

## CONNECTICUT'S WELFARE REFORM INITIATIVE

### BACKGROUND

The national welfare reform act (*Personal Responsibility and Work Opportunity Reconciliation Act of 1996*) dramatically changed the welfare system into a time-limited, temporary program, with imposed new work requirements. The resulting Connecticut reform replaced welfare with work using a three-pronged approach: (1) a limitation of 21-months cash assistance for most recipients; (2) a “balanced work first” approach, requiring recipients to work or participate in employment services intended to assist in finding jobs quickly; and (3) a financial work incentive that permits employed recipients to retain their full welfare grant for up to two years.

Federal funding is provided by the Temporary Assistance for Needy Families (TANF) block grant. A 60-month lifetime benefit limitation for many recipients was added in 2001. The federal *Deficit Reduction Act of 2005* reauthorized TANF, strengthening the work requirements through changes in how caseload reduction credits are calculated, and financially penalizing states that do not meet the amended work participation standards.

The state of Connecticut began transitioning from its welfare program, Aid to Families with Dependent Children (AFDC), to the Jobs First program in 1995, just prior to adoption of the 1996 federal law. The program is intended to provide transitional cash assistance and supply individuals with the tools they need to become self-supporting within 21 months. Between 1996 and 2005, the number of Connecticut families receiving cash assistance decreased 64 percent, from approximately 58,000 in 1996 to 21,000 in August 2005. About 8,400 of the 21,000 families were considered employable in August 2005, and were required to participate in the *Jobs First Employment Services program* (JFES), administered by the Connecticut Department of Labor (DOL) in partnership with the Department of Social Services (DSS) and the Regional Workforce Investment Boards. The remaining 12,600 families receiving cash assistance were exempt from work requirements due to child-only case status, care for a child less than one year old, or incapacitation of adult family member.

A six-year independent evaluation was completed in 2002 by a consultant (MDRC) under contract with DSS. The study compared clients enrolled in AFDC to those in the Jobs First program. The study concluded that Jobs First participants were more likely to be working, have higher earnings, not be on welfare, and have young children who showed some modest improvements in behavior but mixed effects on adolescent children.

A more recent study completed in November 2005 by the Legal Assistance Resource Center of Connecticut, found that 60 percent of the 21,000 families currently receiving cash assistance are exempt from work requirements due to conditions that make them unable to work. Of those, more than half are exempt because they are “child only”<sup>1</sup> cases. Those not exempt from work requirements often have multiple barriers to employment, and earn an average of \$8.77 an hour when they are employed.

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<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.

# Scope of Study

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While several smaller studies were conducted during the early years of welfare reform, there has not been a comprehensive examination of Connecticut's welfare reform initiative since the original six-year study. Additionally, human service advocates have expressed concerns about Jobs First Employment Services not providing parents with the education and skills needed to obtain jobs with sufficient income to support their families.

## AREA OF FOCUS

This study would: 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.

## AREAS OF ANALYSIS

- Identify federal and state laws governing the operation of the Jobs First Program by summarizing the major program components.
- Describe how program eligibility, work requirement exemptions, TFA extensions, and sanctioning are determined.
- Examine trends in caseload and participation rates in the Jobs First program since inception, and identify reasons for caseload changes overall and within exempt and non-exempt groups.
- Assess Connecticut's compliance with federally required work participation rates and caseload reductions, and compare with other states.
- Compare the differences between exempt and non-exempt families relative to:
  - demographic characteristics (including length of Connecticut residency);
  - barriers to employment;
  - financial conditions; and
  - services needed and received.
- Compare recipient characteristics and aspects of the Jobs First program that were most likely to produce a reduction in cash assistance and reliance on government programs to those who left due to sanctioning or reaching the time limit.
- Evaluate whether there are obstacles that prohibit moving families from exempt to non-exempt status.
- Review the organizational roles and responsibilities of DSS and DOL in Jobs First including:
  - interagency collaboration and cooperation;
  - sharing of computerized interagency information and case management;
  - employment service contract administration; and
  - efficiency in client assessment, delivery of services and tracking outcomes.
- Evaluate if the JFES program:
  - has been implemented according to statute; and
  - is meeting the needs of the participants in preparing, placing and maintaining parents in training programs and jobs.
- Determine the rate of receipt of other, non-TFA benefits such as Medicaid, SSI/SSDI, childcare, transportation, food stamps and to the extent possible, other government programs for current and former TFA recipients.

## Scope of Study

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- Identify how funds from the TANF Block Grant and related state funds are being expended.

### **Areas Not Under Review**

Follow-up on what happened to recipients once they left welfare is not included as this information is not currently collected by DSS or DOL.