Jeffrey A. Meyers
Commissioner

Mark F. Jewell
Director

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF ECONOMIC & HOUSING STABILITY
BUREAU OF FAMILY ASSISTANCE

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May 11, 2018

The Honorable Frank Kotowski
Health and Human Services Oversight Committee, Chairman
Legislative Office Building
33 North State Street, Room 205
Concord, NH 03301

Dear Honorable Chairman Kotowski:

In accordance with RSA 167:77-c, the Division of Economic & Housing Stability is providing annual information to the Health and Human Services Oversight Committee concerning the Temporary Assistance for Needy Families (TANF) financial assistance program.

As you know, our families are affected by the economic situation in our state and nation. I hope the enclosed information illustrates the efforts of the Division to serve our vulnerable families.

This report provides and illustrates caseload and program impacts from January to December 2017. You may obtain archived reports if needed by contacting Lynn Wilder, Bureau Chief at 271-9275.

Please feel free to call me at 271-9296 if you have questions or require additional information or clarification.

Sincerely,

Mark Jewell
Director

Attachments
cc: The Honorable John Reagan
The Honorable Martha Fuller Clark
The Honorable Charles McMahon
The Honorable James MacKay
Ann Fitzgerald, House Committee Services Director
David Bates, Committee Researcher
John Williams, Director of Legislative Affairs, DHHS
The Honorable Jeb Bradley
The Honorable Donald LeBrun
The Honorable Frank Byron
The Honorable Patrick Long

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Report to Health & Human Services Oversight Committee

The Department of Health and Human Services' mission is to assist communities and families in providing opportunities for citizens to achieve health and independence. The Division of Family Assistance works to provide financial, medical and employment support services to those in need, in order to assist individuals in reaching economic self-sufficiency.

It is the intent of the Division to provide services aimed at eliminating or reducing the harmful effects of poverty on families and children by fostering employment opportunities as a means to economic independence. The Division of Economic & Housing Stability (DEHS), Bureau of Family Assistance (BFA) manages the Temporary Assistance for Needy Families (TANF) program. The four goals of TANF (Public Law 104-193, August 22, 1996, Sec. 401(a)) are:

1. To provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives,
2. To end dependence of needy parents on governmental programs by promoting job preparation, work and marriage,
3. To prevent and reduce the incidence of out of wedlock pregnancies; and
4. To encourage the formation and maintenance of two parent families.

The New Hampshire Employment Program (NHEP) is the work component of the TANF program. The goals of the New Hampshire Employment Program (RSA 167:77, V) are to assist participants to gain employment as rapidly as possible, given due consideration to individual circumstances, labor market conditions, the needs of the dependent children for continuing care and protection, and the ultimate goal of long-term economic independence. NHEP helps maintain and strengthen family life by enabling able-bodied adults with dependent children to assume responsibility for their families through work. NHEP provides a comprehensive support service package to promote economic independence. Partnerships with employers are developed to create job opportunities and meet the needs of both employers and participants. The Department developed a work program where it is more advantageous to work than not to work by rewarding self-sufficiency.

The Temporary Assistance for Needy Families (TANF) program provides financial assistance to needy populations and consists of a number of different categories, depending on the family's situation. Below specifies the caseload numbers in each category for the month of December 2017 from the TANF/Family Snapshot Report which reports caseload numbers at the end of the month (point in time number):

- **Total Temporary Assistance for Needy Families (TANF)** – 3,241 cases – which can be thought of as traditional welfare assistance for all categories that fall under TANF (except the Nutritional Supplement for Working Families program which is reported separately);
- **New Hampshire Employment Program (NHEP)** – 1,321 cases – the category for TANF cases where there is an able-bodied adult participating, or soon to be participating, in the mandatory work program;

- **Family Assistance Program (FAP)** – 1,687 cases – this TANF category is for child-only cases where the parent or caretaker relative is not receiving financial assistance or the parent in the case has a permanent disability. In December 2017, only 52 are adults are in this category, the rest are children;
- **Interim Disabled Parent** (IDP) – 230 cases – the category of TANF for those cases that include an adult who has a documented disability which is considered temporary and is unable to work or participate in work programs at this time; and
- **Families With Older Children (FWOC)** – 13 cases – the category of TANF for those cases that includes an older child still attending a secondary education program;
- **Nutritional Supplement for Working Families (NSWF)** – 1,912 cases – this a separate TANF category is a nutrition program for families who are receiving Supplement Nutrition Assistance Program (SNAP) benefits, are employed 35+ hours a week and are a single parent with dependent child(ren) in the household. These families receive a small supplemental food stipend due to full time employment.

In July of 2017 with the passage of the State budget, the TANF cash assistance payment calculation was changed to align with the Federal Poverty Guidelines (FPG), similar to eligibility scales used by most means-tested programs to determine eligibly for program services. Under the old calculation, the TANF cash assistance amount was aligned with approximately 39% of the FPG, resulting in families living in what is referred to as 'deep poverty' which is under 50% of the FPG. The new alignment is set at 60% of the FPG, moving families out of deep poverty albeit still living well below 100% of the poverty line.

The overall TANF caseload has seen an increase due to this updated calculation and alignment with the FPG. Over calendar year (CY) 2017, the TANF caseload has increased by 25% or 651 cases. Examining just at the caseload count for the NHEP category of TANF, this category has seen the most significant increase of 41% or 382 cases for CY 2017.

As the NHEP category has seen the most significant increase, it is important to note that in December 2017, 44% or 450 parents of the NHEP caseload had some employment hours in the month. When we look at that same number a year earlier, in December 2016, 33% or 237 parents had some employment hours. We are seeing an increase in the percentage of families working, which is expected. It is hoped that when families have new or increased wages that make them ineligible for TANF cash assistance, that the higher wages from employment will help the family securely attach to the labor market and positively affect the recidivism rate.

RSA 167:77-c, Outcome Measurement System. The department shall establish an outcome measurement system with the following areas of analysis:

State Law Cite	RSA Language	INFORMATION PROVIDED BY THE DIVISION OF FAMILY ASSISTANCE
RSA 167:77-c, I	The oversight committee established by RSA 126-A:13 shall monitor changes to the state TANF program made as a result of the federal reauthorization of TANF in 2005 and shall provide informational meetings on such changes to the general court.	The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) (Pub. L. 104-193) created the Temporary Assistance for Needy Families (TANF) block grant that fundamentally transformed welfare from a cash benefits program to a program focused on work and temporary cash assistance. Under TANF, adults receiving assistance are expected to engage in work activities and develop the capability to support themselves before their time-limited assistance runs out. States are required to assist recipients in making the transition to employment. Also, States are expected to meet work participation rates in order to maintain their full Federal funding and avoid penalties. On February 8, 2006, the President signed the Deficit Reduction Act of 2005 (Pub. L. 109-171). The Deficit Reduction Act of 2005 strengthened work participation requirements by recalibrating the caseload reduction credit so that States only receive credit for additional caseload reductions after FY 2005. The law also created a new penalty for States that fail to establish and maintain procedures to verify reported Work Participation Rate (WPR) data. The New Hampshire Employment Program (NHEP) is the mandatory work program that operates under the TANF program and is responsible for the WPR. NHEP Employment Counselors, who oversee the work program under DFA's Bureau of Welfare to Work, engage clients in approved work activities needed to achieve a mandated 50% work participation rate. The WPR is based on having 50% of the caseload participating in specific work activities for a specified number of hours per week, depending on the age of the children in the household. The denominator to calculate this rate includes the Interim Disabled Parent caseload per federal definition, albeit these clients have documented a temporary disability verified by a medical professional as to being unable to be engaged in a work program. Federal authorities will only exclude those from the denominator who have been determined eligible for SSDI or SSI due to a disability. There are federal financial penalties that will be applied if States do not meet a 50% WPR. Numerous changes had to be instituted to meet the requirements of this law from 1996 through today. Initial and subsequent changes included:

1. Changing an exemption policy from the work program for parents with children under 2 years old, to children under one year old, and eliminating the pregnancy exemption.
2. Making attendance at the work program NHEP Orientation a mandatory condition of TANF eligibility.
3. Aligning NHEP work program activities with the federal work program activities definitions.
4. Updating processes and computer systems to meet the federal requirement of obtaining paper verification of weekly hours of participation in federally defined work activities.
5. Streamlining the financial sanction process for participants who were not meeting program requirements and did not have a good cause reason, from an eight month process to a ten-week process. Clients who are not in compliance gradually lose TANF cash assistance. If they do not come into compliance in the ten-week timeframe, the family is closed from the TANF program.
6. Implementing a Precision Case Management model to ensure the program is being delivered consistently in every corner of the State and that client outcomes are being achieved. One piece of this model includes using Motivational Interviewing (MI) techniques, adapted from substance abuse treatment modalities, includes meeting clients where they are and helping them to identify and achieve their desired outcomes. A new TANF Coaching Model is being explored to further enhance the MI case management model.
7. Ensuring the Federal Work Participation Rate (WPR) is being reported to ACF, as follows:

Federal Fiscal Year	WPR Average
FFY 12	51.1%
FFY 13	50.4%
FFY 14	48.4%
FFY 15	44.9%
FFY 16	38.9%
FFY 17	33.8%*

*WPR average of 33.8% is unofficial.

As caseloads had been declining through SFY 17, the work program is now serving the hardest to serve clientele, many affected by the opioid crisis in the state. Clients have multiple barriers to be able to fully participate in work activities and meet their weekly requirements. The most reported barriers include transportation, child care, health and housing. These factors are likely contributing to the decrease in the WPR. New Hampshire is still able to meet the federally required WPR and avoid financial penalty due to the category of TANF described in #8 below.

8. A strategy to meet the required WPR and avoid federal financial penalty, used by many States, is the addition of a Nutritional Supplement for Working Families (NSWF) program that NH adopted in 2011. This program helps

to ensure the State meets federal mandates and avoids any loss of federal and/or State funds. In this program, TANF federal funds are used to pay a small nutritional benefit to working SNAP recipients which allows the State to both reward families for working and to include those recipients in the WPR. This program ensures the State will meet the mandated work participation rate. It is interesting to note that as the pure WPR has declined, the NSWF rate has increased supporting the notion that those who can work, are working, in this economy. Below illustrates both the WPR with and without the NSWF program:

Federal Fiscal Year	WPR Average	NSWF WPR Average
FFY 12	51.1%	73.0%
FFY 13	50.4%	76.3%
FFY 14	48.4%	77.9%
FFY 15	44.9%	78.6%
FFY 16	38.9%	80.0%
FFY 17	33.8%*	79.1%*

*WPR Average of 33.8% & NSWF WPR average of 79.1% are unofficial.

For FFY 2016, New Hampshire achieved the nation's second highest work participation rate in the country at 80.0%. Maine led the nation with 86.8% and Oregon having the third highest rate at 72.9%. New Hampshire has assisted Maine numerous times over the last few years to help them transition from being in penalty status from 2007 to meeting/exceeding the required work participation rate. We continued to collaborate with Maine and the other New England states today.

9. Eliminating the TANF category of Unemployed Parent per the State Legislature in July of 2011. This category allowed intact families, when the primary wage earner had lost wages, to be eligible for TANF financial assistance. This change closed approximately 250 cases.
10. Counting Social Security income for any family member in the calculation for TANF eligibility, again per the State Legislature, in March of 2012. This change closed approximately 1,400 cases. In 2016, a Supreme Court decision excluded the counting of SSI income for a child in the calculation for TANF eligibility.
11. The Assessment & intervention Unit (AIU) was created in 2010 to identify/address significant barriers experience by families receiving TANF. A comprehensive screening process was developed to assess participants for barriers to employment as they enter the program including: substance abuse, mental health issues, domestic violence concerns and 15 other identified barriers to employment such as transportation, child care and overall health. Specialized AIU counselors and accommodations have been created for this high-risk TANF population.

For calendar year 2017, this front door screening tool has been completed by 719 clients, with 441 or 61% of clients indicating a substance use, mental health (SU/MH) and/or a trauma (PSTD) issue or concern.
Of the 441 clients who 'red flagged' for those specific barriers, AIU Counselors were able to reach out to 351 clients who were still active in the program to offer a more in depth screening process, specifically evaluating for a mental health, substance abuse or PTSD issue. Some of the 411 clients had either closed their TANF case or were unreachable.

Of the 351 attempted contacts:

- 245 or 70% - unable to contact or declined services

Of the 106 clients who responded:

- 63 of 59% - were assessed as high risk;
- 23 or 22% - were assessed as medium risk;
- 20 or 19% - were assessed as low risk.

Additionally, 35 clients were assessed for potential domestic violence (DV) upon outreach.

For the 106 clients who participated in a more in-depth screening for MH, SU, and PTSD, 57% or 60 clients engaged in needed treatment in their communities.

Clients affected by past or present DV were identified either through this assessment process or referred directly by NHEP Employment Counselors or the Division of Client Services' Eligibility Workers. For calendar year 2017, 327 clients were referred for a DV assessment (which includes the 35 who identified during previous screening) to the AIU Counselor from NHEP Employment Counselors statewide.

Of the 327 of those referred:

- 268 or 82% were assessed by AIU Counselors;
- 241 or 74% were provided accommodations due to domestic violence;
- 59 or 18% did not respond, refused services or were no longer in the program due to either being exempted or closed.

Approximately 61% of those accessing any services through the AIU in the last year were engaged in treatment.

The AIU provides enhanced assessment services and immediate engagement to needed community services for clients with significant and debilitating barriers. This harm reduction approach and specialized case

management could have an effect on the program's work participation rate as clients are provided an accommodation to the mandatory work program requirements until it is determined they are able to engage in the work program.

12. Building a comprehensive vocational assessment with long-term career planning activities into all activities so clients can identify their ultimate career desires and build a pathway to include education/training and work experience needed to achieve their long-term employment goals.
13. Creating on-the-job training (OJT) contracts with employers who are ready to hire a TANF client to specify training objectives connected to the specific position in which the client was hired. The OJT contract stipulates the training to be provided by the employer in relation to the job in which the client is hired. In SFY 2017, 25 NHEP clients completed OJT contracts with an average hourly wage of $11.56. When we examine recidivism for clients in this program for the previous year, 48% of those who completed an OJT contract were still employed full-time one year later (Note: full-time employment is considered 30+ hours).

    NHEP, working with the Department of Labor's Apprenticeship program and an employer, CVS, have created an OJT model for TANF clients to participate in a Pharmacy Technician Training Program. The NHEP/DOL/CVS Pharmacy Technician Training Program is a training developed by these three entities to allow NHEP clients to gain stackable credentials to be employed as a Pharmacy Technician. Through this program clients can gain New Hampshire's Pharmacy Technician License, Pre Apprenticeship Certificate, National Pharmacy Certification and DOL's Apprenticeship Certificate all within one year. All clients who complete training successfully are hired directly by CVS at a wage between $14 and $16 per hour. Additionally, full-time employees are offered a benefits package including health insurance, dental insurance, and applicable paid leave.

    NHEP/DOL/CVS have gained national attention on this model, presenting at a TANF DC conference, national webinar and at CVS functions. We have participated in conference calls with other states concerning this model and provided detailed information to our regional ACF office.

14. Making the attainment of a basic education credential a priority and providing special accommodations within the work program to allow interested clients to pursue and focus on this activity first and foremost.
15. Measuring employment outcomes and recidivism rates. For calendar year 2017, 31% of TANF recipients in the work program were employed to some degree with varying hours. For those who closed TANF with wages, the average number of hours worked each week was 28, and the average wage was $12.53 Recidivism rates for calendar year 2017 were 51% for the TANF population.
16. Tracking the utilization of education and training program for clients in the NHEP. In SFY 17, approximately

		9% of TANF clients were engage in some type of post-secondary education or training program, an average of 60 clients a month.
21 c	The department of health and human services shall provide the federal Administration for Children and Families with the data requested by that agency to calculate the national TANF high performance rankings regardless of whether financial bonuses are paid for performance.	The federal Administration for Children and Families (ACF) has ceased calculating and releasing the TANF high performance rankings information. The last year this information was published was 2011 and can be found at: http://www.acf.hhs.gov/programs/ofa/resource/high-performance-measures-performance-year-2011 For FFY 2016, New Hampshire achieved the nation's second highest work participation rate in the country at 80.0%. Maine led the nation with 86.8%. New Hampshire has assisted Maine numerous times over the last few years to help them transition from being in penalty status from 2007 to meeting/exceeding the required work participation rate. TANF work participation rates are published yearly and the most recent data for 2016 can be found at https://www.acf.hhs.gov/ofa/resource/work-participation-rates-fiscal-year-2016.
RSA 167:77-c, III	Success of the TANF program shall be based on research and statistical analysis to determine if the goals of moving TANF clients towards long term economic independence set forth in RSA 167:77, IV and V are met.	For calendar year 2017, a monthly average of 31% of TANF recipients were working. Of those, an average of 11% of them closed TANF due to wages from income. They were working an average of 28 hours a week at an average hourly wage of $12.53 an hour. Again, it is hoped that when families have new or increased wages that make them ineligible for TANF cash assistance due to being over-income, that the higher wages will help sustain the family as they transition from welfare to work. Leaving with additional income may allow families to stay connected to the labor market by weathering life situations that would have previously had them return to TANF.

RSA 167:77-c, IV	IV. The department shall establish an outcome measurement system with the following areas of analysis: (a) The number and percent of cash assistance recipients who close each month due to employment, the average hourly, weekly, and monthly wages, the average total weekly and monthly total income, the number and percent who return to cash assistance after 3, 6, and 12 months. (b) Numbers and percentages of TANF families that leave TANF and ranking of their income compared to the federal poverty level and the New Hampshire living wage.	(a) For calendar year 2017, the average number and percent of recipients who closed TANF each month due to increased/new wages and/or being over-income was 31 clients, which is 11% of the monthly average number of employed clients. It should be noted that this number and percentage is much lower than previous reports due to the TANF grant calculation policy change as it takes higher wages to close a TANF case due to being over income than prior to the policy change. Our definition of recidivism is TANF recipients who closed their cash assistance due to increased wages and returned to the program within 12-months. There were 2,630 TANF cases that closed TANF due to a wide variety of reasons, of which 338 cases closed due to being over income during calendar year 2016. Of the 338 case, there were 173 clients (or 51%) who returned to TANF cash assistance within 12 months. The specified timeframes of the 173 clients who returned to TANF in the year are as follows: • 64 or 19% within 0-2 months of closing due to being over income • 48 or 14% within 3-5 months of closing due to being over income • 61 or 18% within 6-12 months of closing due to being over income (b) At the time a TANF case closes due to being over-income, the average number of hours worked each week was 28, and the average wage was $12.53 an hour, which equals gross wages of $350.84 a week. Using 4.33 weeks in a month, the average monthly wage is $1,519.14 which equates to $18,230 annually at the time of leaving the TANF program due to income. Comparing those wages to 100% of the FPG for a household size of two, which is $16,460, families are leaving TANF with wages just above 100% of the federal poverty guideline for this household size. If it is a household size of three, this family would be below 100% the FPL which is $20,780. Once wages, plus any other income such as SSI or child support, exceed the TANF grant, the case is ineligible. To compare the wages TANF clients are making to a living wage, the Living Wage Calculation created by Dr. Amy K. Glasmeier of the Massachusetts Institute of Technology was used. For one working parent and one child, household size of two, this calculation indicates the parent's hourly wage would be $25.67, or $53,394 annually to be considered a living wage in New Hampshire on this scale (http://livingwage.mit.edu/states/33). (c) Poverty for all age groups and poverty for children under 18 years of age for the US and NH is as follows: **Poverty - All Age Groups** • From 2015 to 2016, all ages in poverty in the United States declined by 1,884,081 a decrease of 4.1% over the year. • From 2015 to 2016, all ages in poverty in New Hampshire declined by 10,540, a 9.7% decrease over the

	(c) Poverty and child poverty rates and out of wedlock births and the national ranking of New Hampshire. (d) The reasons for caseload increases and decreases with analysis of numbers and reasons for openings, denials, and closings and the numbers and reasons for sanctions and denials due to noncompliance with program requirements.	year. **Poverty - Under Age 18** • From 2015 to 2016, poverty among those in the United States under age 18 declined by 884,560, a decrease of 5.9% over the year. • From 2015 to 2016, poverty among those under age 18 in New Hampshire declined by 6,694, a 23.4% decrease over the year. It is significant to note that child poverty decreased significantly. Looking at information from the Kids Count data center at http://datacenter.kidscount.org/data#NH it seems that a greater number of parents with young children, are connected to the labor market compared to prior years. Out of wedlock births and the national ranking of States most recent data is for 2015. For the US, the percent is 40.3% and for NH, the percent is 33.7%, well below the national average. NH had the eleventh lowest 'out of wedlock birth rate' in the US. (https://www.cdc.gov/nchs/pressroom/states/NH_2015.pdf) (d) Over calendar year 2017, the caseload increased by 25% or 651 families. Here are the monthly numbers for openings, denials, and closings of TANF cases for calendar year 2017:

TANF Cases	Open	Closed	Denied
Jan-17	212	187	321
Feb-17	209	205	398
Mar-17	186	203	301
Apr-17	199	219	320
May-17	215	221	381
Jun-17	235	203	353
Jul-17*	218	212	295
Aug-17	330	201	379
Sep-17	308	161	395
Oct-17	343	201	402
Nov-17	315	162	358
Dec-17	**284**	**206**	**305**

* Policy change to align with 60% of the FPG.

If the above data was separated into the first six months and second six months of the year to look at a potential impact of the July policy change, the only category that seems to have had an impact is the open category. If the

first half and second half of the year were averaged, the average increased by 90 cases a month from the first half of the year's monthly average.

The reasons indicated for open, closed and denied cases are as follows for the month of December 2017:

Open Reasons	Total	Closed Reasons	Total	Denied Reasons	Total
Disaster	0	Employment/earnings	35	Employment/earnings	2
Family Reasons	46	Marriage	0	Marriage	0
Illness/Incap	17	Federal Five-year Time Limit	0	Federal Five-year Time Limit	5
Job – Fired	2	Work Related Sanction	40	Work Related Sanction	15
Job – Laid Off/ Hours Reduced	9	Child Support Sanction	7	Child Support Sanction	50
Job – Quit	5	Failure to meet individual responsibility plan	1	Failure to meet individual responsibility plan	0
Lost Other Income	5	Child Support Collected	2	Child Support Collected	0
Moved to NH	3	Unearned Income- exclusive of CS Collected	6	Unearned Income- exclusive of CS Collected	148
Need Childcare for Work/School	1	Resources	2	Resources	11
No Health Coverage	2	Youngest Child too old to qualify for assistance	5	Youngest Child too old to qualify for assistance	5
Other	24	Failure to appear, cooperate or provide information	32	Failure to appear, cooperate or provide information	66
Other Financial Changes	160	Client Request (withdrawn/close)	18	Client Request (withdrawn/close)	0
Pregnant/New Baby	6	Other	58	Other	3
Residence Issues/ Homelessness	4				
Open Total	**284**	**Closed Total**	**206**	**Denied Total**	**305**

The denials due to noncompliance with program requirements are tracked specifically for those who did not attend the NHEP Orientation session, which is a condition of TANF eligibility. In calendar year 2017, monthly averages of 5 clients were denied TANF cash assistance due to the primary reason of not attending this mandatory NHEP

		Orientation session.
RSA 167:77-c, V	The department shall develop and maintain the indicators for the program outcomes listed in paragraph IV, subject to review and approval by the oversight committee on health and human services. The department shall submit a report to the oversight committee each January.	The information presented in this report provides information about program outcomes.