	11%	27%	\$2,668,855	\$5,406,834
ARIZONA	29%	21%	75%	\$10,113,153	\$15,874,203
ARKANSAS	30%	20%	64%	\$2,836,643	\$4,225,906
CALIFORNIA	26%	24%	92%	\$184,915,814	\$364,971,585
COLORADO	35%	15%	42%	\$6,802,835	\$12,327,562
CONNECTICUT	22%	28%	125%	\$13,339,405	\$25,567,475
DELAWARE	26%	25%	96%	\$1,614,549	\$3,065,954
DIST. OF COL.	18%	32%	176%	\$4,630,491	\$9,327,087
FLORIDA	43%	7%	17%	\$28,117,006	\$52,674,571
GEORGIA	25%	25%	100%	\$16,537,087	\$28,094,989
HAWAII	36%	14%	37%	\$4,945,239	\$9,688,562
IDAHO	44%	6%	13%	\$1,520,628	\$2,388,987
ILLINOIS	46%	4%	8%	\$29,252,848	\$57,925,394
INDIANA	34%	16%	46%	\$10,339,955	\$17,908,323
IOWA	50%	0%	0%	\$6,576,248	\$10,707,133
KANSAS	36%	14%	39%	\$5,096,553	\$9,213,193
KENTUCKY	38%	12%	30%	\$9,064,383	\$13,558,945
LOUISIANA	38%	12%	32%	\$8,198,599	\$11,892,941
MAINE	31%	19%	60%	\$3,906,044	\$6,407,640
MARYLAND	19%	31%	159%	\$11,454,902	\$23,252,598
MASSACHUSETTS	10%	40%	408%	\$22,968,556	\$46,898,391
MICHIGAN	24%	26%	107%	\$38,767,643	\$70,002,202
MINNESOTA	29%	21%	73%	\$13,358,067	\$25,304,259
MISSISSIPPI	21%	29%	141%	\$4,338,379	\$5,786,666
MISSOURI	20%	31%	156%	\$10,852,587	\$18,860,638
MONTANA	39%	11%	29%	\$2,148,839	\$3,137,727
NEVADA	39%	11%	29%	\$2,198,838	\$3,898,096
NEW HAMPSHIRE	33%	17%	51%	\$1,926,063	\$4,067,063
NEW JERSEY	34%	16%	49%	\$20,201,741	\$40,212,408
NEW MEXICO	46%	4%	8%	\$5,464,505	\$7,622,296
NEW YORK	42%	8%	20%	\$122,146,530	\$236,718,426
NORTH CAROLINA	36%	14%	39%	\$15,111,980	\$25,390,364
NORTH DAKOTA	24%	26%	105%	\$1,319,990	\$1,924,609
OHIO	70%	-20%	-29%	\$36,398,413	\$62,453,830
OKLAHOMA	33%	17%	52%	\$7,379,712	\$11,451,497
OREGON	9%	41%	484%	\$8,339,931	\$14,449,018
PENNSYLVANIA	9%	41%	481%	\$35,974,965	\$63,116,671
RHODE ISLAND	22%	28%	123%	\$4,751,079	\$8,775,548
SOUTH CAROLINA	30%	20%	69%	\$4,998,391	\$7,393,507
SOUTH DAKOTA	55%	-5%	-9%	\$1,063,983	\$1,632,535
TENNESSEE	15%	35%	225%	\$9,576,190	\$15,096,849
TEXAS	39%	11%	28%	\$24,312,838	\$40,027,888
UTAH	29%	21%	73%	\$3,780,474	\$5,439,743
VERMONT	23%	27%	122%	\$2,367,659	\$4,070,985
VIRGINIA	33%	17%	53%	\$7,914,259	\$16,459,137
WASHINGTON	34%	16%	45%	\$19,887,767	\$37,730,153
WEST VIRGINIA	12%	38%	305%	\$5,508,816	\$7,661,718
WISCONSIN	60%	0%	0%	\$15,833,809	\$27,062,105
WYOMING	81%	0%	0%	\$925,027	\$1,528,948

Source: Estimates based on FFY 2004 WOR and Congressional Research Service Analysis of the effects of the DRA – NCSL 2006.



## **APPENDIX D: *JFES Program Operating Principles***

1. The primary focus of the JFES program is to assist participants to become independent of assistance through employment
2. Every participant shall be assigned to activities that will enable him/her to become and remain independent of TFA. Whenever possible, activities shall be combined in a way which will meet the federally established participation rates
3. Each service delivery area shall manage their caseload in such a way as to meet the state target levels for the participation rates. If the caseload is managed by smaller “units” of case managers, each case management unit supervisor is to ensure that their unit’s caseload is meeting the participation rate
4. An individualized employment plan based on assessment of skills, abilities, work experience, education level, aptitudes, interests and program goals is developed for every participant. The individual employment plans for parents in a two-parent family are coordinated with each other in order to meet program goals. The combination of both parents’ plans constitutes a plan for the family.
5. If, based on the assessment, it is determined that the family is capable within the first 21 months or anytime during an extension period of obtaining employment at earnings equal to the Federal Poverty Level for their family size, the participant(s) are required to find and/or maintain employment at the Federal Poverty Level as soon as possible
6. If it is determined that the family cannot obtain earnings at the Federal Poverty Level (In the case of a two-parent family, both parents wages or potential wages are combined) without further training and/or education, the participant(s) are assigned work, education and/or training activities that will maximize the families income level within the first 21 months of assistance. For participants in extensions, work, education and/or training activities that will maximize the family income level as soon as possible are assigned. Whenever possible, employment shall be combined with education and training in such a way that the combination is countable toward the federally established participation rate.
7. As long as consistent with the program goals, employment plan activities are based on the participant’s interests, ability, availability of resources and labor market demands. Motivation is key to success.
8. If it is evident that the family will not be able to become or remain independent of TFA through current employment or future employment that is secured (such as seasonal employment) without additional education and/or training, new or additional activities designed to increase the family income may be assigned, which may preclude continuation of existing employment or self-employment
9. The operating principles listed above apply to all participants according to their needs, regardless of race, ethnicity, gender, religion, disability or sexual orientation



**APPENDIX E: TFA Payment Regions by Town**

<b>Region</b>	<b>Towns and Cities in the Region</b>					
A	Bethel	Darien	New Milford	Ridgefield	Washington	
	Bridgewater	Greenwich	Newtown	Roxbury	Weston	
	Brookfield	New Canaan	Norwalk	Sherman	Westport	
	Danbury	New Fairfield	Redding	Stamford	Wilton	
B	Andover	Columbia	Franklyn	Mansfield	Plainfield	Stratford
	Ashford	Coventry	Glastonbury	Marlborough	Plainville	Suffield
	Avon	Cromwell	Granby	Meriden	Plymouth	Thompson
	Berlin	Deep River	Griswold	Middlefield	Pomfret	Tolland
	Bethany	Durham	Groton	Middletown	Portland	Trumbull
	Bloomfield	Eastford	Guilford	Milford	Preston	Union
	Bolton	East Granby	Haddam	Monroe	Putnam	Vernon
	Bozrah	East Haddam	Hamden	Montville	Rocky Hill	Voluntown
	Branford	East Hampton	Hampton	New Britain	Salem	Wallingford
	Bridgeport	East Hartford	Hartford	New Haven	Scotland	Waterford
	Bristol	East Haven	Hebron	Newington	Shelton	Westbrook
	Brooklyn	East Lyme	Killingly	New London	Simsbury	West Hartford
	Burlington	Easton	Killingworth	No. Branford	Somers	West Haven
	Canterbury	East Windsor	Lebanon	North Haven	Southington	Wethersfield
	Canton	Ellington	Ledyard	N. Stonington	S. Windsor	Willington
	Chaplin	Enfield	Lisbon	Norwich	Sprague	Windham
	Chester	Essex	Lyme	Old Lyme	Stafford	Windsor
	Clinton	Fairfield	Madison	Old Saybrook	Sterling	Windsor Locks
	Colchester	Farmington	Manchester	Orange	Stonington	Woodbridge Woodstock
	<b>Region</b>	<b>Towns and Cities in the Region</b>				
C	Ansonia	Colebrook	Kent	Norfolk	Sharon	Watertown
	Barkhamsted	Cornwall	Litchfield	North Canaan	Southbury	Winchester
	Beacon Falls	Derby	Middlebury	Oxford	Thomaston	Wolcott
	Bethlehem	Goshen	Morris	Prospect	Torrington	Woodbury
	Canaan	Hartland	Naugatuck	Salisbury	Warren	
	Cheshire	Harwinton	New Hartford	Seymour	Waterbury	

Source: Connecticut Department of Social Services Uniform Policy Manual



**Appendix F. Counters For Time-Limited TFA Cases**

<b>Counter</b>	<b>When Counter Began</b>	<b>Maximum months on Counter</b>	<b>Count partial months?</b>	<b>Funding Source for Program</b>	<b>Counts 2-P families?</b>	<b>Comments</b>
Federal Non-CT TANF Counter	October 1996 or when a particular state implemented TANF	60	Yes	Any Federal Dollars Used All states combined	No	Counts number of months of TANF assistance received in other states.
Federal CT TANF Counter	October 1996	60; Counts assistance from CT; Counts months paid for with at least \$1 of Federal money during time-limited status	Yes	Any Federal Dollars Used	No	Counts months client received TANF assistance in CT; Important for Federal reporting purposes. Excludes time in programs funded by MOE (2-P). Counts some exempt months as of 10/2001 due to the expiration of the AFDC waiver. Until the waiver expired, the federal government allowed clients exempt under CT rules to also be exempt from Federal participation requirements.
Federal Total TANF Counter	October 1996	60; Counts the total number of months a client received TANF assistance in any state	Yes	Any Federal Dollars Used	No	Sum of Federal Non-CT TANF Counter + Federal CT TANF Counter
State TFA Counter	October 1996	60; includes any month they got TFA, no matter how they funded it	Yes	Federal or State Dollars used	Yes	Counts time-limited months on TFA program, including partial months
Jobs First/AU Counter	February 1996	21; plus extensions; requirements more restrictive after first 2 extensions	No	Federal or State Dollars used	Yes	Counts time-limited months in program, beginning with the first full month. Used to determine eligibility for time-limited Jobs First benefits.



## Appendix G

### Program Review Contact with Organizations and Other Interested Parties

Acting Commissioner of Department of Labor  
African-American Affairs Commission  
Bristol One-Stop  
Care4Kids United Way  
Coalition for a Working Connecticut (Meeting)  
Commissioner of Department of Social Services  
Connecticut Association of Human Services  
Connecticut Employment and Training (Commission Meeting)  
Connecticut Voices for Children  
Connecticut Women's Education and Legal Fund  
DOL Jobs First Employment Services, Welfare to Work Program, DOL Director of Research,  
WIA Program  
DSS Division of Assistance Programs Central Office Director, Research Analyst, MIS staff,  
DSS Manchester Office  
DSS New Haven Office  
Greater Hartford Legal Aid  
Greater Hartford Literacy Council (Quarterly Meeting)  
Hartford WIB (North Central WIB)  
Latino & Puerto Rican Affairs Commission  
Legal Assistance Resource Center

#### Legislative Office of Fiscal Analysis

Legislative Office of Legislative Research  
Middletown One-Stop  
New Haven WIB (South Central WIB)  
Office for Workforce Competitiveness  
Permanent Commission on the Status of Women  
TANF Council