Department of Health & Human Services
Division of Economic & Housing Stability, Bureau of Employment Supports
Temporary Assistance for Needy Families Annual Report to
Health & Human Services Oversight Committee
March 2020

The mission of the Department of Health and Human Services (DHHS) is to assist communities and families in providing opportunities for citizens to achieve health and independence. The Division of Economic & Housing Stability (DEHS) works to advance the health, economic, and social well-being of individuals, families, and communities. DEHS is one of the four Divisions included in the array of human services and behavioral health programs at DHHS.

DEHS was created in June 2018 to promote a more holistic, multi-generational and integrated approach for individuals, children, and families that may be in need of an array of supports and services, such as child care, housing, nutrition, economic and employment assistance. DEHS was purposely designed to provide supports and services to assist individuals and parents to engage successfully in employment by providing economic stability and work supports, preventing the need for more intensive and costly interventions further downstream. Our vision for linking, aligning and elevating these program areas is to better target supports and services and promote whole family approaches, ensuring the right services at the right time and every door is the right door and laying a clearer pathway towards upward family mobility.

Essential to economic mobility and family well-being is addressing the cliff effect. The cliff effect is the situation experienced by individuals or families who are low-income, when new or increased wages result in a reduction or loss of essential public benefits, such as healthcare, childcare, financial, food or housing assistance, and the income does not fully compensate or exceed the loss of public benefits. The effect can leave individuals or families with less income and/or supports for the household. It is not uncommon for a worker to decline a desired job or advancement in order to assure the safety net remains. Ignoring the impact of the cliff effect negatively impacts the state's workforce shortage, hurting both the state's future economic growth and the hopes, independence and health of working families.

Over the last two years, a major effort has been the establishment of a statewide *Whole Family Approach to Jobs: Parents Working, Children Thriving* team in New Hampshire that includes government, community, businesses, and philanthropic organizations, as well as parents to help statewide leaders develop program, policy and system solutions that support parents in achieving greater employment gains and economic stability, while promoting safe, stable and nurturing environments for children to grow and learn in. In 2019, Governor Sununu called on the New Hampshire Legislature to create a plan to close the cliff effect in New Hampshire. Under HB 4, the Department of Health & Human Services is required to develop a plan to close the benefits cliff to *"ensure long term success for NH families to achieve economic independence."*

Through the work of the New Hampshire team and the working group established under HB 4, New Hampshire will be evaluating a number of policies that may assist will alleviating the cliff effect. Through this evaluation, recommendations will come forward for consideration to the NH Legislature and/or New Hampshire's federal partners.

It is the intent of DEHS to provide services aimed at eliminating or reducing the harmful effects of poverty on families and children by provide cash assistance and program supports that foster employment opportunities as a means to economic independence. The Bureau of Family

Assistance within DEHS manages the Temporary Assistance for Needy Families (TANF) program which provides financial assistance to families. The New Hampshire Employment Program (NHEP) is the work component of the TANF program. NHEP helps support and strengthen families by supporting adults with dependent children to strengthen their families through employment and economic stability. NHEP provides a comprehensive support service package to promote upward economic mobility. Partnerships with employers are developed to create job opportunities and meet the needs of both employers and participants.

There are four goals of the Temporary Assistance to Needy Families (TANF) program, which 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 the 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.

Public Law 104-193, August 22, 1996, Section 401 (a)

There are a number of TANF categories, depending on the family's situation. The following data represents the caseload for each of the categories as of December 2019. In this data, case equals household. Data was obtained from the TANF/Family Statistics and TANF Family Snapshot Reports (Any Time (AT) numbers, unduplicated count).

- **Total Temporary Assistance for Needy Families (TANF**) – 3,784 cases – which can be thought of as traditional 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) –** 1,513 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)** – 1,998 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 family has a permanent disability. In December 2019, only 94 are adults are in this category, the rest are children;
- **Interim Disabled Parent** (IDP) – 297 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;
- **Families With Older Children (FWOC)** – 11 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)** – 1,486 cases – this a separate TANF category, it is a nutrition program for families who are receiving Supplemental 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, as part of the State budget, the TANF cash assistance payment calculation was shifted to align with the Federal Poverty Guidelines (FPG). Under the previous calculation, the TANF cash assistance amount was 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. To put this in perspective, in New Hampshire, the median rent for a two-bedroom apartment that includes utilities is $1,347/month, a 20% increase over the last five years. The household income to afford this is over $53,000/year.

Data Source: NHHFA Residential Rental Cost Survey Report, June 2019.

Between, July 2017 and December 2019, the overall TANF caseload increased from 2,703 to 3,819. Illustrated below, the caseload counts for the NHEP category of TANF saw the most significant increase of 56% (545 cases). It is important to note that in December 2019, 49% (547 parents in NHEP) had some employment hours within the month. Overall, there has been an increase in the percentage of families working.

Category	Jul-17	Dec-19	% Change
TANF	2,703	3,819	41%
NHEP	968	1,513	56%
FAP	1,531	1,998	31%
IDP	195	297	52%

Data Source: TANF Family Statistics Report, (AT numbers) for July 2017 and December 2019

Annually, in accordance with RSA 167:77 V DHHS shall provide a report on the following areas of the TANF program:

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.

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.

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.

For calendar year 2019, the average number and percent of recipients who closed TANF each month due to increased/new wages and/or being over-income was 40 individuals, which is 7% of the monthly average number of employed recipients. This number and percentage is lower than last year's report. This may be due to a variety of reasons: the cliff effect, barriers that people face to find a job, or the due to the 2018 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.

NH's definition of recidivism is TANF recipients who closed their cash assistance due to increased wages and returned to the program within 12-months. Approximately 2,800 TANF cases closed TANF due to a wide variety of reasons. Of the 2,800, there were 573 cases that closed due to being over income during calendar year 2018. There were 270 individuals (or 47% of the 573 cases) who returned to TANF cash assistance within 12 months.

The specified timeframes of the 270 individuals who returned to TANF in the year are as follows:

- 115 or 43% within 0-2 months of closing due to being over income
- 79 or 29% within 3-5 months of closing due to being over income
- 76 or 28% within 6-12 months of closing due to being over income

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.

At the time a TANF case closes due to being over-income, the average number of hours worked each week was 31 and the average wage was $14.28 an hour, which equals gross wages of $442.68 a week. Using 4.33 weeks in a month, the average monthly wage is $1,916.80 or $23,001 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 $17,240, families are leaving TANF with wages just above 100% of the federal poverty guideline for this household size. For a household size of three, this family would be below 100% the FPL which is $21,720. When wages and any other income such as SSI or child support, exceed the TANF grant, the family is no longer eligible.

Data Sources: TANF data is obtained from the 2019 CVC Employment Activity Report and Federal Poverty Level data captured from https://aspe.hhs.gov/poverty-guidelines.

To compare the wages TANF recipients are making to a living wage, DEHS used the Living Wage Calculation created by Dr. Amy K. Glasmeier of the Massachusetts Institute of Technology. For one working parent and one child, household size of two, this calculation indicates the parent's hourly wage needs to be $26.72 or $55,578 annually ($26.72 multiplied by 2080 hours per year) to be considered a living wage in New Hampshire.

Data Source: http://livingwage.mit.edu/states/33.

C. Poverty and child poverty rates and out of wedlock births and the national ranking of New Hampshire.

Poverty Rates- Adults and Children

2019	United States	New Hampshire
Population	38.1 Million	1,312,006
Overall poverty rate	11.8%	7.6%
Child poverty rate	16.2%	10.2%
National Ranking	N/A	1st

Data Sources: U.S. - https://talkpoverty.org/basics/
N.H. - https://talkpoverty.org/state-year-report/new-hampshire-2019-report/

Out of Wedlock Births

The percentage of all births to unmarried women was 39.6% in 2018. This is down from 2017 (39.8%) and the lowest level since 2007. New Hampshire's out of wedlock birthrate in 2018 was 32.9% and well below the national average.

Data Source: https://www.cdc.gov/nchs/pressroom/sosmap/unmarried/unmarried.htm

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.

Below are the monthly numbers for openings, denials, and closings of TANF cases for calendar year 2019:

TANF Cases	Open	Closed	Denied
Jan-19	316	217	264
Feb-19	194	246	219
Mar-19	218	226	199
Apr-19	261	265	281
May-19	276	208	262
Jun-19	224	250	251
Jul-19	251	275	288
Aug-19	271	268	315
Sep-19	291	254	308
Oct-19	282	280	324
Nov-19	221	246	300
Dec-19	203	249	282

The reasons indicated for open, closed and denied cases are as follows for the month of December 2019:

Open Reasons	Total	Closed Reasons	Total	Denied Reasons	Total
Disaster	0	Employment/earnings	67	Employment/earnings	1
Family Reasons	28	Marriage	0	Marriage	1
Illness/Incap	7	Federal Five-year Time Limit	6	Federal Five-year Time Limit	4
Job – Fired	6	Work Related Sanction	34	Work Related Sanction	14
Job – Laid Off/ Hours Reduced	6	Child Support Sanction	5	Child Support Sanction	53
Job – Quit	1	Failure to meet individual responsibility plan	1	Failure to meet individual responsibility plan	0
Lost Other Income	2	Child Support Collected	2	Child Support Collected	0
Moved to NH	4	Unearned Income-exclusive of CS Collected	9	Unearned Income-exclusive of CS Collected	142
Need Childcare for Work/School	1	Resources	0	Resources	5
No Health Coverage	1	Youngest Child too old to qualify for assistance	3	Youngest Child too old to qualify for assistance	6
Other	14	Failure to appear, cooperate or provide information	42	Failure to appear, cooperate or provide information	52
Other Financial Changes	125	Client Request (withdrawn/close)	18	Client Request (withdrawn/close)	0
Pregnant/New Baby	5	Other	62	Other	5
Residence Issues/ Homelessness	3				