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A Policy Brief: Massachusetts (T)AFDC Case Closings, October 1993-August 1997

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The John W. McCormack Institute of Public Affairs



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***A POLICY BRIEF:
MASSACHUSETTS (T)AFDC CASE CLOSINGS
October 1993-August 1997***

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By:

Donna Haig Friedman, Emily Douglas, Michelle Hayes, Mary Ann Allard

**Center for Social Policy
McCormack Institute
University of Massachusetts Boston**

May 15, 1998

University of Massachusetts Boston

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***A POLICY BRIEF:
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October 1993-August 1997***

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May, 1998

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Acknowledgments

We are most grateful for the ideas a number of persons shared with us as we carried out analyses for this policy brief, in particular, Sandy Blanchette, Lisa Ward, Elaine Werby, and John McGah, our colleagues at the Center for Social Policy, McCormack Institute. Michael Stone and Randy Albelda, faculty members of UMass Boston, also provided intellectual insights that became a central part of our analytical process. We are grateful for having the opportunity to review preliminary findings with Claire McIntire, the Commissioner of the Department of Transitional Assistance, and her staff. We incorporated several of their useful suggestions into our final analytical framework. We are also indebted to Deborah Harris, a lawyer with the Massachusetts Law Reform, for insights she has gained from her sustained work with low-income families. We have included the commentaries of the Department of Transitional Assistance, the Massachusetts Law Reform, the Academic Working Group on Poverty, and Homes for Families. Each of these organizations has a public service mission. Each uses a unique lens for making sense of the study's findings. We hope that this array of perspectives will provide a platform for dialogue among all the State's welfare reform stakeholders, with an eye on our common interest: that all families in the Commonwealth have the internal and external resources they need for ensuring the well-being of family members, and for enabling each family to contribute to the life of the community.

METHODOLOGY

Analysis Plan.

When a DTA worker assesses whether a family's (T)AFDC case will be closed, s/he decides which one of 67 different codes best describes the reason cash benefits for the household will be stopped. To carry out the analyses, we sorted all of the 67 codes into clusters of codes that logically grouped together: Cluster I, Increased Income; Cluster II, Sanctions; Cluster III, Eligible Persons Moved; Cluster IV, Fraud; Cluster V, Client Request; Cluster VI, No Longer Eligible; Cluster VII, Other or Multiple Meanings.² The Appendix displays a description of the case closing codes in each cluster that provided a basis for our analyses. We used SPSS (Statistical Package for the Social Sciences) to calculate the trends in the number and percentages of case closings from October, 1995 to August, 1997 for each of the clusters mentioned above, and from October, 1993 to August, 1997 for the category of Earned Income only (a sub-set of Cluster I, Increased Income). We used four time periods for our analysis of *earned income* case closings, reflecting the progression of events surrounding the passage and full implementation of Massachusetts' welfare reform measures. These time periods are: October 1993 to September 1994, former AFDC phase; October 1994 to September 1995, legislative deliberation and passage phase; October 1995 to September 1996, initial implementation phase; and October 1996 to August 1997, the most recent implementation phase.

Limitations.

- **Changes in some codes between 1993 and 1995 limit our ability to make pre- and post-reform comparisons.** New codes were added in 1995 to accommodate the sanctions that were part of the state's welfare reform plan. Pre- and post-reform comparisons for this policy brief are limited to increased income due to earnings: These codes remained the same throughout the entire time period under investigation.
- **Some of the case closing codes have multiple meanings.** For example, Code 66 has the

² We initially had an eighth category, "Determined to be ineligible at the time of application," which was comprised of Codes 56 and 70. These codes are used for instances in which families have applied for cash benefits, but did not receive them. We agreed with the DTA recommendation to eliminate this category from the analysis. We have included only those case closings in which households had actually received cash benefits.

following two meanings: (1) Grantee closed due to failure to cooperate with the Child Enforcement Unit and (2) Case denied, your Medical Report was not completed within the 30 days of its being filed. (For additional examples, please see the Appendix.) All of the cases closed for multiple meanings and other miscellaneous reasons were grouped into one category.

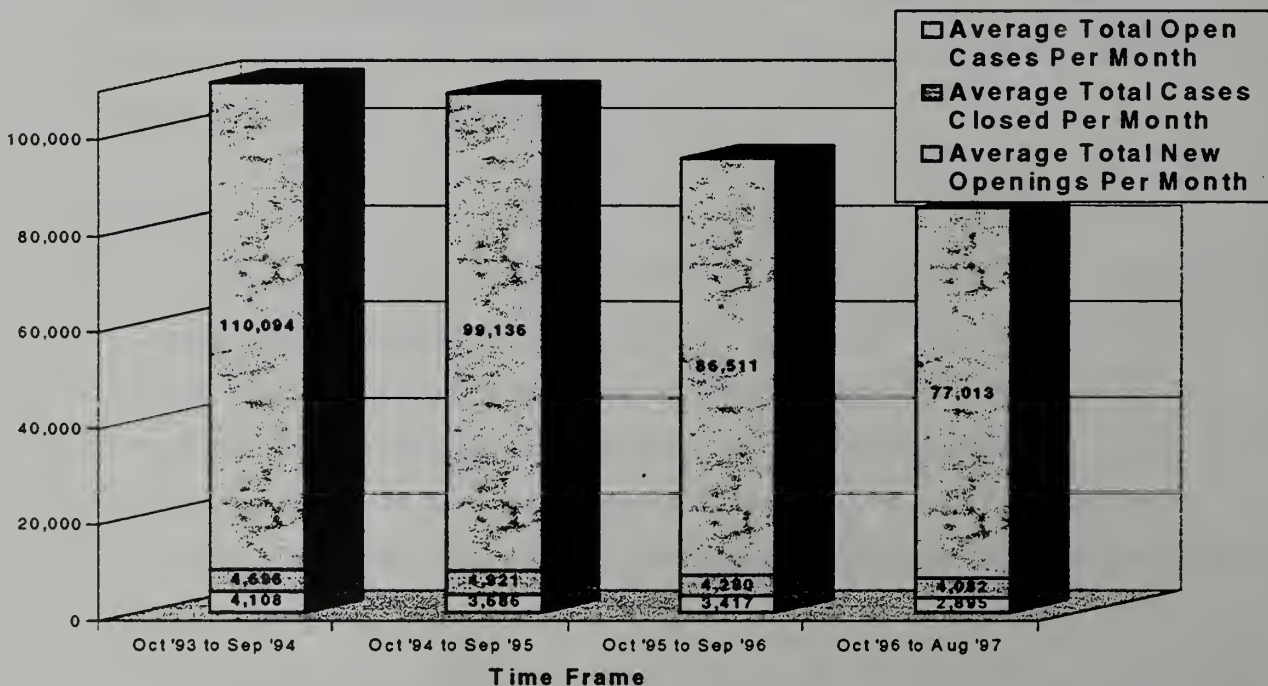
- **Several case closing codes may be relevant for any one closure. However, DTA workers are limited to choosing *one reason* for closing a family's case.** For example, a family may experience an increase in income, and therefore request a termination of their benefits. Limited to using only one code, a welfare worker may likely close this case using code 76 (client requested that cash benefits be stopped), rather than code 61 (closing due to earned income). While more than one code may be relevant, the code chosen for officially closing a family's case has to be legally defensible.
- **Finally, analysis of the case closing data does not provide a detailed picture of how families are actually doing as a result of the termination of their (T)AFDC benefits -** the most important indicator for evaluating the effectiveness of welfare reform. It simply provides a picture of trends in the reasons that Massachusetts households *officially* lost (T)AFDC cash benefits.

RESULTS

Question 1. Have more families left the welfare rolls since the implementation of welfare reform as compared with the pre-reform period?

For the entire period under investigation, (October 1993- and August 1997), 4.9% of families who received AFDC left the welfare rolls each month. For the pre-reform period (October 1993 - September 1995), 4.6% of AFDC families left the welfare rolls each month, as compared with 5.1% for the post-reform period (October 1995 - August 1997). This difference is significant. This indicates that the steady drop in the Massachusetts welfare caseload is attributable to fewer families receiving benefits, lower percentages of new case openings, and higher percentages of families leaving the rolls (See Figure 1). However, we found no significant difference in the percentages of families who left the welfare rolls due to *earned income* pre and post reform.

Figure 1. (T) AFDC Cases



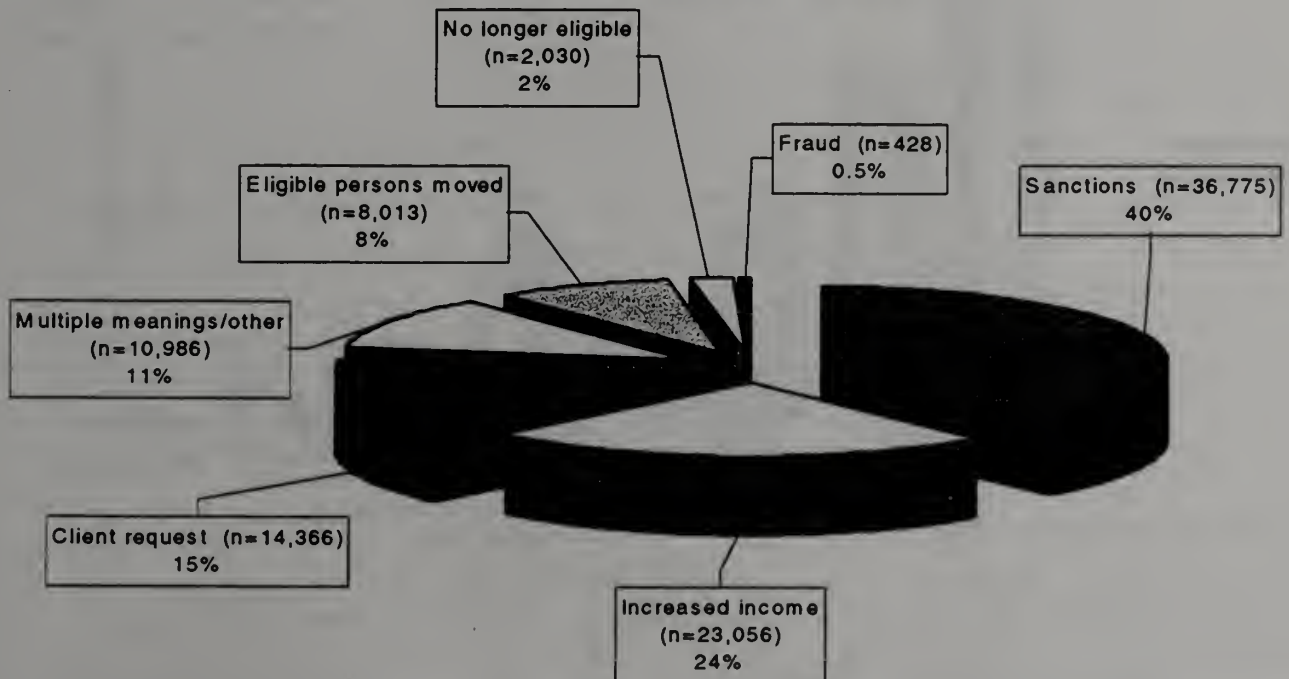
Question 2. During the period from November 1995 through August 1997, for what reasons have families' TAFDC cases officially closed?

Between November 1995 and August 1997, a total of 95,654 TAFDC cases were officially closed for the following reasons (in descending order) (See Figure 2) :

- ~ 40% (n= 36,775) of cases were closed due to sanctions
[including non-compliance with procedural requirements (33 %, (n = 31,215); and non-compliance with behavioral requirements (6 %, n = 5,560)];
- ~ 24 % (n = 23,056) were closed for increased income
[including earned income (19 %, n = 18,596)];
- ~ 15 % (n = 14,366) were closed as a result of client request;
- ~ 11 % (n = 10,986) were closed with codes having other or multiple meanings;
- ~ 8 % (n = 8,013) were closed due to eligible persons moved;
- ~ 2 % (n = 2,030) were determined to be no longer eligible;
- ~ 0.5 % (n = 428) were closed due to fraud.

**Figure 2: DTA Case Closings Post Reform
(October 1995 to August 1997)**

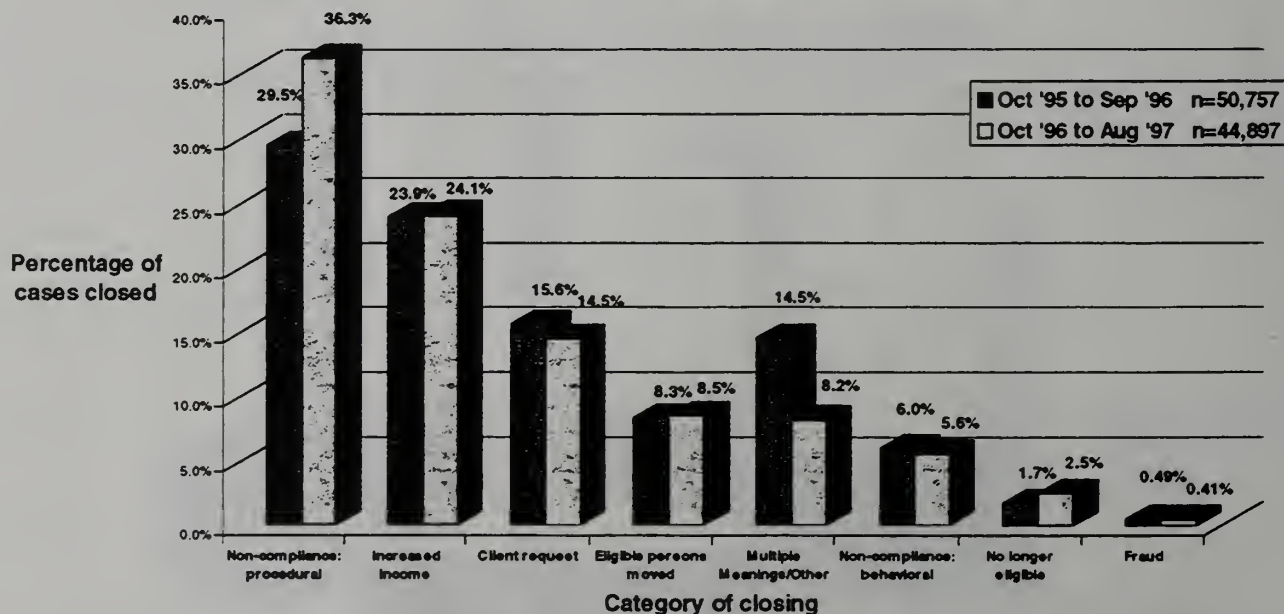
Total number of cases closed (n=95,654)



Question 3. How do reasons for TAFDC case closings in Massachusetts compare between the initial implementation (October 1995 to September 1996) and most recent implementation (October 1996 to August 1997) of welfare reform?

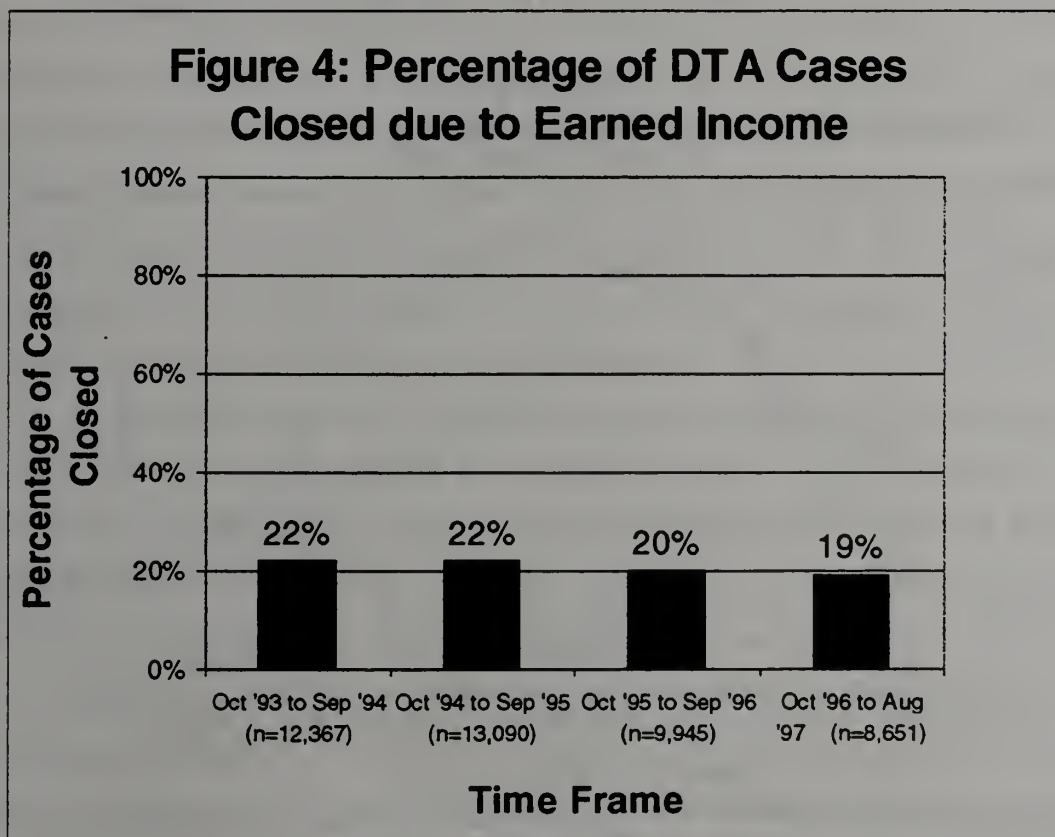
With few exceptions, the differences in reasons for case closings between these two time periods (October 1995 to September 1996) and (October 1996 to August 1997) are not significantly different (See Figure 3). The two categories showing significant change were: non-compliance with procedural requirements (an increase from 30% to 36%), and multiple meanings/other (a decrease from 15% to 8%).

Figure 3: DTA Case Closings (October 1995 to August 1997)
Post Welfare-Reform Analysis



Question 4. How do reasons for (T)AFDC case closings due to earned income in Massachusetts compare over four time periods: the former AFDC phase; the legislative deliberation and passage phase; the initial implementation phase; and the most recent implementation phase?

The earned income category is especially important: The primary goal of the State's welfare reform effort is to promote families' economic self-sufficiency, and to decrease their reliance on public assistance for meeting their basic needs. Our analysis indicates that in the first two time periods, 22% of cases were closed due to increased earned income, while in the third and fourth time periods, they accounted for only 20% and 19% of case closings (respectively) (See Figure 4). This decrease is not significantly lower. DTA suggests that this decrease may be the result of the higher income disregard allowed within the current welfare regulations that enables recipients to continue to receive cash benefits while earning income at levels that, in pre-reform days, would have precipitated a termination of cash benefits. This fact alone could explain why the percentages of cases closed due to earned income decreased during the post-reform period.

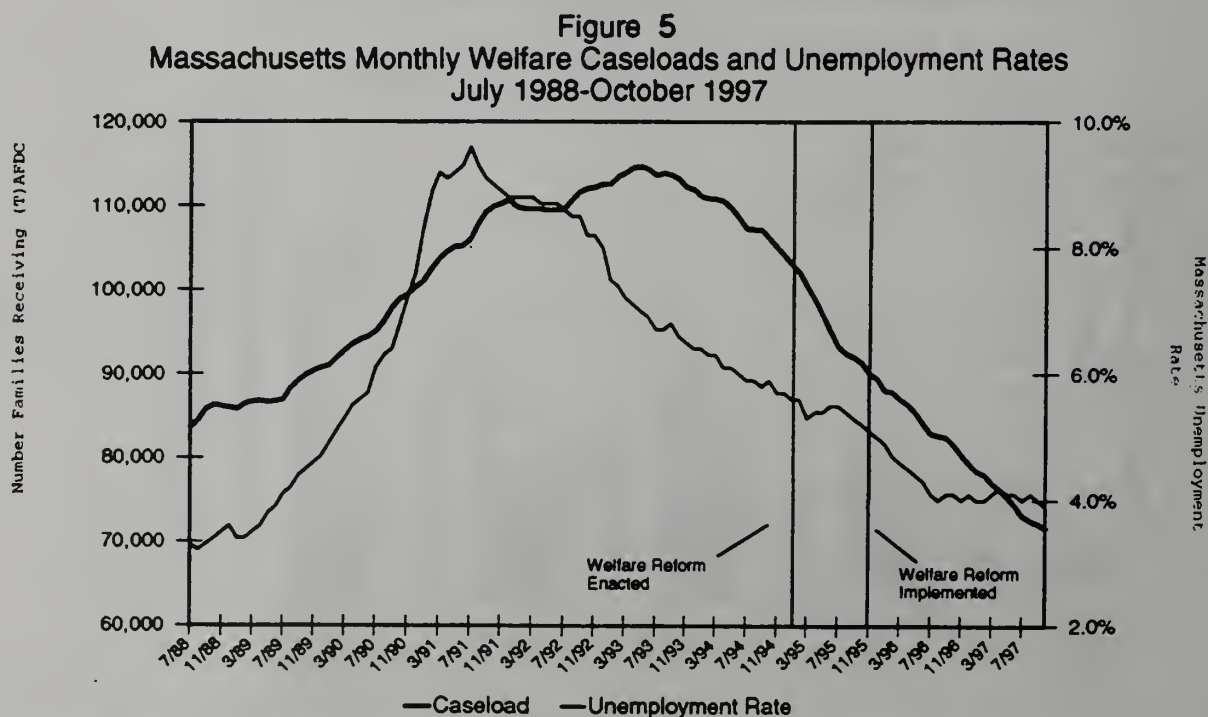


DISCUSSION

Decreasing welfare caseloads receives prominence in the media as an indication that the nation's welfare reform experiment is working. A more important indicator of success is the extent to which families make the transition from welfare to work, while earning enough to meet their basic needs and parent their children well. While welfare reform was initially passed with the expectation of having more families leave the welfare rolls to go to work, our findings indicate that this goal is yet to be realized.

On the national front, the welfare caseload has dropped by 24% since January of 1993 (Tatara, 1997). Opponents of welfare reform explain the drastic decline in caseloads by speculating that the media portrayal of "get tough" welfare reform policies has played a role in discouraging low-income parents from applying for benefits, and has exacerbated the long-standing stigma associated with welfare receipt in the United States. Receiving welfare has become even more socially unacceptable (Abramovitz, 1996; Blank, 1997).

In Massachusetts, the total welfare caseload has steadily declined over the past five years, mirroring a downward trend in the unemployment rate for this same period (See Figure 5)³.



Source: DTA Family Caseload data. Unemployment data from Massachusetts Division of Employment and Training and are seasonally adjusted.

³ Prepared by Randy Albelda, economist at the University of Massachusetts Boston.

A DTA study, conducted for the months of December 1996 and January 1997, found that more than half of the families who lost welfare benefits in those months were working (DTA, 1997). While we questioned the methodology DTA used to reach this finding, we had expected that the percentages of cases closed due to *earned income* would have increased during the post-reform period, given the State's current booming economy. Instead, we found that only about one in five cases were closed for this reason during both the pre-reform and post-reform periods. Our findings are similar to those reported in a recent General Accounting Office study of Massachusetts' and other states' welfare reform measures (GOA, 1997). The GAO reported that only 23% of Massachusetts families leaving welfare had earned income once cash benefits stopped.

The discrepancies in DTA and our study findings (50% vs. 19%) are due to methodological differences in sampling strategy and analysis. We utilized only one data source for analyzing cases closings for the period under investigation, however, we had access to 47 months of DTA data. DTA utilized more data sources than were available for this study (i.e., case closing codes, client records, case worker and client interviews). However, the analysis covered only a two month period, and relied in part upon case worker recollections, a questionable research strategy for the issues under consideration. Additionally, the cases DTA reviewed included only those families who remained off of welfare for a six month period, and excluded the 14-17% of cases that get re-opened each month. In contrast, our analysis included the entire universe of cases that were closed each month.

The most striking finding of our study is that more recipients lose their benefits as a result of sanctions than for any other reason. In the post-reform period, 40% of the cases were closed either because of a procedural or behavioral sanction. Sanctions include anything from failure to complete a monthly income verification report to failure to participate in work requirements. Similar findings have been cited nationwide. For example, in Maryland, 12% of cases were closed due to "starting work," while 31% of their cases were closed due to sanctions (Maryland Family Investment Administration, 1997). Mississippi fared even worse with only 8% of cases closing because of earnings, and 67% of families losing benefits for failure to comply with program rules (GAO, 1997). A recently publicized New York study reported that in the first few months after

families in New York City lost welfare benefits, only 29% found full-time or part-time jobs. However, it should be noted that families earning as little as \$100 over a three month period were considered employed (Hernandez, 1998). Finally, researchers in Wisconsin investigated income trends among 7,502 single parents for one year after leaving the Milwaukee welfare rolls, and found that only 10% of these parents were able to sustain income above the poverty level, and that 55% returned to AFDC within that year (Pawasarat, 1997).

Findings from these studies strongly suggest that very low-income families may not be able to sustain employment at wages high enough to meet their basic needs, without periodic access to publicly-funded income support. In Massachusetts, a family of three would need an income of \$27,500 a year to afford housing at the lowest fair market rent rates, spending no more than 30% of their income on rent (Stone, 1997). To reach this income level, a single mother would need to be working full time at a job that paid \$14.30 per hour, almost three times the minimum wage. A family of three, subject to time limits on welfare receipt, becomes ineligible for TAFDC benefits when the parent earns more than \$5.70 per hour from full-time work, yielding a yearly income of only \$11,856, not enough to pay for housing and for other basic necessities of life.

The only category of case closings that increased during the most recent welfare reform implementation phase was failure to comply with procedural requirements (from 30% to 36% of case closings). This increase may be an indication that the consolidation of welfare offices, from 44 in 1995 to 40 at the present time, is creating more *access barriers* for families. That is, families in several parts of the State have greater distances to travel for appointments at the local DTA offices, and more challenging public transportation obstacles to overcome. In addition, if more families are working while receiving cash benefits, or carrying out their community service requirement, then taking time to complete the monthly paperwork, transport their children to child care or school, and keep appointments with their local DTA workers may be a tremendously difficult feat.

While one goal of welfare reform has been reached (i.e., reducing the welfare rolls), our analysis suggests that the version of welfare reform adopted by Massachusetts may not enable the

majority of welfare recipients to move out of poverty. Time limits are looming on the horizon. That is, non-exempt families who have received welfare for a consecutive 24 month period will begin to lose cash benefits in December 1998. If welfare reforms are not enabling families to become financially secure, time limits may be the final precipitating force that plunges the most vulnerable and poor families further into poverty, exacerbating a full range of social and community-wide tragedies. All stakeholders in the welfare reform debate want to avoid a range of potential negative outcomes: additional physical and emotional harms on women and children forced to stay with violent family members; involuntary separations for other families; increased loss of housing and subsequent increases in homelessness; negative developmental and health outcomes for children in these families; and use of homeless assistance programs, protective services, correctional systems, emergency medical services, and food pantries as the only fallback options for families.

In a very real way, welfare reform in Massachusetts is a high stakes, untested social policy experiment. Time limits have never before been a part of the State's or country's social welfare system. Three minimal requirements should be integral to the implementation process, and agreed upon by proponents and opponents of the State's approach to welfare reform. First, the economic status of *every* family leaving the welfare rolls should be known, and tracked over time. Case closing data are one important source of information for tracking the reasons families are losing welfare benefits. Additional sources of information will need to be utilized to examine how these families are doing economically over time. Second, families who are working, but are not able to make ends meet, should continue to receive cash benefits, *without a time limit*. In addition, families should be able to obtain education and training with support from the State. Finally, income support should be available to those families who are unable to work.

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COMMENTARIES:

The Department of Transitional Assistance

Homes for Families

Academics' Working Group on Poverty

Massachusetts Law Reform Institute

**Department of Transitional Assistance Commentary on the
McCormack Institute of Public Affairs Policy Brief:
Massachusetts (T)AFDC Case Closings
October 1993 - August 1997**

We appreciate the opportunity to provide this commentary on the McCormack Institute's Policy Brief: Massachusetts (T)AFDC Case Closings. The Department of Transitional Assistance (DTA) has been and continues to be in the forefront of investigating cases that leave cash assistance. Our experience to date is that such a complex issue as the workforce participation of former TAFDC recipients cannot be adequately answered by using only administrative records, especially records designed for a quite different purpose.

A. Closing Codes Are Not An Adequate Data Source For Measuring The Workforce Participation Of Former TAFDC Families.

The main purpose of DTA closing codes is to provide proper notification to the recipient about why we are closing their case so that they can remedy the situation that caused the closing or can appeal the reason. Consequently, as noted in the Policy Brief, "while more than one code may be relevant, the code chosen for officially closing a family's case has to be legally defensible."

For example, if a worker presents information that the recipient may be working and requests evidence from the family, which is not forthcoming, we cannot close the case for earnings, even though we have evidence to that effect. Rather, we must close it for failing to provide a requested verification. Similarly, if a recipient family chooses not to appear for a scheduled eligibility review, DTA must close the case for failing to redetermine eligibility. To consider these two reasons as "sanctions" is too broad a definition of sanctions. In fact, the family is given the opportunity immediately to remedy the problem.

We suspect – and our studies confirm – that a substantial number of procedural closings are really earnings or eligibility related.

B. Historically, Earnings Related Case Closings Have Declined During Good Economic Times, Regardless Of The Welfare Policy.

The same trend reported in the Policy Brief – slight, non-significant declines in the earnings related code closings – has been seen before, ironically during the "Massachusetts Miracle". As the table below shows, earnings related case closings were at their lowest during the October 1984 to September 1986 period, a time when the AFDC caseload was at (then) historic lows, when the work program was voluntary, when there were no time limits, and when the economy was expanding rapidly over several years.

Everyone at the time agreed that the decline in the AFDC caseload during the early 1980's was the direct result of increased employment opportunities for recipients. Yet then, as now, DTA's closing codes did not reflect such a pattern, primarily because our closing codes are intended to provide the reason we are acting to close the case and not to track why cases leave assistance. The data in Table 1 highlight the inappropriateness of using closing codes to measure the work force participation of former welfare recipients regardless of the extent to which the caseload decline is through voluntary work participation or through program requirements. Every time the caseload increased, the earnings related closing code rate also increased. Likewise, three of four times the caseload decreased, the rate also decreased. While this may be counterintuitive, it has occurred in similar economic, but quite different programmatic, times.

Table 1:
Trends in Cases Closed for Earnings
 October 1982 to September 1987
 Compared to
 October 1993 to September 1997

Time Period	Average Caseload	Earnings-Related(%)
October 1983 to September 1984	85,181	20.2
October 1984 to September 1985	84,582	16.7
October 1985 to September 1986	85,801	17.0
October 1986 to September 1987	86,432	18.7
~ ~ ~		
October 1993 to September 1994	104,725	21.76
October 1994 to September 1995	95,723	22.12
October 1995 to September 1996	83,920	19.50
October 1996 to September 1997	74,270	19.19

C. DTA Is Currently Conducting Studies To Better Understand The Effect Of Welfare Reform On Families.

Because DTA is concerned about the serious limitations of administrative records and because we are strongly committed to assessing, accurately and reliably, the effects of welfare reform on Massachusetts' low income families, we are regularly conducting follow up studies of case closings. In the past eighteen months we have conducted three studies of closed cases, are in the process of conducting a longitudinal study, and are working with the Welfare Forum on yet another.

We have conducted three studies of cases that closed for ambiguous reasons, including failing to verify, failing to complete an eligibility redetermination, clients' request, and others. To better understand what circumstances exist when cases closed and remained closed, we investigated half of the "ambiguous" closings for a two month period at three different times. Each time the sample was more than 1,700 cases that closed and remained closed 30 - 60 days later.

Our findings consistently indicate that half of the closed cases had earned income, an additional 10% of the closed cases had unearned income (primarily child support) and approximately 11% moved out of state. To demonstrate the inappropriateness of using closing codes exclusively, we need only look at the actual reasons cases closed for failing to provide a requested verification:

- 31 cases (16%) had a new job
- 14 cases (7%) had increased earnings
- 15 cases (8%) moved out of state
- 23 cases (12%) had an absent parent return
- 4 cases (2%) received support from family or friend
- 19 cases (10%) received unearned income
- 26 cases (14%) had no eligible children
- 2 cases (1%) had excess assets
- 9 cases (5%) were categorically ineligible
- 31 cases (16%) were in the process of reapplying
- 4 cases (2%) refused to answer
- 2 cases (1%) had another reason, and
- 10 cases (5%) were not able to be contacted.

Virtually none of these constitute a sanction, although each was counted as such in the Policy Brief.

The Department of Transitional Assistance is currently conducting a longitudinal study of cases that closed during the January through June 1997 period. We are contacting the former recipient sample at three, six, nine and twelve month intervals and conducting an in-depth interview regarding their income, family composition, well being, use of other services, transportation and other aspects of their lives. We expect the results will be available in early 1999.

In summary, DTA remains committed to and actively involved in tracking closed cases to better understand the often complex effects of welfare reform.

We also would like to identify several oversights in the Policy Brief.

- A GAO report is cited as indicating that 23% of Massachusetts families leaving welfare had earned income when cash benefits stopped. The same GAO report notes that “Because not all households had to report such income, these percentages are likely to be understated.” (GAO/HEHS 97-74 Welfare Benefit Termination, page 37) Even more significantly, GAO only examined a very select group of closed cases, specifically only cases terminated and in closed status for failure to meet the work, teen school or teen living requirements. In their report, the closed teens were a considerably higher percentage of the total examined by GAO than they are in the active caseload.
- The Policy Brief makes only scant note of a major policy change – whereby nonexempt recipients remain eligible for TAFDC at higher earned income levels because of more generous disregards – that would contribute to a reduction in earnings related closings. On page seven of the Policy Brief, the authors acknowledge “This fact alone [the increase

in the earned income disregard] could explain why the cases closed due to earned income decreased during the post-reform period.”

- In acknowledging the discrepancy between DTA’s and the Institute’s findings on earnings related closings, the Policy Brief authors note that they used only a single source but for a much longer time period – 47 months – while DTA used several sources for a shorter period. If the data are unreliable and incomplete to begin with, the number of periods used is inconsequential.
- The Institute’s methodology included families that closed and subsequently reopened. In DTA’s studies, more than 20% of closings reopen within 30 - 60 days. Obviously, this distorts any subsequent calculations and projections to cases that remain closed.
- The Institute’s concluding remarks on the “inadequate income levels of former welfare recipients” seems out of place considering that no data are provided on the subject, and no such conclusions can be garnered from closing codes.

In summary, Massachusetts remains committed to ensuring that TAFDC recipients are as prepared as possible for life after cash assistance ends, and to studying how they are faring whenever that occurs. We believe that this is a complex problem, and that a superficial analysis of such a complex problem only distorts the true picture of what is happening under welfare reform.



HOMES FOR FAMILIES:

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Commentary on the John W. McCormack Institute of Public Affairs
A Policy Brief: Massachusetts (T)AFDC Case Closings
October 1993 - August 1997

Brenda Farrell & Mary Doyle
Homes for Families

We are pleased to be able to provide commentary on the important work that the McCormick Institute has done regarding the implications of Welfare Reform on Massachusetts families. Homes for Families welcomes the opportunity to have accurate information documenting why families are moving off welfare. So often we read stories in the paper that do not reflect the stories we hear from the families we witness in our work. The reasons why families are leaving the welfare rolls, as well as information on where they go or what happens next, is needed both to evaluate the efficiency of existing programs and to work for improvement.

The brief, while providing some answers, is a catalyst for many more questions. We will focus on four of them:

- what is the goal of welfare reform, and how are the goals being evaluated?
- why are so many more families losing benefits due to sanctions?
- are there any hidden costs associated with the reduction in rolls?
- why isn't the number of families leaving welfare due to earned income increasing with welfare reform?

In the first paragraph of the policy brief it is stated that "Proponents of the reform (*welfare reform*) hoped that the shift in social policy would enable more families to end their dependence on public assistance and become financially secure." Nothing in the report findings suggests that financial security for families in Massachusetts is a goal of welfare reform. Instead, it appears there is one goal, decreasing case loads. The focus on decreasing case loads and state reports indicating that declining numbers is proof that policy is working, shows a total disregard for poor families and their children in Massachusetts. With the objective being decreasing case numbers, not financial security and stable lives for recipients, it is no wonder that families are victims of procedural and behavioral sanctions.

Homes for Families is not surprised by the findings regarding the reasons that families' TAFDC cases were officially closed. Many homeless families and other members of Homes for Families have reported cases being closed due to unnecessarily cruel sanctions.

TAFDC procedural requirements are often times consuming, confusing and difficult to comply with. In addition, homeless families are under a great deal of stress, the majority of families have become homeless due to crisis in their lives, including domestic violence and divorce. Parents, most often women, are dealing with the effects of the crisis, all the while trying desperately to cope and help their children through the often horrific experience of homelessness.

For families living on the edge, struggles are complicated by monthly reporting, visits to appointments at scattered welfare offices, (often without transportation) and seemingly endless documentation requirements that would be difficult for any TAFDC recipient to fulfill. It is especially overwhelming for those facing the compounded issues of homelessness and hopelessness. It is understandable why numerous families are being sanctioned for non-compliance with the many rules and regulations.

The significant change in case closings due to non-compliance with procedural requirements raises a series of questions that need to be answered as we assess the success or failure of Massachusetts welfare reform legislation. First, why are more families being sanctioned? Is compliance with procedural requirements becoming more and more difficult? What happens to the families that have been removed from the rolls due to non-compliance with procedural requirements? Are the 14 - 17% of reopened monthly cases families simply reapplying and complying with the procedural requirements that closed their cases? How quickly does this happen and what happens to the children and parents while they deal with the bureaucratic nightmare of applying for TAFDC?

While the TAFDC roll shrink we question whether there are any increases in rolls of other social service programs. Is the number of families applying for emergency assistance (EA) increasing? It would seem that families who are losing their only source of income are at greatest risk of becoming homeless. The Department of Transitional assistance does not keep track of the number of families that apply for EA shelter and are denied, they only count those who receive it. Given the high cost of sheltering a family as compared to the relatively low cost of providing a TAFDC grant for the same family one would have to wonder why this is not being tracked?

The families who struggle to overcome poverty and the shame associated with welfare are constantly barraged by hostility from the media, society and the Department of Transitional Assistance. The statistics provided by the brief showing a less than 1% case closings due to fraud proves that families on TAFDC are not those portrayed in the press, frauds ripping off the system, living a life of ease. Families on TAFDC are barely making ends meet. This authenticates our belief that families on welfare are using TAFDC grants for what they were originally designed for, as a temporary means of support for families in crisis.

The disturbing finding that there has been little change in the number of case closings due to earned income in the wake of welfare reform highlights the need to refocus the supports to families on TAFDC rather than ending benefits. There is often a mismatch between

available jobs that pay a livable wage and the skill level of those making the transition off public assistance. With no education or training to close the gap, recipients are locked in entry level jobs with no future, with a potential of long-term cycling between work and public assistance. It's time to think about how to help families transition, not from welfare to work and back again, but from welfare to financial security.

With the constant struggle to survive, it is difficult for a family to comply with the seemingly endless requirements and rules simply to remain poor. The McCormick Institute policy brief asks a series of important questions relevant to the development of long term solutions to poverty, homelessness and family self-sufficiency in our Commonwealth. The policy brief provides us with needed data which will enable us to continue to advocate for the supports that families have repeatedly informed us they need. These supports are needed to obtain solutions, not the bureaucratic, systematic elimination of benefits to children and parents. Education, job training, safe affordable child care, affordable housing, transportation, and the access to jobs that pay a living wage are the answers to the often asked question "How does a family on welfare make the transition from welfare to work?".

We need to continue to ask more questions and search for the answers. How can the children in Massachusetts reap the benefits of a sound economy? How can we improve TAFDC so families are moving to jobs paying living wages, not being sanctioned for non-compliance with a myriad of regulations? How can we make conclusions regarding the success of welfare reform when we don't know where families go next- financial security, return to welfare, or other state programs? Economic independence is a goal for all of us. Our public policy should focus on the long term stability of families and communities. The focus of welfare reform needs to change from the numbers game and poor public policy to focusing on living wage jobs, and financial security for families in Massachusetts.

COMMENTARY ON A POLICY BRIEF: MASSACHUSETTS (T)AFDC CASE CLOSINGS

Randy Albelda

for the Boston Area Academics' Working Group on Poverty

The McCormack Institute's paper on case closings is a welcome addition to discussion on welfare reform in Massachusetts. Their detailed look at the closing codes for families leaving welfare sheds important light on a dimly lit subject. The policy brief highlights three very important insights into the way welfare reform is proceeding in Massachusetts. First, it points to an implementation system that is far too reliant on closing cases as punishment for not meeting procedural and behavioral requirements. Second, the data point to a low percentage of people leaving welfare for earnings. Third, the McCormack Institute's study raises larger questions about the type of information needed to assess the efficacy of welfare reform as well as raise serious questions about the way the Department of Transitional Assistance collects and interprets information about the impacts of Massachusetts' welfare reform. We discuss these three issues separately below.

WELFARE BY SANCTION

The finding that two out of every five case closings is due to behavior or procedural non-compliance gives us tremendous pause. Even if the cases closed due to missing a reporting deadline or a meeting with a caseworker are reinstated soon after, there is still good reason for concern. Families whose cases are closed, even if due to procedural reasons, are without their primary source of income when their case is closed. Virtually all research on welfare use indicates that people turn to TAFDC because they are poor, almost always in crisis, and do not have stable income from families or the labor market. Many families receive TAFDC because adults face barriers to employment stemming from domestic violence and mental and physical disabilities. The DTA has not released data on the characteristics of those with cases closed, so there is no way to know if non-compliance is a willful act of negligence or irresponsibility. There is good reason to believe that recipients do not make meetings with caseworkers or fill out the proper forms for other reasons: because of their inability to cope with many, complicated, and seemingly irrational rules; because appointments were rescheduled at a time clients could not come; or due to the closing of some DTA offices, making another trip to fill out another form was too difficult.

We know that in its implementation of welfare reform the DTA is relying heavily on the use of sanctions. So much so, that the department drew the attention from the General Accounting Office (GAO), in their report *States Early Experiences with Benefit Termination*. The GAO looked at Massachusetts because it was one of the three states with the highest degree of benefits termination. In their report, based on a review of the 1,969 case closings due to sanctions as of Dec. 31, 1996, they found:

- of the families whose cases were originally closed, 32.1 percent were reopened, either because families were indeed eligible and had been incorrectly sanctioned, or because they corrected the problem which had led to case closure (p. 34);

- of those families staying off the rolls, 74.4 percent did not continue to receive food stamps and 41.5 percent did not continued to receive Medicaid, even though it would appear that they should have been entitled to both (p. 43);
- of the families located after being cut off, 23 percent were earning wages (p. 38). Of those who were earning wages, the average monthly wage was \$540.00, still well below the poverty level. They found that families are leaving without receiving the supports entitled to them, such as health care and child care subsidies.

Members of our group are very active in research, educational and organizational efforts concerning welfare reform in Massachusetts, especially in the Boston area. We often come into contact with recipients, advocates, researchers in the field, and caseworkers. Overwhelmingly, the anecdotal evidence we hear is that the DTA is conducting welfare reform by sanction and intimidation. We take a closer look at this issue in a report from the Academics' Working Group on Poverty called *Bad Timing: An Analysis of Massachusetts' Welfare Time Limits*. Vicky Steinitz' recently released report documents human rights abuses. Stories abound, at community meetings and public "speak outs," about increases in frequency of redetermination hearings, forced and unexpected lectures by local office administrators regarding the necessity to get a job, any job, and simple misinformation and confusion in the offices are common. Anecdotally, we have reports that harassment has increased leading to women leaving the system in such distress, that they are not even being told about the options for continuing child and health care that exist, as suggested by the GAO study. We hear stories of increases in misinformation from workers, who admit to being ill informed and overwhelmed by new rules. We hear too that the new rules leave caseworkers less and less able to respond sensitively to individual client situations.

If welfare reform has created in increase in the numbers of families being sanctioned or intimidated off welfare, even for a month, that means families are without income when they should not be. This outcome is bad for these families, their community, and violates the stated goals of welfare reform. The data in this report signals that welfare reform implementation, especially what is happening to families leaving because of sanctions, deserves a closer look.

WHO'S WORKING?

A second important finding in this report is the surprisingly low percentage of case closings due to earnings. There are two ways to interpret this finding. One way is the obvious: Welfare reform has not improved the percentage of people leaving welfare for paid employment. Alternatively, and perhaps correctly, is exactly as the DTA suggests the low percentage leaving for earnings could reflect the success of increasing the earnings disregard. That is, people are staying on the rolls longer than before welfare reform because they are eligible longer when employed. Both explanations are plausible. But in both cases, the finding points to problems in welfare reform in Massachusetts. Clearly, if the small percentage of case closings (no more than 20%) due to increased earnings is because people are leaving welfare without finding jobs, then one important goal of welfare reform is a failure. If the lack of change in closings due to increased earnings is the result of families staying on longer because recipients can now mix earnings and TAFDC more effectively than prior to reform, this is very good news.

but it will be very short lived because of the strict time limit for non-exempt recipients. Those who are indeed in jobs, combining earnings and welfare, only have 24 months out of 60 to receive TAFDC and then they are cut off completely. After December 1, 1998 -- when time limits take effect -- we can expect to see the number of case closings due to earnings fall only to replaced by case closings due to exhausting the time limits.

Which one of the two scenarios is likely taking place? No one knows for sure until there is some independent research done on those leaving the welfare rolls. However, research on employment records of those leaving the rolls in other states with similar provisions to Massachusetts, as the McCormack Institute's policy brief points out, is not very encouraging.

WHAT WE NEED TO KNOW AND WHO CAN TELL US

The McCormack researchers and the DTA both argue that the data on case closings are limited. And in many ways, this study raises more questions than it answers. Why are the case closings due to procedural sanctions so high? Are they higher now than before welfare reform? How long are sanctioned families without income? Why isn't the percentage leaving welfare due to earnings higher after welfare reform than before?

This policy brief points to the importance of independent research in evaluating the effects of welfare reform. To date, much of the "formal" information about those leaving welfare in Massachusetts has been provided by the Department of Transitional Assistance, often through press releases. In those releases, the DTA claims that a substantial proportion of cases (about 1/2) are closed because of earnings which the DTA argues that this suggests welfare reform is "working." However, the data as analyzed here by independent researchers, suggests a very different picture of the efficacy of Massachusetts welfare reform. The differences between the two analysis are not merely the result of a methodological squabble. The differences point to problems inherent in allowing the very agency which in part helped write and entirely administers a program to then evaluate the "success" of that program. It is hard to think of a way that DTA, or any department of the administration, could objectively evaluate welfare reform and as such should not be asked or trusted to do so. That is not to say the DTA should not be involved in the evaluation process. Clearly they have a vital role in providing input in and access to data collection, and just as the McCormack researchers have done, the DTA should read and comment on evaluations of Massachusetts welfare reform.

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Comments on "A Policy Brief: Massachusetts (T)AFDC Case Closings"

by Deborah Harris

April 25, 1998

The Policy Brief by the McCormack Institute is the first and only academically rigorous and independent examination of any data relating to welfare reform in Massachusetts. As such, it is a most welcome first step towards analyzing welfare reform in the state.

Unfortunately, the case closing data which the Policy Brief analyzes only allow conclusions about differences in the distribution of case closing codes before and after welfare reform. Much more research is needed to assess the impact of welfare reform on Massachusetts families.

Five issues raised by the Policy Brief merit further comment. First, the Policy Brief highlights the lack of research in Massachusetts on welfare reform impacts, but DTA is not conducting any studies of welfare reform impacts and is no longer even making the case closing data available to the public. Second, the strikingly high and increasing percentage of procedural closings suggests that welfare reform is not working as intended. Third, it is important to be clear that the Policy Brief does not support a conclusion that the caseload decline is attributable to welfare reform or would not have occurred in the absence of welfare reform. Fourth, the fact that there has been no increase in the percentage of cases that are closing because of earnings raises questions about whether welfare reform is achieving its intended goals. And finally, as highlighted by DTA's comments on the impact of improved treatment of earnings, time limits will force families off welfare at low earnings levels which currently qualify them for welfare supplements. We discuss each of these issues below.

- 1. The limitations of the Policy Brief highlight the need for more research: however, DTA is no longer making even the case closing data publicly available.**

At the time the legislature enacted the state's welfare reform plan most of the state's provisions conflicted with federal law and could not be implemented without a federal waiver. DTA sought and obtained federal waivers for most of the state's provisions. A condition of obtaining the federal waiver was that the state contract with an independent research entity to evaluate the impacts of the welfare reform initiatives. In October 1995, before it implemented the welfare reform provisions, DTA agreed to this

condition. However, DTA never issued requests for proposals for a study and no study was ever undertaken.¹

Not only has DTA failed to fund a proper study of welfare reform impacts, but after the McCormack Institute began analyzing the case closing data, DTA stopped providing public access to current data of the type on which the report is based. DTA no longer provides public access to monthly data on case closings categorized by case closing code, and no longer provides public access to monthly data on sanctions that do not result in closings, categorized by type of sanction. Thus, even a limited analysis of the type undertaken by the McCormack Institute is no longer possible. DTA's refusal to provide these data, which were routinely collected and made publicly available before and after welfare reform, and which were provided until McCormack began work on the Policy Brief, raises serious questions about DTA's motives in preventing public scrutiny.

2. The most striking finding in the Policy Brief is the increase in procedural closings.

The Policy Brief correctly states that the most striking finding is that more recipients lose benefits for procedural reasons than for any other reason. Indeed, the percentage of cases closed for procedural reasons increased from 30% to 36% between the first and second years after welfare reform was implemented. It is unfortunate that the data compiled in the Policy Brief do not allow a comparison of procedural closings percentages before and after welfare reform.

Procedural closings, as explained in the Appendix, include failure to file a Monthly Report form, failure to schedule an eligibility review, and failure to supply required verification. Procedural closings are different from sanctions for non-compliance with behavioral requirements, such as work requirements and teen parent requirements; these behavioral sanctions actually dropped slightly, from 6.0% to 5.6% between the first and second years of welfare reform. For the most part, procedural closing reasons pre-date welfare reform, whereas the behavioral sanction reasons were adopted as part of the state's welfare reform plan.²

¹ In the FY 98 budget, signed into law on July 10, 1998, the legislature created a commission to hire a professional entity to conduct a study of welfare reform impacts and appropriated \$100,000 for that purpose. The commission has decided to rely on state employees to conduct the study. As proposed, the study will rely solely on matching existing data sources, such as Department of Revenue quarterly wage records and welfare records. This may produce useful and important information but cannot provide information about most welfare reform impacts.

² Before welfare reform, the caretaker—but not the entire family—could be sanctioned for non-compliance with a behavioral requirement. The state's welfare reform statute and the federal waivers to implement it authorized full-family sanctions for noncompliance with work requirements and teen parent requirements. Therefore, all of the behavioral sanctions closings

Both procedural closings and behavioral sanctions punish families with the most severe barriers to employment. For example, in a recent study of Delaware's welfare reform program, families most likely to have barriers to self-support, namely those with the least education and work experience, were most likely to have been subject to sanctions.³

Why have procedural closings increased dramatically *after* welfare reform's implementation? The Policy Brief suggests one answer: the consolidation of local welfare offices is creating access barriers for clients. An additional explanation is the increased and sometimes conflicting demands imposed on welfare recipients that make it increasingly difficult for recipients to comply. For example, DTA is conducting monthly in-person reviews of some welfare recipients who are subject to the time limit. Workers are instructed to send an appointment letter, without any consideration of whether the appointment time conflicts with previously scheduled activities—including required work or community service activities—and without regard to transportation difficulties. If the recipient fails to keep the appointment, the worker is supposed to close the case using Action Reason 41, one of the procedural closings. To give an idea of what welfare recipients experience, imagine you had to meet with an Internal Revenue Service agent once a month, at a time arbitrarily scheduled by the agent that interfered with your work schedule. Further imagine that you do not have access to a telephone during the day to reschedule the appointment and that you cannot get through on the telephone when you do manage to get to a telephone. Finally, imagine that you do not have transportation to get to the appointment. It is not surprising that under comparable circumstances, many recipients lose eligibility for procedural reasons.

represent an increase over pre-welfare reform closings. Although these closings constitute a fairly small percentage of total closings, they are nevertheless disturbing. A number of studies show that full-family sanctions are not helpful in improving compliance with requirements. Manpower Demonstration Research Corporation, *National Evaluation of Welfare-to-Work Strategies (formerly JOBS)* (Oct. 1997); Fein and Karwelt, *The ABC Evaluation: The Early Economic Impacts of Delaware's A Better Chance Welfare Reform Program* (Abt Associates, December 1997). In Utah, 50% of sanctions were determined to be erroneous. Bill Biggs, *Utah Sanctions Revisited*, CLASP Update (Nov. 1997). A recent GAO report concludes that in Iowa, state agency reviewers found that in 50% of the cases referred for benefit termination adequate casework had not been done to determine whether the recipients knew about the proposed termination and whether barriers to employment had been sufficiently addressed. *Welfare Reform: States' Early Experiences with Benefit Termination* (GAO, May 1997).

³ Fein and Karwelt, *The ABC Evaluation: The Early Economic Impacts of Delaware's A Better Chance Welfare Reform Program* (Abt Associates, December 1997). Similarly, sanctioned families in Minnesota were four times as likely to report chemical dependency, twice as likely to report a mental health problem, twice as likely to report family violence and three times as likely to report a family health problem. Pavetti, Olson, Nightingale, Duke, Isaacs, *Welfare-to-Work Options for Families Facing Personal and Family Challenges: Rationale and Program Strategies* (Urban Institute, Aug. 1997).

3. The Policy Brief should not be misread as finding that the caseload decline is attributable to welfare reform.

There has been a great deal of academic and public discussion about the extent to which declines in caseload, in Massachusetts and elsewhere, are attributable to welfare reform as opposed to improvements in the economy or other causes. The draft Policy Brief says that during the pre-welfare reform period (Oct. 1993-Sept. 1995), 4.6% of AFDC families left the welfare rolls each month as compared with 5.1% during the post-welfare reform period (Oct. 1995-Aug. 1997). **The Policy Brief does not say, and should not be read as saying, that the increase in the percentage of cases closing each month is attributable to welfare reform.**⁴

It is also important to keep in mind that to some extent the results are dependent on how the time periods are constructed. For example, the results summarized in the text do not include the interesting fact that, according to the data presented in Figure 1, the percentage of the caseload that left the rolls during the year before welfare reform (Oct. 1994-Sept. 1995) was slightly *higher* than the percentage of the caseload that left the rolls during the first year after welfare reform (Oct. 1995-Sept. 1996). Thus, during the year before welfare reform, 5.0% of AFDC families left the welfare rolls each month, as compared with 4.9% for the first year after welfare reform. The continued decline in the caseload during the first year after welfare reform is attributable to a decline in the percentage of new case openings, from 3.7% during the year before welfare reform to 3.9% during the first year after welfare reform. While for the post-reform period as a whole (Oct. 1995-Aug. 1997), case closings increased as a percentage of the caseload as compared with the two years preceding welfare reform, the fact that the percentage decreased during the first year after welfare reform serves as an additional reminder that aggregate case closing numbers or percentages tell us very little about the causes of caseload decline.

4. The fact that the percentage of case closings due to earnings has not increased raises questions about whether welfare reform is achieving its intended goals.

Using DTA's case closing data, the Policy Brief concludes that 19% of the cases closed for earnings during the second year after welfare reform. DTA, using questionable methodology, recategorized procedural and other case closings as closings with earnings, and claims that a total of 50% of closings have earnings at the time of closure. Although DTA's methodology is questionable, DTA is no doubt correct that its closing codes do not

⁴ On the other hand, it is worth noting that the behavioral case closings, which would not have occurred before welfare reform, could account for much of the increase in the percentage of families leaving assistance. Because many of these cases reopen, it is not possible to determine the extent to which these cases contribute to the decline in the caseload.

accurately reflect all of the cases that close that have earnings.⁵ In some cases, families have earnings that do not make them ineligible for assistance, but lose eligibility for a reason unrelated to earnings. Many of these families are eligible for and would continue to receive a small welfare supplement were it not for sanctions, procedural barriers and the threat of time limits. In addition, some families have earnings that make them ineligible for assistance, but the case closes for another reason.

The Policy Brief finds, and DTA has not questioned, that the percentage of cases that close because of earnings has remained essentially stable over time. The fact that, despite the good economy, the percentage of cases that close because of earnings has not increased is disturbing. First, it suggests that the benefits from the improved economy are being offset by a high rate of sanctions and procedural closings, the only category of closings which has increased. Second, it suggests that welfare recipients are in no better position than they were before welfare reform to support their families through earned income despite DTA's well-publicized campaign to move welfare recipients into jobs as soon as possible.

Finally, DTA has not provided any data or made any claims that families that leave welfare are better able to stay off welfare than they were in the past. Pre-welfare reform studies showed that about one-half to two-thirds of those who leave welfare with earnings need to return at a later point.⁶ Massachusetts has not begun to address the reasons families need to return to welfare: low wages, job instability, lack of child care, and job inflexibility that interferes with family responsibilities. Until these issues are addressed, poor families will continue to need welfare even if they are barred from receiving it by time limits or procedural barriers.

5. DTA's suggestion that the decline in the percentage of cases closed for earnings is the result of higher income disregards—while not confirmed by data—highlights the

⁵ A number of studies before welfare reform determined that between one-half and two-thirds of all welfare case closings are related to earnings. See, for example, Weeks, *Leaving Public Assistance in Washington State* (Washington State Institute for Public Policy, March 1991); Gritz and MaCurdy, *Patterns of Welfare Utilization and Multiple Program Participation Among Young Women* (The Hoover Institution, January 1992); Pavetti, *The Dynamics of Welfare and Work: Exploring the Process by Which Young Women Work their Way off Welfare* (John F. Kennedy School of Government, Harvard University, May 1993); Harris, "Life After Welfare: Women, Work, and Repeat Dependency" (*American Sociological Review*, Vol. 61, 1997). Thus, DTA's claims that 50% cases closings have earnings, if correct, do not show any increase over national pre-welfare reform studies.

⁶ Blank and Ruggles, "Short-Term Recidivism among Public Assistance Recipients," *American Economic Review*, Vol. 84(2) (May 1994); Pavetti, *The Dynamics of Welfare and Work: Exploring the Process by Which Young Women Work their Way off Welfare* (John F. Kennedy School of Government, Harvard University, May 1993).

fact that time limits will force families off welfare at low earnings levels.

The Policy Brief concludes that the percentage of cases closed due to increased earnings decreased slightly, going from 22% in the first two pre-welfare reform periods to 20% in the first post-welfare reform period and 19% in the second post-welfare reform period. DTA suggests that the decline is the result of improved treatment of earnings which was part of welfare reform.

It is certainly true that improved treatment of earnings allows some recipients to continue to receive assistance at earnings levels which would have previously made them ineligible. However, Massachusetts' treatment of earnings is far less generous than some other states' treatment of earnings under welfare reform. In particular, Massachusetts has retained (and for some recipients even *lowered*) gross income eligibility limits which render a family ineligible even if it would otherwise qualify for benefits after taking into account deductions from earnings. Thus, a family of three which is subject to the time limit is ineligible once its gross income exceeds \$1,045/month even if it would still be eligible for a small supplemental grant after taking into account deductions from earnings. For comparison, Illinois *increased* its gross income eligibility limit to the poverty level even though Illinois is a lower cost state.⁷ In addition, Massachusetts' income disregards are substantially less generous than many other states'. Massachusetts disregards \$120 and one-half of the remainder for families subject to the time limit and \$120 and one-third of the remainder for families not subject to the time limit. Illinois, for example, disregards two-thirds of income for all families.

The percentage of the Massachusetts caseload that has earnings has increased significantly, from 7.8% in state FY 95 (according to the DTA FY 1998 Spending Plan) to 14.4% currently. Despite this increase, the percentage of the caseload that has earnings is still lower than in many other states that have improved treatment of earnings. For example, in Illinois, 26% of families receiving assistance have earnings. In addition to the less favorable treatment of earnings in Massachusetts as compared with Illinois, the differences between the Massachusetts and Illinois percentages of the caseload with earnings may also be partially attributable to a more easily understandable system and to more successful efforts in Illinois to explain it. In Massachusetts, welfare workers have had to explain the complicated income disregard rules as only one of the myriad welfare reform changes. Confusion is widespread regarding how earnings are treated, but if families do not understand the income disregards then the disregards cannot operate as a work incentive.

In order to determine whether improved treatment of earnings is having an impact on the rate of case closings for earnings, additional information is needed about the amounts of the families' earnings. This information should enable a researcher to

⁷ John Bouman, Poverty Law Project, Chicago, Illinois (telephone call, April 24, 1998).

determine whether or not a significant percentage of the cases with earnings would be ineligible were it not for the improved treatment of earnings. However, it is worth noting that Illinois, despite its much more higher percentage of the caseload with earnings, has experienced no decline in the percentage of families that are working their way off welfare. Thus, in Illinois, any reduction in case closings because families are able to continue to receive assistance at earnings levels which previously would have made them ineligible is apparently being offset by the fact that more families are doing paid work and achieving earning enough to exceed the increased eligibility levels. Improved treatment of earnings, if properly implemented, need not result in a reduction in closings due to earnings.

Finally, although the percentage of Massachusetts' recipients with earnings is less than in other states that have improved treatment of earnings, the increase from 7.8% to 14.4% is nevertheless a significant and positive change. Unfortunately, under the state's two-year time limit, even those families who are employed will lose all benefits at the two-year point. Thus, the time limit policy will cut off those families who have responded to improved treatment of earnings as the law intended, and who have received only partial benefits because of their employment. We can expect the percentage of the caseload with earnings to drop once time limits hit, as families are forced off welfare despite low earnings.

APPENDIX: LISTING OF CLUSTERED CATEGORIES

Clusters and Their Actions Codes

CLUSTER NUMBER	ACTION CODE NUMBER AND REASON
Cluster I: Increased Income N=23,056 (24%)	
a. Earned income N=18,596 (19%)	<i>Code 60:</i> Case closed due to loss of \$30 and/or 1/3 disregard. <i>Code 61:</i> Case closed due to earnings.
b. Income from another family member	<i>Code 92:</i> Case closed, counting income of minor parents or minor parent.
c. Excess assets	<i>Code 31:</i> Case closed due to assets in excess of program limits. <i>Code 72:</i> Case closed, client received lump sum income.
d. Unearned income	<i>Code 25:</i> Case or household member closed due to receipt of SSI. <i>Code 30:</i> Case closed due to unearned income in excess of program limits. <i>Code 33:</i> Case or household member closed due to eligibility for, or receipt of, another benefit.
Cluster II: Sanctions N=36,775 (39%)	
a. Non-compliance with behavioral requirement N=5,560 (6%)	<i>Code 34:</i> Case or household member closed, client refuses to apply for other potential benefit or resource. <i>Code 73:</i> Case or household closed, failed to participate in ESP without good cause (1st time - 3 mos disqualification). <i>Code 79:</i> Case or household member closed, teen parent in home no longer meeting the requirement that a teen parent or a pregnant teen must either have a high school diploma or be attending school or a GED program. <i>Code 81:</i> Case or household member closed, client failed to participate in ESP without good cause (second time). <i>Code 87:</i> Case or household member closed, failure to meet requirement that a teen parent must live with an adult relative, legal guardian or in an available teen structured program. <i>Code 95:</i> Case or household member closed, failure to meet school attendance (Learnfare) requirements.
b. Non-compliance with procedural requirement N=31,215 (33%)	<i>Code 28:</i> Case closed, household member failed to cooperate without good cause in the disability determination process to decide if you meet the (T)AFDC deprivation factor for incapacity. <i>Code 39:</i> Case closed, did not provide income and/or asset verification. <i>Code 40:</i> Case or household member closed, did not provide required verification(s). <i>Code 41:</i> Case closed due to failure to keep an eligibility review appointment or to return eligibility review form. <i>Code 42:</i> Case closed, client refuses to comply with lien/assignment provisions. <i>Code 58:</i> Case closed, did not cooperate with Quality Control. <i>Code 59:</i> Case closed due to failure to correct an incomplete Monthly Report. <i>Code 64:</i> Case or household member closed, client did not verify SSN or application for SSN. <i>Code 67:</i> Case closed, failure to return a complete Monthly Report.

<p>b. Non-compliance with procedural requirement con't.</p>	<p><i>Code 71:</i> Case closed due to failure to correct an inadequate Monthly Report.</p> <p><i>Code 74:</i> Case or household member closed, failure to cooperate with direct deposit requirements.</p> <p><i>Code 86:</i> Case closed, failure to schedule an eligibility review at end of disqualification period.</p>
<p>Cluster III: Eligible Persons Moved N=8,013 (8%)</p>	<p><i>Code 43:</i> Household member closed, child in temporary custody of DSS or other agency and grantee no longer exercises care and control over child. Case or household member closed, an eligible household member is no longer in the home (adult member).</p> <p><i>Code 47:</i> Case or household member closed, an eligible dependent child(ren) is no longer in the home.</p> <p><i>Code 48:</i> Case or household member closed, no longer a Massachusetts resident.</p> <p><i>Code 50:</i> Case or household member closed, whereabouts unknown - no mail returned (10 notice required).</p> <p><i>Code 54:</i> Case or household member closed, whereabouts unknown - mail returned. (No 10 days notice required).</p>
<p>Cluster IV: Fraud N=428 (0.5%)</p>	<p><i>Code 77:</i> Case closed due to a bank match that revealed unreported assets in excess of program limits.</p> <p><i>Code 83:</i> Case closed, case identified as receiving assistance in another state (result of interstate match).</p> <p><i>Code 89:</i> Case or household member disqualified for Intentional Program Violation (Central Office Recoupment Unit use only).</p> <p><i>Code 98:</i> Case denied; BSI determines applicant fraudulent; result of front end detection.</p>
<p>Cluster V: Client Request N=14,366 (15%)</p>	<p><i>Code 38:</i> Case or household member closed at the written request of client to terminate all categorical benefits (cash, food stamps, MA and Medicare payments).</p> <p><i>Code 76:</i> Case closed, written request of client to stop cash benefits only.</p>
<p>Cluster VI: No Longer Eligible N=2,030 (2%)</p>	<p><i>Code 35:</i> Case is closed, dependent child has both parents living in the home and no deprivation factor.</p> <p><i>Code 36:</i> Case closed, failure to meet program rules of eligibility; ineligible for TAFDC for reason other than not meeting work history requirement</p> <p><i>Code 37:</i> Case closed, disability expected to last fewer than 60 days. Case or household member closed, client no longer has health problem keeping him or her from working, or caring for a child.</p> <p><i>Code 44:</i> Case or household member closed, a household member does not meet the citizenship or noncitizen status rules for the program</p> <p><i>Code 62:</i> Case or dependent child(ren) age 18 or 19 closed, child(ren) does not meet age and/or school attendance requirements.</p> <p><i>Code 63:</i> Case or household member closed. No longer pregnant.</p>

Cluster VII: Other or Multiple Meanings
N= 10,986 (12%)

Code 23: (i) Case closed, required by the (T)AFDC rules to be included in another assistance unit. (ii) Case closed due to income or assets of the person receiving care in excess of program limits.

Code 24: (i) Case closed, due to support payments in excess of program limits. (ii) Case closed, eligible for unemployment compensation.

Code 26: (i) Case closed, failed to appear for scheduled transition eligibility review. (ii) Case closed, counting income and assets of parents or spouse.

Code 32: (i) Case closed, dependent no longer meets age rules or is out of home. Use of this code is valid in any month of the 12-month extension. (ii) Case closed, due to an asset transfer.

Code 45: (i) Case closed, became a resident of a public or private institution. (ii) Case closed, Disability Review Unit determined that you and/or a household member do not meet the disability requirements of the program. (iii) Case closed, you do not meet the disability requirement of the program.

Code 46: (i) PAFS closed - required to get Food Stamps (FS) in another FS case. (ii) Case or household member closed, client has been living in a mental health institution for more than 60 days. (iii) Case closed, household member will begin receiving FS in another FS case.

Code 49: Case closed due to death.

Code 51: (i) Case closed, failure to complete a family cap eligibility review. (ii) Case closed, failure to meet program rules for eligibility; ineligibility for AFDC for reason other than not meeting relationship.

Code 53: (i) Case closed due to striker. (ii) Case closed, no longer participating in M.C.

Code 55: (i) Case closed due to earnings. Case eligible for RRP extended medical benefits. (ii) Case closed, you and/or a household member are not enrolled in school or a GED program and do not meet the teen living arrangement requirements of living with a parent, another responsible adult relative or in a teen structured living program. (iii) Case closed, household member does not meet this program's rules for eligibility as a student because he or she is not regularly attending high school full-time.

Code 57: (i) Case closed, the Disability Review Unit has determined that you and/or a household member do not have a physical and/or mental impairment that affects your ability to work. (ii) Case closed, your recent Medical Report states that you do not have a physical and/or mental impairment that affects your ability to work. (iii) Case or household member closed, client is a boarder, or a resident of a commercial boarding house, or living in a half-way house not licensed by the state. (iv) Case closed, caretaker relative had no earnings in one or more months of the quarterly reporting period.

Code 65: (i) (T)AFDC unit closed due to a combination of earnings and support payments in excess of program limits. (ii) Case or household member closed, client is in jail. (iii) Case or household member closed, client did not meet FS work registration requirements.

**Cluster VII: Other or Multiple Meanings
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Code 66: (i) Grantee closed due to failure to cooperate with the Child Support Enforcement Unit. (ii) Case denied, your Medical Report was not completed within 30 days of its being filed within the Department.

Code 88: (i) Grantees closed, failure to meet immunization Requirements. (ii) Case closed, your most recent Medical Report was based on an examination done over 30 days before the Medical Report was completed.

Code 90: (i) Case closed due to counting the income or assets of dependent children and their parents. (ii) Optional Assistance unit closed.

Code 91: Disqualification period over (Central Office Recoupment Unit use only).

Code 94: (i) Case or household members closed because of institutionalization, including incarceration. (ii) Case closed, your Medical Report was not completed within 30 days of its being filed with the Department.

Code 96: (i) Food Stamp portion of SSI case closed. (ii) Household member closed. (Used only when 1 or more household members have left the home or when no other action reason is appropriate.) (iii) Case or household member closed, while a fleeing felon. (iv) Case or household member closed due to being a drug felon. (v) Case or household member closed due to multiple cash/food stamp benefit/application. (vi) Grantee, legally liable for support, or household member closed due to a reason other than intentional program violation or TAFDC program sanction.

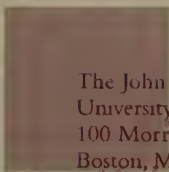
Code 97: (i) Case or household member closed, client failed to participate in ESP without good cause (third and subsequent time). (ii) Case closed, you and/or a household member failed to provide a completed disability supplement. (iii) Case or household member closed, failure to comply with the Food Stamp Employment and Training Program requirements without good cause (3rd time - 12 mos disqualification).

Code 99: Change due to the replacement of existing facsimile or Social security number by a new or corrected social security number.

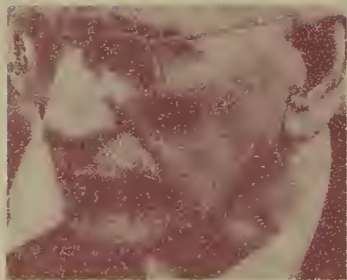
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