

**REPORT TO THE HAWAII STATE LEGISLATURE ON ACT 178, SECTION 42,
SESSION LAWS HAWAII 2005, TANF PROGRESS REPORT
REPORT DUE JANUARY 1, 2006**

Section 42 of Act 178, Relating to the State Budget, requires the Department of Human Services to submit semi-annual progress reports to the Legislature which is intended to include but not be limited to information on the Department's progress toward the achievement of Temporary Assistance for Needy Families (TANF) purposes and additional data as may be determined by the Legislature. The following performance indicators are to be included in the semi-annual progress reports:

- Potentially eligible households receiving TANF assistance (number and percentage);
- Potentially eligible households receiving TAONF assistance (number and percentage);
- Mandatory households meeting work participation requirements (number and percentage); and
- Eligibility determinations completed in a timely manner (number and percentage).

The information below provides information on the requested performance indicators.

Potentially eligible households receiving TANF assistance (number and percentage)

The first performance indicator asks for the number and percentage of potentially eligible households that receive TANF assistance. The TANF program in Hawaii is designed to serve single head of household family units. Thus, this performance indicator requires computing the percentage of total single head of household families on TANF in Hawaii that are reported to be "in poverty" by the U.S. Census Bureau in calendar year 2003.¹

The TANF potentially eligible household count for Hawaii is not a precise number. In fact, the information has to be derived from the United States (U.S.) Census reports.

¹ The U.S. Census Bureau definition of poverty is a weighted average calculation based on cash income received by families. In a comparison of poverty thresholds for calendar year 2003 used by the Census Bureau to the Hawaii Standard of Need based on 100% of the 1993 Federal Poverty Level, it is noted that the gross income used by the Census Bureau is higher than the Hawaii Standard. For a family of 3, the Census Bureau threshold is \$14,680 annually and Hawaii is \$13,680 annually or a difference of \$1,000 for the year. For a family of 4, the Census Bureau threshold is \$18,810 annually and Hawaii is \$16,500 or a difference of \$2,310 for the year. Therefore, the Census Report of families "in poverty" represents a higher number than the number defined under Hawaii's Standard of Need.

The information available in the U.S. Census data is from the 2003 Current Population Survey. The Hawaii information is located in the economic information section under the Hawaii geographic area.

The data available on the Census Bureau Website shows that in 2003, there were 21,264 families, in Hawaii, "in poverty", as defined in footnote number 1. Of that number, 11,442 were female single heads of household.

The latest Department report on the average number of families on TANF assistance during FFY 2005 (March report) shows that there were 8,725 cases receiving TANF assistance. Of this number 6,510 are single heads of household. The other 2,215 represent "child only" cases².

Thus, the percentage of potentially eligible households receiving TANF assistance for this report is 56.9% (6,510 cases out of 11,442 cases= 56.9%). This number is at this level because many families have been served and are no longer on TANF assistance (2,799 families have exhausted their 60 months of TANF benefits since the inception of the program). Also, it should be noted that due to the difference between the Census Bureau definition of poverty and the State of Hawaii definition of Standard of Need, the percentage estimate of potentially eligible families is an under-estimate of the percentage of families actually being served.

Potentially eligible households receiving TAONF assistance (number and percentage)

The second performance indicator asks for the number and percentage of potentially eligible households that receive TAONF assistance. The TAONF program in Hawaii is designed to serve two-parent and immigrant family units. Thus, this performance indicator requires computing the percentage of total two-parent families, that are on TAONF in Hawaii that are reported to be "in poverty" as defined in the footnote number 1.

The TAONF potentially eligible household count for Hawaii is not a precise number. In fact, the information has to be derived from the U.S. Census reports.

The information available in the U.S. Census data is from the 2003 Current Population Survey. The Hawaii information is located in the economic information section under the Hawaii geographic area.

² A "child only" case is one where a needy child meeting the definition of "in poverty", as defined in footnote number 1, has been placed with a non-needy caretaker. Thus, there are no needy adults in the case, only a needy child.

The data available on the Census Bureau Website shows that in 2003, there were 21,264 families in Hawaii, "in poverty", as defined in footnote number 1. Of that number, 9,822 were two-parent households.

The latest Department report on the average number of families on TAONF assistance during FFY 2005 (March report) shows that there were 3,192 cases receiving TAONF assistance.

Thus, the percentage of potentially eligible households receiving TAONF assistance for this report is 32.5% (3,192 out of 9,822= 32.5%). This number is at this level because many families have been served and are no longer on TAONF assistance (1,769 families have exhausted their 60 months of benefits since the inception of the TAONF Program).

Mandatory households³ meeting work participation requirements (number and percentage)

The third performance indicator asks for the number and percentage of mandatory TANF adults meeting work participation requirements. The TANF program in Hawaii is designed to serve single head of household family units.

The number of mandatory TANF adults required to meet participation requirements for FFY 2005 is 50% of all TANF adults on assistance, unless an adult qualifies for a Federally authorized exemption (e.g. family has a child under the age of one year). The average number of adults meeting this definition in Hawaii during FFY 2005 is 6,225. The number of adults meeting the participation requirement is an average of 2,204 during the same period. The percent compliance with the participation rate is 35.4%. Thus, the progress report for participation rate for Hawaii during this Federal fiscal year is 35.4% of all mandatory adults are meeting requirements.

The standard to be met for this fiscal year 2005 is 50% of all mandatory adults. This standard is adjusted by the state's earned caseload reduction credit. Hawaii's caseload reduction credit for FFY 2005 is estimated to be 37.38%. Thus, the adjusted standard to be met is 12.62% (50%-37.38%=12.62%). Therefore, Hawaii is currently exceeding the required participation (35.4% compared to 12.62%).

Eligibility determinations completed in a timely manner (number and percentage)

³ A mandatory household under the TANF program as defined in Federal rules is all TANF households, except those that have a child in the household under the age of one year. Thus, for the purpose of participation rates, the state is allowed to subtract out families where there is a child under the age of one year.

This section calls for a report on the timeliness of eligibility determinations by program. Data are available for the TANF and TAONF programs.

- TANF eligibility is completed timely at a rate of 89.6% (1,296 out of 1,446). Of the 10.4% (150) that are not timely, 2.4% (34) are agency caused and 8% (116) are client-caused.
- TAONF eligibility is completed timely at a rate of 85.7% (479 out of 559). Of the 14.3% (80) that are not timely, 3.8% (21) are agency caused and 10.5% (59) are client caused.

The Department is undertaking corrective action to improve timeliness where possible. Even though the agency-caused error rate is relatively low, there is a constant effort to improve.