

**FORM ACF-202 – TANF CASELOAD REDUCTION REPORT**

**Date of Completion: 2-12-13**

**State: Michigan** **Fiscal Year to which credit applies: 2013**

<p>Overall Report <input checked="" type="checkbox"/> (check one) Two-parent Report <input type="checkbox"/></p>	<p>Apply the overall credit to the two-parent participation rate? <input type="checkbox"/> yes <input checked="" type="checkbox"/> no</p>
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**PART 1 –Eligibility Changes Made Since FY 2005**  
(Complete this section for EACH change)

1. Name of eligibility change:

- Requirement that work eligible individuals applying for cash assistance be referred immediately to the Work First program as a condition of eligibility was suspended effective 6/1/2006. This policy was reinstated effective 5/2/2007.

2. Implementation date of eligibility change:

- Individuals immediately referred to Work First program as a condition of eligibility was suspended 6/1/2006 and reinstated 5/2/2007.

3. Description of policy, including the change from prior policy:

- Mandatory Work First (WF) / Jobs, Education and Training (JET) clients must be referred to the WF/JET program upon application. Previous policy had temporarily eliminated this requirement as a condition of eligibility.

**FORM ACF-202 – TANF CASELOAD REDUCTION REPORT**

**Date of Completion: 2-12-13**

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**Fiscal Year to which credit applies: 2013**

4. Description of the methodology used to calculate the estimated impact of this eligibility change (attach supporting materials to this form):

- There is no longer a caseload impact which can be attached to this policy.

5. Estimated average monthly impact of this eligibility change on caseload in comparison year:   N/A

FORM ACF-202 – TANF CASELOAD REDUCTION REPORT

Date of Completion: 2-12-13

State: Michigan

Fiscal Year to which credit applies: 2013

1. Name of eligibility change:

- A solely state-funded group of cases was created.

2. Implementation date of eligibility change:

- 10/1/2006

3. Description of policy, including the change from prior policy:

- Effective 10/1/2006, a solely state-funded group of cases was created. This group is comprised of two-parent families and cases in which the adult is incapacitated greater than 90 days. It is not a separate state program. However, it will be included with the caseload count under SSP for counting and reporting purposes.

**FORM ACF-202 – TANF CASELOAD REDUCTION REPORT**

**Date of Completion: 2-12-13**

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**Fiscal Year to which credit applies: 2013**

4. Description of the methodology used to calculate the estimated impact of this eligibility change:  
(attach supporting materials to this form)

- These cases will be added back into the caseload count on the TANF worksheet.

5. Estimated average monthly impact of this eligibility change on caseload in comparison year:

- There were 13,371 state-funded cases in FY 2012

## FORM ACF-202 – TANF CASELOAD REDUCTION REPORT

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1. Name of eligibility change:

- 45 CFR-Reauthorization of TANF-Final Rule
- Part 261.43 (2)
- A state that is investing State MOE funds in eligible families in excess of the required 75 or 80 percent basic MOE need only include the pro rata share of caseloads receiving assistance as required by statute.

2. Implementation date of eligibility change:

- Application of a federal regulation, not an eligibility change.

3. Description of policy, including the change from prior policy:

- N/A

FORM ACF-202 – TANF CASELOAD REDUCTION REPORT

Date of Completion: 2-12-13

State: Michigan

Fiscal Year to which credit applies: 2013

4. Description of the methodology used to calculate the estimated impact of this eligibility change:  
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- See MOE worksheet.

5. Estimated average monthly impact of this eligibility change on caseload in comparison year:

- N/A

FORM ACF-202 – TANF CASELOAD REDUCTION REPORT

Date of Completion: 2-12-13

State: Michigan

Fiscal Year to which credit applies: 2013

1. Name of eligibility change:

- Effective 7/1/2011, Michigan implemented a procedural change due to a finding in the TANF Single Audit. Adoption Subsidy (AS) and Guardianship Assistance Program (GAP) income was being excluded from the cash assistance program budget to determine financial eligibility. Due to the audit finding, Michigan changed its procedure to include these incomes. This change is being noted here as a procedural change, not an eligibility change. Michigan did not consider this change in the caseload reduction.

2. Implementation date of eligibility change:

- N/A

3. Description of policy, including the change from prior policy:

- N/A

FORM ACF-202 – TANF CASELOAD REDUCTION REPORT

Date of Completion: 2-12-13

State: Michigan

Fiscal Year to which credit applies: 2013

4. Description of the methodology used to calculate the estimated impact of this eligibility change:  
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- N/A

5. Estimated average monthly impact of this eligibility change on caseload in comparison year:

- N/A

## FORM ACF-202 – TANF CASELOAD REDUCTION REPORT

**Date of Completion: 2-12-13**

**State: Michigan**

**Fiscal Year to which credit applies: 2013**

1. Name of eligibility change:

- A 19 year old attending high school full-time is no longer considered a dependent child in the eligible FIP group.

2. Implementation date of eligibility change:

- 10/1/2011

3. Description of policy, including the change from prior policy:

- Previous to the policy change, a 19 year old that attended high school full-time and was expected to graduate before the age of 20, was a mandatory group member in the eligible FIP group. This child was in the FIP group as a dependent child until the child turned 20 years old, or graduated from high school, whichever occurred first.
- State law, MCL 400.57(1)(c) changed the definition of a child, eliminating any 19 year olds' active FIP.
- If a group's FIP eligibility was dependent on the 19 year old, the FIP case closed. The cases reported as closed were due to the only child in the home was 19 years old. Cases that had other children in the home remained open, but the needs of the 19 year old were removed.

**FORM ACF-202 – TANF CASELOAD REDUCTION REPORT**

**Date of Completion: 2-12-13**

**State: Michigan**

**Fiscal Year to which credit applies: 2013**

4. Description of the methodology used to calculate the estimated impact of this eligibility change:  
(attach supporting materials to this form)

- Tracked the actual case closures for each month through Michigan's Bridges system.

5. Impact of this eligibility change on caseload in comparison year:

- 173 cases for FY 2012

**FORM ACF-202 – TANF CASELOAD REDUCTION REPORT**

**Date of Completion: 2-12-13**

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**Fiscal Year to which credit applies: 2013**

1. Name of eligibility change:

- A 16 or 17 year old not attending high school full-time is disqualified from receiving FIP.

2. Implementation date of eligibility change:

- 10/1/2011

3. Description of policy, including the change from prior policy:

- Previous to the policy change, a 16 or 17 year old that was not attending high school full-time was required to participate at Michigan's employment and training program.
- Policy item BEM 245, School Attendance and Student Status, was changed and the 16 or 17 year old will now be disqualified from receiving FIP and will not be referred to Michigan's employment and training program.
- If a group's FIP eligibility was dependent on the 16 or 17 year old who was not attending high school full-time, then the FIP case closed. The cases closed were due to the only child in the home being the disqualified child. Cases that had other children or a pregnant grantee in the home remained open, but the needs of the 16 or 17 year old were removed.

**FORM ACF-202 – TANF CASELOAD REDUCTION REPORT**

**Date of Completion: 2-12-13**

**State: Michigan**

**Fiscal Year to which credit applies: 2013**

4. Description of the methodology used to calculate the estimated impact of this eligibility change:  
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- Tracked the actual case closures for each month through Michigan's Bridges system.

5. Impact of this eligibility change on caseload in comparison year:

- 25 cases for FY 2012

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**Date of Completion: 2-12-13**

**State: Michigan**

**Fiscal Year to which credit applies: 2013**

**1. Name of eligibility change:**

- Financial need exists for FIP if there is at least a \$10 deficit after income is budgeted. If the deficit is less than \$10, the FIP case is closed.

**2. Implementation date of eligibility change:**

- 10/1/2011

**3. Description of policy, including the change from prior policy:**

- Previous to the policy change, after budgeting any earned or unearned income, if a group's FIP grant was under \$10, the FIP case would remain open/approved, but the client would not receive the grant amount.
- Policy item BEM 518, FIP Income Budgeting, was updated stating financial need exists if there is at least a \$10 deficit after income is budgeted.
- A deficit of at least \$10 is required to receive a cash benefit. If the deficit is less than \$10, financial need does not exist and the FIP group is not eligible to receive benefits. The FIP case will close.

**FORM ACF-202 – TANF CASELOAD REDUCTION REPORT**

**Date of Completion: 2-12-13**

**State: Michigan**

**Fiscal Year to which credit applies: 2013**

4. Description of the methodology used to calculate the estimated impact of this eligibility change:  
(attach supporting materials to this form)

- Tracked the actual case closures for each month through Michigan's Bridges system.

5. Impact of this eligibility change on caseload in comparison year:

- 308 cases for FY 2012

**FORM ACF-202 – TANF CASELOAD REDUCTION REPORT**

**Date of Completion: 2-12-13**

**State: Michigan**

**Fiscal Year to which credit applies: 2013**

1. Name of eligibility change:

- Asset limit of \$500,000 for property assets.

2. Implementation date of eligibility change:

- 10/1/2011

3. Description of policy, including the change from prior policy:

- Previous to the policy change, property assets were excluded from determining FIP eligibility.
- The annual appropriations act of 2011, 2011 P.A. 63 Sec. 686(3), states “The department shall prohibit individuals with property assets assessed at a value higher than \$500,000 from accessing assistance through department-administered programs, unless such a prohibition would violate federal rules and guidelines.”
- If a FIP group has more than \$500,000 total property assets, the FIP case will close.

FORM ACF-202 – TANF CASELOAD REDUCTION REPORT

Date of Completion: 2-12-13

State: Michigan

Fiscal Year to which credit applies: 2013

4. Description of the methodology used to calculate the estimated impact of this eligibility change:  
(attach supporting materials to this form)

- Tracked the actual case closures for each month through Michigan's Bridges system.

5. Impact of this eligibility change on caseload in comparison year:

- 0 cases for FY 2012

FORM ACF-202 – TANF CASELOAD REDUCTION REPORT

Date of Completion: 2-12-13

State: Michigan

Fiscal Year to which credit applies: 2013

1. Name of eligibility change:

- A person convicted two or more times for a drug related felony is disqualified from FIP.

2. Implementation date of eligibility change:

- 10/1/2011

3. Description of policy, including the change from prior policy:

- Previous to the policy change, the department only disqualified an individual receiving FIP if that person was in violation of the terms of their probation/parole and the conduct for which the person was convicted occurred after August 22, 1996. If the person was not in violation of the terms of probation or parole, the FIP benefits were paid in the form of restricted payments.
- The annual appropriations act of 2011, 2011 P.A. 63 Sec 619(2), changed this policy to disqualify an individual if the individual was convicted in two or more separate cases of a felony that included the possession, use, or distribution of a controlled substance after August 22, 1996.
- If a group's FIP eligibility was dependent on the individual who was disqualified due to a second drug related felony, then the FIP case closed. The cases that may close would be due to the disqualification of the only person in the group receiving FIP. Cases that had other individuals eligible to receive FIP remained open, but the needs of the disqualified individual were removed.

**FORM ACF-202 – TANF CASELOAD REDUCTION REPORT**

**Date of Completion: 2-12-13**

**State: Michigan**

**Fiscal Year to which credit applies: 2013**

4. Description of the methodology used to calculate the estimated impact of this eligibility change:  
(attach supporting materials to this form)

- Tracked the actual case closures for each month through Michigan's Bridges system.

5. Impact of this eligibility change on caseload in comparison year:

- 0 cases for FY 2012

**FORM ACF-202 – TANF CASELOAD REDUCTION REPORT**

**Date of Completion: 2-12-13**

**State: Michigan**

**Fiscal Year to which credit applies: 2013**

1. Name of eligibility change:

- The 60 month federal time limit hardship exemption was eliminated from the TANF State Plan which had the effect of closing FIP cases that included individuals that received over 60 months of federally funded FIP.

2. Implementation date of eligibility change:

- 10/1/2011

3. Description of policy, including the change from prior policy:

- Previous to the policy change, Michigan utilized the option of extending assistance beyond 60 months to individuals, up to 20 percent of the average monthly TANF case load in the TANF State Plan.
- Effective 10/1/2011, Michigan changed the TANF State Plan, no longer utilizing the option for extending assistance beyond 60 months for individuals. Once an individual in the FIP group reaches 60 federally funded months, the group is ineligible for FIP assistance.
- A group is not eligible for FIP if an individual in the group has received over 60 federally funded FIP months.

**FORM ACF-202 – TANF CASELOAD REDUCTION REPORT**

**Date of Completion: 2-12-13**

**State: Michigan**

**Fiscal Year to which credit applies: 2013**

4. Description of the methodology used to calculate the estimated impact of this eligibility change:  
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- Tracked the actual case closures for each month through Michigan's Bridges system. This list was cross checked to make sure these clients did not receive FIP if they reapplied as a state funded case after this policy's adverse Circuit Court ruling starting 3/28/12.

5. Impact of this eligibility change on caseload in comparison year:

- 5,270 cases for FY 2012

FORM ACF-202 – TANF CASELOAD REDUCTION REPORT

Date of Completion: 2-12-13

State: Michigan

Fiscal Year to which credit applies: 2013

1. Name of eligibility change:

- Effective 3/28/2012, the policy change that took effect on 10/1/2011 (The 60 month federal time limit hardship exemption was eliminated from the TANF State Plan which had the effect of closing FIP cases that included individuals that received over 60 months of federally funded FIP) was challenged in Michigan's court system. After an adverse Circuit Court ruling, starting 3/28/12, any client's case that closed due to exceeding the 60 month federal time limit was given the option to reapply. If a client was determined eligible for FIP, waiving the federal time limit eligibility criteria, the FIP case was approved with the FIP case being state funded. This group is not a separate state program. However, it will be included with the caseload count under SSP for counting and reporting purpose.

2. Implementation date of eligibility change:

- N/A

3. Description of policy, including the change from prior policy:

- N/A

**FORM ACF-202 – TANF CASELOAD REDUCTION REPORT**

**Date of Completion: 2-12-13**

**State: Michigan**

**Fiscal Year to which credit applies: 2013**

4. Description of the methodology used to calculate the estimated impact of this eligibility change (attach supporting materials to this form):

- These cases will be added back into the caseload count on the TANF worksheet.

5. Estimated average monthly impact of this eligibility change on caseload in comparison year:

- These cases are included in the caseload count of 13,371 on the TANF worksheet for FY 2012.

**FORM ACF-202 – TANF CASELOAD REDUCTION REPORT**

**Date of Completion: 2-12-13**

**State: Michigan**

**Fiscal Year to which credit applies: 2013**

1. Name of eligibility change:

- An individual in a group cannot receive more than 48 months of FIP in a lifetime.

2. Implementation date of eligibility change:

- 10/1/2007

3. Description of policy, including the change from prior policy:

- Previous to this policy change in 2007, Michigan did not have a more restrictive time limit than the time limit of 60 months in Federal law.
- From the policy start date of 10/1/2007, 10/1/2011 is the first month a client could reach 48 months and have their FIP closed due to the state time limit.

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**Date of Completion: 2-12-13**

**State: Michigan**

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4. Description of the methodology used to calculate the estimated impact of this eligibility change (attach supporting materials to this form):

- Tracked the actual case closures for each month through Michigan's Bridges system.

5. Impact of this eligibility change on caseload in comparison year:

- 601 cases for FY 2012

**FORM ACF-202 – TANF CASELOAD REDUCTION REPORT**

**Date of Completion** 2-12-13

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**PART 2 – Estimate of Caseload Reduction Credit**

(Complete Part 2 using Excel Workbook provided.)

**FORM ACF-202 – TANF CASELOAD REDUCTION REPORT**  
**Overall Credit**

	A	B	C	D	E	F
1	Michigan			Fiscal Year to which credit applies:		2013
2				Date of Completion:	02/19/2013	
3	<b>PART 2 – Estimate of Caseload Reduction Credit</b>					
4						
5	<u>Impact of All Changes</u>			<u>Caseload Reduction Calculation</u>		
6	19 yr olds removed as dependent ch	-173		FY 2005 TANF Caseload	80,595	
7	16/17 yr olds disqualified for not atten	-25		FY 2005 SSP Caseload		
8	Less than \$10 deficit	-308		<b>Total FY 2005 Caseload</b>	<b>80,595</b>	
9	60 month federal time limit	-5,270		FY 2012 TANF Caseload	46,282	
10	48 month state time limit	-601		FY 2012 SSP Caseload	13,371	
11	\$500,000 property asset limit	0		<b>Total FY 2012 Caseload</b>	<b>59,653</b>	
12	Persons convicted of two drug relate	0		Excess MOE Cases in FY 2012	9,132	
13				<b>Adjusted FY 2012 Caseload</b>	<b>50,521</b>	
14				Caseload Decline	30,074	37.3%
15				Decline – Net Impact	23,697	
16						
17				Caseload Reduction Credit =		<b>29.4%</b>
18						
19						
20	The impact of the state-funded group is listed					
21	in FY 2012 SSP Caseload					
22						
23						
24						
25						
26	<b>Net Impact</b>	<b>-6,377</b>				
27						
28						

**FORM ACF-202 – TANF CASELOAD REDUCTION REPORT  
Excess MOE Worksheet**

	A	B	C	D	E	F
1	Michigan			Fiscal Year to which credit applies:		2013
2				Date of Completion:		02/19/2013
3	<b>Excess MOE Calculation Worksheet</b>					
4						
5	<b>Caseload Data</b>			<b>Expenditure Data</b>		
6	FY 2005 TANF Caseload	80,595		<b>Total Expenditures</b>		
7	FY 2005 SSP Caseload	0		FY 2012 Total Federal Expenditures		\$807,277,523
8	<b>Total FY 2005 Caseload</b>	<b>80,595</b>		FY 2012 Total MOE Expenditures		\$699,138,312
9	FY 2012 TANF Caseload	46,282		<b>Total Expenditures (Federal + MOE)</b>		\$1,506,415,835
10	FY 2012 SSP Caseload	13,371				
11	<b>Total FY 2012 Caseload</b>	<b>59,653</b>		<b>Assistance Expenditures</b>		
12				FY 2012 Federal Expenditures on Assistance		\$201,403,852
13	<b>2-Parent Caseload Data</b>			FY 2012 MOE Expenditures on Assistance		\$51,674,598
14	FY 2005 2-p TANF Caseload	0		<b>Total Expenditures on Assistance (Federal + MOE)</b>		\$253,078,450
15	FY 2005 2-p SSP Caseload	0		Percentage of Expenditures on Assistance		16.80%
16	<b>Total FY 2005 Caseload</b>	<b>0</b>				
17	FY 2012 2-p TANF Caseload	0		<b>Expenditures Per Case</b>		
18	FY 2012 2-p SSP Caseload	0		Average Expenditures per Case		\$25,253
19	<b>Total FY 2012 Caseload</b>	<b>0</b>		Average Expenditures per Case on Assistance		\$4,243
20						
21				<b>MOE and Excess MOE</b>		
22				Required MOE (80% or 75%)		\$468,518,376
23				Excess MOE Expenditures		\$230,619,936
24				Excess MOE Expenditures on Assistance		\$38,744,240
25	<b>Adjusted Caseload Data</b>					
26	Adjusted FY 2012 Overall Caseload	72,048		<b>Assistance Cases Funded by Excess MOE</b>		<b>9,132</b>
27	Adjusted FY 2012 2-parent Caseload	0		<b>2-Parent Assistance Cases Funded by Excess MOE</b>		<b>0</b>
28						
29						
30						
31						
32						

**FORM ACF-202 – TANF CASELOAD REDUCTION REPORT**

**Date of Completion**   2-13-13  

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**Fiscal Year to which credit applies:**   2013  

**PART 3 -- Certification**

I certify that we have provided the public an appropriate opportunity to comment on the estimates and methodology used to complete this report and considered those comments in completing it. Further, I certify that this report incorporates all reductions in the caseload resulting from State eligibility changes and changes in Federal requirements since Fiscal Year 2005.

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Brian J. Rooney, Esq  
Deputy Director, Michigan Department of Human Services  
Director of Policy and Compliance