

**REPORT TO THE TWENTY-FOURTH HAWAII STATE
LEGISLATURE 2006**

**IN ACCORDANCE WITH THE PROVISIONS OF ACT 178,
SECTION 42, SESSION LAWS OF HAWAII (SLH) 2005**

**DEPARTMENT OF HUMAN SERVICES
BENEFIT, EMPLOYMENT, AND SUPPORT SERVICES
DIVISION
DECEMBER 2006**

REPORT TO THE HAWAII STATE LEGISLATURE ON ACT 178, SECTION 42, SESSION LAWS HAWAII 2005, TANF PROGRESS REPORT

Section 42 of Act 178, Relating to the State Budget, requires the Department of Human Services (DHS) to submit semi-annual progress reports to the Legislature which are 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 that are on TANF in Hawaii and 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 families "in 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 (SON) 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 SON. For a family of 3, the Census Bureau threshold is \$14,680 annually and the Hawaii (SON) 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 the Hawaii SON 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 2006 (September report) shows that there were 7,009 cases receiving TANF assistance. Of this number, only 4,860 are single heads of household. The other 2,149 represent "child only" cases².

Thus, the percentage of potentially eligible households receiving TANF assistance for this report is 47.9% (4,860 cases out of 11,442 cases = 42.5%). This number is at this level because many families have been served and are no longer on TANF assistance (3,235 families have exhausted their 60 months of TANF benefits since the inception of the TANF program in 1996). 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 (SON), 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 and are reported to be "in poverty" as defined in 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 2006 (September report) shows that there were 2,500 cases receiving TAONF assistance.

Thus, the percentage of potentially eligible households receiving TAONF assistance for this report is 25.5% (2,500 out of 9,822 = 25.1%). This number is at this level because many families have been served and are no longer on TAONF assistance (2,033 families have exhausted their 60 months of benefits since the inception of the TAONF program in 1996). 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 (SON), the percentage estimate of potentially eligible families is an under-estimate of the percentage of families actually being served.

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 2006 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 2006 is 3,676. The number of adults meeting the participation requirement is an average of 1,367 during the same period. The percent compliance with the participation rate is 37.2%. Thus, the progress report for participation rate for Hawaii during this federal fiscal year is 37.2% of all mandatory adults are meeting requirements.

The standard to be met for this fiscal year 2006 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 49.35%. Thus, the adjusted standard to be met is 0.65% (50%-49.35%=0.65%). Therefore, Hawaii is currently exceeding the required participation (37.2% compared to 0.65%).

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.

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

This section calls for a report on the timeliness of eligibility determinations by program. Data are available for the TANF and TAONF programs for June-August of 2006. The data were averaged to compute the results shown below.

- TANF eligibility is completed timely at a rate of 90% (1,137 of 1,259). Of the 10.0% (119) that are not timely, 3% (38) are agency caused and 7% (81) are client caused.
- TAONF eligibility is completed timely at a rate of 87% (470 out of 542). Of the 13% (72) that are not timely, 3.3% (18) are agency caused and 9.7% (53) 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.