



Anti-Poverty Strategies

A mixed-methods analysis of Temporary
Assistance for Needy Families in Michigan



Center for Public
Partnerships and Research

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Anti-Poverty Strategies: A mixed-methods analysis of Temporary Assistance for Needy Families in Michigan

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The University of Kansas, Center for Public Partnerships and Research
1617 St. Andrews Drive, Lawrence, Kansas 66047

cppr.ku.edu

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A note from the Michigan Poverty Task Force

Gov. Gretchen Whitmer issued an executive order establishing the [*Michigan Poverty Task Force*](#) in 2020.¹ Since its creation, the task force worked with both state departments and external partners to craft recommendations to lift Michigan families out of poverty.

In 2021, the task force issued its first [*report*](#) with the recommendation to conduct a comprehensive study of how Michigan spends its Temporary Assistance to Needy Families (TANF) funding, and to identify barriers families face in accessing public assistance funds.² Through a competitive process, the University of Kansas Center for Public Partnerships and Research (KU-CPPR) was selected to analyze TANF spending and barriers to accessing public assistance benefits in Michigan. KU-CPPR has undertaken a comprehensive study to

- determine if the state's current approach to TANF distribution is serving low-income families;
- analyze other state public assistance benefit programs to identify potential barriers to access; and
- provide guidance on removing any such barriers.

KU-CPPR's recommendations come as the public health emergency has ended and Michigan faces new challenges and opportunities.

Government investments in food programs, mental health services, and health care for low-income residents brings dynamic annual rates of return to taxpayers of between 40% and 111%.

At the start of the COVID-19 pandemic, millions of people and families nationwide fell into poverty³, including people in Michigan.⁴ These were unforeseen and complex challenges, but also created unprecedented opportunities for Michigan to invest in its residents at unparalleled levels. Michigan was able to help residents quickly recover from their precarious situations by working together to expand its public safety net. State leaders worked quickly to pass bills, which provided direct financial assistance⁵ to help Michigan residents maintain health care coverage, remain housed, keep utilities connected and obtain food. As a result of the bipartisan spending plan, existing programs were bolstered and new

¹ Michigan Executive Order No. 2019-19. (2019, December 18). <https://www.michigan.gov/whitmer/-/media/Project/Websites/Whitmer/Documents/Exec-Orders/EO-201919-MI-Poverty-Task-Force-final-signed.pdf?rev=447aabb00938e4a6d8b2e322b36eea329&hash=EC28F2C1AA7A44B7D18592447E81D545>

² 2021 Poverty Task Force Report, Michigan Department of Labor and Economic Opportunity, page 9. https://www.michigan.gov/leo/-/media/Project/Websites/leo/Folder16/LEO-Poverty_Task_Force_Report.pdf?rev=bb576734088e4436a1717d86f1b5750d&hash=AFDF4C73A8CEF7EA917EF7D884B87CF1

³Shrider, Emily A., et. al., U.S. Census Bureau, Current Population Reports, P60-273, Income and Poverty in the United States: 2020, U.S. Government Publishing Office, Washington, DC, September 2021, at page 54. <https://www.census.gov/content/dam/Census/library/publications/2021/demo/p60-273.pdf>

⁴Id. at 53.

⁵The Office of Governor Gretchen Whitmer. (2020, December 29). Governor Whitmer Signs \$106 Million Bipartisan Relief Bill, Bills Extending Unemployment Benefits to 26 Weeks [Press Release]. <https://www.michigan.gov/whitmer/news/press-releases/2020/12/29/governor-whitmer-signs-106-million-bipartisan-relief-bill-bills-extending-unemployment-benefits-to->

programs were created, mitigating the financial impacts of the pandemic. Federal, state and local leaders continue to collaborate to lift families out of poverty.

Ongoing investment in Michigan families can lead to remarkable economic impacts for the entire state. It is estimated that for every dollar spent to alleviate food insecurity, the state economy benefits by \$33. Similarly, for every person who has health care coverage, the economy benefits by roughly \$46,000 per year thanks to improved access to health care. Taxpayers collectively save over \$900,000 in long term economic impacts for every person whose eviction is prevented and who remains housed. In fact, the Perryman Group found that government investments in food programs, mental health services, and health care for low-income residents “brings dynamic annual rates of return to taxpayers of between 40% and 111%.” The economic costs of poverty, hunger, housing instability, lack of health care coverage and child maltreatment are endured by individuals and families who are experiencing these issues, and by society as a whole, impacting the workforce and marketplace.⁶

Child poverty is particularly damaging. Children who experience even brief instances of homelessness can be significantly impacted throughout their life. Behavioral, emotional and immediate- and long-term health problems are higher in children who experience homelessness.⁷

In 2018, an economic cost estimate of childhood poverty as a yearly annual aggregate was \$1.0298 trillion or roughly 5.4% of the gross domestic product of the United States. It is estimated that the nation would save \$7 in costs associated with poverty for every dollar spent on reducing childhood poverty; these costs include increased health-related problems, crime, maltreatment and homelessness, as well as decreased economic productivity.⁸

Safety Net Programs – by the numbers

Health care coverage

During the public health emergency, states were required to provide continuous health care coverage for all medical assistance programs regardless of whether a person's eligibility changed.⁹ In June 2023, approximately 3.21 million Michiganders received health care coverage through one of the Michigan Department of Health and Human Services (MDHHS) medical assistance programs.¹⁰

⁶Perryman, M. R. (2020, December 23). Perryman: Compassion: An Economic Perspective. *Rio Grande Guardian*. https://riograndeguardian.com/perryman-compassion-an-economic-perspective/?utm_source=rss&utm_medium=rss&utm_campaign=perryman-compassion-an-economic-perspective

⁷Council On Community Pediatrics, Melissa A. Briggs, et. al. Providing Care for Children and Adolescents Facing Homelessness and Housing Insecurity. *Pediatrics* June 2013; 131 (6): 1206–1210. 10.1542/peds.2013-0645. <https://publications.aap.org/pediatrics/article/131/6/1206/31138/Providing-Care-for-Children-and-Adolescents-Facing?autologincheck=redirected>

⁸McLaughlin, M., Rank, M.R., Estimating the Economic Cost of Childhood Poverty in the United States, *Social Work Research*, Volume 42, Issue 2, June 2018, Pages 73–83, <https://doi.org/10.1093/swr/svy007>

⁹ Michigan Department of Health and Human Service, PHE Benefit Changes, Frequently Asked Questions, accessed last 15 April 2024. <https://www.michigan.gov/mdhhs/end-phe/covid-19-phe-frequently-asked-questions/general/general-questions?accordion=0>

¹⁰ Michigan Department of Health and Human Services, Green Book Report of Key Program Statistics, June 2023. https://www.michigan.gov/mdhhs/-/media/Project/Websites/mdhhs/Inside-MDHHS/Reports-and-Statistics---Human-Services/Green-Book/2023_06_GreenBook.pdf?rev=5652686b2f1747ba910516de429ef4e2

During this same time period, using the estimated economic benefit of \$46,000 for every person that maintains health care coverage, the Michigan economy benefitted by approximately \$147.7 billion by maintaining continuous health care coverage for 3.21 million residents.

CERA funding

The COVID Emergency Rental Assistance (CERA) allowed eligible households to receive rental assistance along with payments for utilities and internet costs.¹¹ CERA assisted 262,512 people in over an estimated 110,000 households. Additionally, CERA provided over \$100 million in utility assistance for over 60,000 families.¹²

Since the CERA program concluded, eviction rates have returned to pre-pandemic levels. It is estimated that 40,000 households will be evicted annually per the Michigan State Housing Development Authority (MSHDA). Using the information that the economy benefits by \$900,000 per year for every individual who remains housed, CERA provided over \$236 billion in economic benefits to Michigan by serving 262,512 individuals.

Child Tax Credit

The American Rescue Plan Act (ARPA) changed the Child Tax Credit for 2021, providing families with children much needed support and allowing families to receive up to half of the credit in six monthly installments, and the remaining credit received after filing taxes.¹³ According to the Census Bureau, these 2021 refunds were responsible for lifting 5.3 million people, including 2.9 million children, out of poverty.¹⁴

According to the Census Bureau, the 2021 CTC refunds were responsible for lifting 5.3 million people out of poverty, which includes 2.9 million children.

According to the Center for Budget and Policy Priorities, if the ARPA Child Tax Credit changes were made permanent, 90%¹⁵ of children under age 18 in Michigan would benefit, and child poverty would be reduced by 44% each year¹⁶. Without the ARPA Child Tax Credit changes, over 554,000 Michigan children are denied the full amount of the refund due to income requirements. This includes approximately 25% of children who live in rural areas of the state.¹⁷ According to the Census Bureau's Household Pulse Survey, many households

¹¹ Michigan State Housing Development Authority, COVID Emergency Rental Assistance, last accessed 15 April 2024. <https://www.michigan.gov/mshda/rental/cera>

¹² MSHDA Michigan State Housing Development Authority, CERA Dashboard, last accessed 15 April 2024. <https://ceraapp.michigan.gov/p/eviction-dashboard-uYKq6>

¹³ Burns, K., Fox, L.E. The Impact of the 2021 Expanded Child Tax Credit on Child Poverty. Social, Economic, and Housing Statistics Division, Working Paper #2022-24, page 2. U.S. Census Bureau. <https://www.census.gov/content/dam/Census/library/working-papers/2022/demo/sehsd-wp2022-24.pdf>

¹⁴ Id. at 7.

¹⁵ Marr, C., et. al., Congress Should Adopt American Families Plan's Permanent Expansions of Child Tax Credit and EITC, Make Additional Provisions Permanent. Center on Budget and Policy Priorities, 24 May 2021, page 10. <https://www.cbpp.org/sites/default/files/5-24-21tax.pdf>

¹⁶ Id. at 14.

¹⁷ Michigan League for Public Policy. (2022, December 6). *New campaign calls on Congress to expand the Child Tax Credit* [Press Release]. <https://mlpp.org/new-campaign-calls-on-congress-to-expand-the-child-tax-credit>

that received the advanced tax credit spent the funds on basic necessities, including child care, school-related expenses, rent, utilities and food.¹⁸

Utility Assistance

Low-Income Household Water Assistance Program (LIHWAP) was a temporary water assistance program to help households maintain water and sewer services during the public health emergency. The program began issuing payments in the fall of 2020 and continued through September 2023.¹⁹ Although final numbers are not yet available, 29,833 households have been served through LIHWAP according to MDHHS.

Low-Income Home Energy Assistance (LIHEAP) is an established program within MDHHS that was bolstered with additional funding related to the public health emergency. LIHEAP has three main categories of assistance: crisis, weatherization and heating. MDHHS administers most of the LIHEAP funds through the State Emergency Relief program.²⁰

As of February 2023, 210 households received deliverable fuel through the additional funds made available in response to the public health emergency. From FY 2020 through FY 2022, State Emergency Relief assisted 341,193 households through the direct utility support payments, crisis assistance energy and fuel-related payments. During that same time frame, 2,428 households received furnace repairs or a replacement furnace through State Emergency Relief according to MDHHS.

The overarching goals of the LIHEAP Weatherization Assistance Program is to increase energy savings, reduce fuel use and provide a safe and healthy home environment²¹. This has served approximately 4,700 households since the start of the public health emergency.

LIHEAP-funded heating in Michigan is administered by the Michigan Department of Treasury through a program called the Home Heating Credit. Individuals and families can apply for the credit when they file their taxes up through Sept. 30 of each year. These benefits can be issued to the energy supplier or to the eligible household depending on how the household pays for energy.²² From FY 2020 through FY 2022, 780,015 households received the HHC according to MDHHS.

Food Assistance Program Emergency Allotments

In March 2020, Congress authorized Emergency Allotment food assistance benefits to help individuals and families cover food-related expenses during the public health emergency.²³

¹⁸ Perez-Lopez, D.J., Mayol-Garcia, Y., Nearly a Third of Parents Spent Child Tax Credit on School Expenses. U.S. Census Bureau (October 21, 2021). <https://www.census.gov/library/stories/2021/10/nearly-a-third-of-parents-spent-child-tax-credit-on-school-expenses.html#:~:text=According%20to%20the%20IRS%2C%20about,continue%20every%20month%20through%20December>.

¹⁹ Michigan Department of Health and Human Services, Low-income Households Water Assistance Program (LIHWAP), accessed last 12 April 2024. <https://www.michigan.gov/mdhhs/assistance-programs/low-income-households-water-assistance-program-lihwap>

²⁰ Michigan Department of Health and Human Services, Low Income Home Energy Assistance Program (LIHEAP) State Plans, accessed last 15 April 2024. <https://www.michigan.gov/mdhhs/inside-mdhhs/reports-stats/plans-regs/plans-regs/low-income-home-energy-assistance-program-liheap-state-plans>

²¹ Id.

²² Id.

²³ Section 2302(a)(1) of the Families First Coronavirus Response Act of 2020 (Public Law No: 116-127). <https://www.congress.gov/bills/116th-congress/house-bill/6201/text>

From April 2020 to December 2022, MDHHS issued over \$3.5 billion in Emergency Allotment benefits according to MDHHS.

The Hamilton Project found that food insecurity was reduced by 30% in the week after P-EBT benefits were issued and that these ... benefits "lifted at least 2.7 to 3.9 million children out of hunger."

According to projections by the Urban Institute, in the fourth quarter of 2021, Emergency Allotment benefits alone dropped the supplemental poverty measure rate by 9.6%.²⁴ Using the estimate that for every dollar spent to alleviate food insecurity the economy benefits by \$33, the Michigan economy benefited by nearly \$116 billion by providing Emergency Allotment food assistance to help Michigan individuals and families in need.

Pandemic EBT

Pandemic Electronic Benefit Transfer (P-EBT) was created to redirect food assistance benefits earmarked for school meals directly to the students and their families to cover the breakfasts and lunches that students would have received if the school was open.

Michigan was the first state in the nation to begin issuing P-EBT.²⁵ From FY 2020 through FY 2022, MDHHS served an average of over 1,000,000 students each year by providing a total of \$1,884,762,261 in food assistance benefits per MDHHS. Although Emergency Allotment benefits ended with the expiration of the public health emergency, Summer-EBT benefits will provide meals to eligible children throughout the summer months. The Hamilton Project analyzed the impact of P-EBT benefits and found that food insecurity was reduced by 30% in the week after the P-EBT benefits were issued and that these additional food benefits "lifted at least 2.7 to 3.9 million children out of hunger."²⁶

Pandemic Learnings

Many valuable lessons were learned from the public health emergency, including that by working together in a collaborative way, Michigan can take actions that have enormous positive impact on all residents. Continued collaborative problem-solving is important to move Michigan forward.

Given the progress made so far, and in anticipation of further collaborative efforts, the Poverty Task Force is pleased to present the research of KU-CPPR regarding best practices on utilizing TANF and removing barriers in order to serve families, friends and neighbors more effectively while the economic impacts of such investments continue to benefit all Michigan residents and businesses.

²⁴ Wheaton, L., Kwon, D., Effect of the Reevaluated Thrifty Food Plan and Emergency Allotments on

Supplemental Nutrition Assistance Program Benefits and Poverty, August 2022, page 18.

<https://www.urban.org/sites/default/files/2022-08/Effect%20of%20the%20Reevaluated%20Thrifty%20Food%20Plan%20and%20Emergency%20Allotments%20on%20Supplemental%20Nutrition%20Assistance%20Program%20Benefits%20and%20Poverty.pdf>

²⁵ Michigan Department of Health and Human Services. (2020, April 9). Michigan is First State to Provide Food to Families Affected by School Closings Caused by COVID-19; Families with children who received free, reduced-cost lunches at school qualify for new program [Press Release].

²⁶ Bauer, L., et. al., The Effect of Pandemic EBT on Measures of Food Hardship. The Hamilton Project, July 2022, page 5. https://www.hamiltonproject.org/assets/files/P-EBT_LO_7.30.pdf

Executive Summary

Extensive research demonstrates that income support is exceptionally effective at reducing poverty and its effects, promoting work, and contributing to the well-being of children and families (Finklestein, et al., 2022; Courtin, et. al. 2020; Collins, et al., 2024). Michigan's cash assistance program, the Family Independence Program (FIP), is one of many programs funded by the federal Temporary Assistance for Needy Families (TANF) block grant with the potential to play this role. To understand the extent to which FIP and TANF support Michigan's anti-poverty goals, researchers used a mixed methods design to examine the following research questions:

- 1 To what extent is TANF funding being effectively distributed to address the needs of poor Michigan families?
- 2 What barriers prevent low-income Michigan families from getting the help they need?

Michigan has recently advanced several key policy and program changes to fight poverty and improve child well-being¹. There are several opportunities to leverage TANF funding more effectively as part of the state's anti-poverty strategy.

FIP benefit levels are low and eligibility thresholds are outdated. Access is restricted to very few families who often fail to make it past the application eligibility period. Families that do make it past eligibility still struggle to meet complicated and limiting requirements in PATH (Partnership. Accountability. Training. Hope.), Michigan's work participation program. Despite considerable efforts from families and staff, the current program fails to meet the basic needs and goals of families, and many participants find themselves no better off upon exiting the program. **This report highlights several key findings and opportunities for Michigan to strengthen TANF's potential as an anti-poverty and workforce development strategy.**

Key Findings

Finding 1. Michigan's distribution of TANF funding limits its effectiveness as an antipoverty strategy. (See [Finding 1](#))

- Michigan ranks 38th, among the lowest in the nation, in basic assistance spending². In FY 2022, Michigan spent approximately 7% of federal TANF and state Maintenance of Effort (MOE) funds on basic assistance; with 4% going to relative foster care payments and adoption subsidies and 3% going to cash assistance to low-income families.
- In FY2022, Michigan spent less than 7% on core activities that directly support families and their self-sufficiency goals, including less than 1% on work, education, and training activities; approximately 4% on work supports and supportive services, and 2% on child care.
- Program management spending in Michigan is high at 26%, mainly due to child welfare expenses, while only 4% of total funds used went to administrative costs.

¹ Examples of recent advances include the creation of the Michigan Poverty Task Force in 2019 (Exec. Order No. 2019-19), expanding and aligning asset limits for TANF, Food Assistance, and State Emergency Relief, implementing a 100% child support pass-thru, and allocating TANF funds towards a new guaranteed basic income pilot called Flint RX Kids.

² States are required to report how TANF funds are distributed across several categories such as basic assistance and program management. Michigan is one of 13 states that spends basic assistance on both the traditional cash assistance (FIP benefits) and relative foster care payments and adoption subsidies.

- Michigan is one of 22 states that allocates funds to refundable tax credits, representing 3% of total funds used. The Earned Income Tax Credit (EITC) has proven positive effects on employment, well-being, and health and educational outcomes, but the generosity of state payments matters, and cash remains essential to addressing the needs of families in deep poverty.
- Michigan dedicates 26% of TANF and MOE funds to services for children and youth, which is significantly above the 3% US average. Sixty-eight percent of this funding supports at-risk youth programming, and the remaining 32% goes towards tuition assistance grants and scholarships.
 - Over half of tuition grants and scholarships are mandated to serve low-income families, but the rest have no income limits or established mechanisms to track TANF's impact on low-income families.
- Michigan carries forward a significant unused balance from prior years (\$124 million in FY 2022) with the potential to help with short-term transition costs related to increased access and benefits.

Finding 2. Most families experiencing poverty are not eligible for cash assistance and eligible families still cannot meet their basic needs. (See [Finding 2](#))

- FIP is out of reach for most families in poverty. The current income eligibility formulas create a significant barrier to accessing FIP: 66% of families in poverty and 16% in deep poverty can't access FIP due to low-income eligibility thresholds.
- FIP benefits grow less effective as a safety net every year. FIP's *maximum* monthly payment has lost 49% of its value since 1996 after adjusting for inflation. The maximum payment for a family of two has only increased from \$401 in 2005 to \$403 in 2022.
- FIP is critical in moments of crisis but often not enough to create stability, even with the help of other assistance programs such as food assistance. In 2022, 97% of households receiving FIP couldn't cover monthly housing and utilities costs, leaving them unable to meet basic needs or handle unexpected expenses.

Finding 3. FIP requirements, program guidelines, and stigma hinder access to critical assistance. (See [Finding 3](#))

- Difficult verification processes and stigma deter applicants from completing the eligibility period, with 15% denied due to incomplete information and these applicants being less likely to apply again.
- Individuals with cases previously closed due to child support noncompliance have 78% higher odds of having that closure again, indicating that the underlying compliance challenges persist over time.
- Policies and staff struggle to support diverse family structures, with complexities in custody and guardianship often hindering access to benefits.
- Familiarity with the application process reduces the likelihood of denial, suggesting that better information upfront could improve approval rates and client experience.
- Despite a significant increase in applications from younger individuals aged 18 to 30, their approval rates have not improved, and they face higher odds of denial for various reasons, including failure to provide information.

Finding 4. High MDHHS caseloads negatively impact the ability of staff to provide effective services to clients. (See [Finding 4](#))

- High caseloads at Michigan Department of Health and Human Services (MDHHS) offices adversely affect both client experiences and outcomes within the program. Staff feel overwhelmed by the volume of applications, shortened eligibility review periods, and seasonal demands and cannot provide the necessary attention to each case, which leads to diminished service quality and timeliness.
- High caseload strain results in a 12% lower odds of successful case closures due to excess earnings and an increased probability of closures for noncompliance with work participation requirements.
- High caseloads combined with Universal Case Load (UCL)'s shared service, task-oriented approach may impede the identification of client barriers; high caseloads decrease the odds of barrier identification by 18%, and UCL complicates the development of a personal connection and trust between clients and case workers.
- Technical problems and inconsistent staff practices across MDHHS and Michigan Works! Associations (MWA) lead to communication difficulties, further exacerbating the negative impacts of high caseloads.

Finding 5. Risk of homelessness, unmet basic needs, child care, transportation, and mental health issues significantly hinder FIP applicants' success with the program. (See [Finding 5](#))

- Child care poses a complex challenge for low-income families, with 31% of cases reporting a barrier citing it as a difficulty. The issues include waitlists, lack of specialized care, and stringent accreditation requirements.
- Seventy-three percent of cases with a barrier cite transportation as a challenge. Despite resources, unclear financial support guidelines hinder staff's ability to assist.
- Clients in remote areas may face higher odds of program noncompliance due to long commutes and limited transportation and child care options.
- The mental health of FIP participants and other crises are increasingly concerning, resulting in a 49% higher chance of noncompliance.
- Twelve percent of applicants experienced homelessness after application, suggesting that the program failed to serve their needs in times of acute crisis.
- Unmet basic needs also prevent effective program participation, perpetuating cycles of poverty and dependence.

Finding 6. Overly restrictive work participation rules discourage clients and lead to untimely case closures. (See [Finding 6](#))

- Clients struggle with "jumping through hoops" on limited resources, leading to 27% of closures due to noncompliance in employment or work program activities.
- System limitations on data entry like rounding down work hours may inadvertently cause noncompliance.
- Restrictions on what counts toward work participation hours further limit clients' activities and discourage participation.
- Younger clients (18-30) struggle more with work participation and have poorer outcomes in the PATH program, indicating that the current support and program guidelines may not meet the unique needs of younger participants.

Finding 7. PATH struggles to serve clients who do not already have characteristics for success in the job market. (See [Finding 7](#))

- Already being employed or getting employed while in PATH drives successful closures due to excess earnings, however, the sustainability of these outcomes depends on other factors.
- Employment during PATH in higher paying jobs or participation in education and training activities results in more sustainable outcomes and reduced reapplication rates.
- The program struggles to serve applicants with the most critical needs for self-sufficiency, i.e. clients with no recent or current job market experience (measured as clients with no earned income during application) or clients with lower educational qualifications.
- When staff prioritize barrier removal and individualized goals over the urgency of meeting work requirements, clients have a more positive program experience and outcomes.

Recommendations

There are several opportunities to make TANF a more effective means of addressing poverty in Michigan. The top priority should be to increase the use of TANF funding to directly support poor families with cash assistance.

- Prioritize serving families under 200% FPL for all TANF-funded programming and increase spending on: 1) cash assistance; 2) core work, employment, and training services; and 3) direct financial support such as child care and emergency assistance.
- Continue to increase allocations to the Michigan EITC, while prioritizing cash assistance as a pathway to employment for those in deep poverty.
- Move child welfare spending under program management to the general fund to the extent possible.
- Increase the payment standard to expand reach to more families living in poverty and ensure those families can meet their basic needs, thereby increasing the proportion of the block grant that funds cash assistance. (See Finding 1 Policy Recommendations for details.)
- Tie payment standards to annual cost of living increases to ensure ongoing effectiveness.
- Work with agency partners to establish shared definitions of effectiveness, poverty reduction goals, and benchmarks for monitoring TANF's impact in all areas of spending.
- Develop a method for estimating the portion of expenditures that benefit low-income families, by program, and ensuring program accountability across agencies and departments.
- Create housing assistance supplemental grant on top of cash assistance (see Minnesota for an example, which provides a \$110 supplement) (Minnesota Department of Human Services, 2024).

FIP is currently implemented in a manner that is onerous, punitive, and stigmatizing for families seeking help. This is counterproductive to the goal of eradicating child and family poverty in Michigan. There are several policy changes that would better support families experiencing poverty:

- Eliminate full family sanctions and lifetime bans to create a more stable safety net for children.
- Simplify the application eligibility period (AEP) process and provide clearer guidance to applicants on what FIP and PATH provide and require.

- Reduce requirements that go beyond federal standards and allow more time for compliance so that families can gain stability.
- Expand the preparation and barrier removal phase within the federally allowable 24 months for clients with significant barriers before they are required to engage in work activities (TANF CFR, 1999). Tie this policy change to broader expansion of time limits (from 48 months to within the federally allowable limit of 60 months) and/or redefine activities within federal leeway to promote more staff discretion throughout the preparation process.

Participation in employment and training has the potential to have a long-term positive impact for families if adequately supported and implemented with a holistic understanding of the individual's needs, barriers, and goals.

- Increase the proportion of the block grant that supports core work, employment, and training services and direct work supports such as expanded EITC.
- Continue to support community-based partnerships offering targeted FIP and PATH outreach, education, and application support to families.
- Boost funding for and staff guidance on work supports and supportive services for mental health, transportation, job skills and resources, and child care.
- Continue to collaborate with local and statewide partnerships dedicated to housing, homelessness prevention, and mental health services for FIP clients with a focus on streamlining enrollment in services.
- Invest in and incentivize more creative core activities that engage clients with barriers in evidenced-based activities such as On the Job Training (OJT) and allow more time, as needed, to complete education and training goals that increase the likelihood of higher-paying wages.

Staff should be given the resources to effectively help families, including more policy guidance and education, streamlined program requirements, reduced caseloads, and incentive structures that prioritize the long-term success of clients.

- Employ more MDHHS staff and allow more time for processing cases, interviewing, trust-building, and assessing for barriers.
- Structure and facilitate communication between MDHHS staff and PATH case workers to ensure adequate details for each case are accessible across staff.
- Establish shared agency goals and metrics to recognize and prioritize barrier removal, industry-driven job training, education, job retention, and living wages.
- Revise policy to ensure staff are empowered to leverage caseload reduction credits to focus on individual goals and outcomes over state-level work participation rate (WPR) goals.
- Provide more training in managing specialized cases and ensure clear guidance on flexibility and discretion with temporary deferrals and employment or information/verification requirements.
- Ensure staff across agencies are trauma-informed and adequately trained on deferrals.
- Continue to take a person-centered approach to examining UCL and its impact on personalized service and building trust.

Introduction

Extensive research confirms that income support is essential to the well-being of children and families and is effective at reducing poverty and its effects (Collins, et al., 2024; Finklestein, et al., 2022; Maguire-Jack, Johnson-Motoyama, & Paramenter, 2022). Furthermore, expanding access to work and income support programs can simultaneously reduce child poverty and increase the number of adult workers in low-income families (National Academies of Sciences, Engineering, and Medicine, 2019). The Family Independence Program (FIP) in Michigan, one of many programs funded by the federal TANF block grant, is poised to serve as a key part of Michigan's anti-poverty strategy. Michigan, however, allocates under 7% of its federal TANF and state Maintenance of Effort (MOE) funds to basic assistance, despite the fact that 15% of families and 19% of children under 5 live in poverty, and 26% of working households struggled to meet basic needs in 2022 (United for Alice, 2023).

Governor Gretchen Whitmer has made fighting poverty in Michigan a top priority. In 2019, she created the Michigan Poverty Task Force, a cross-departmental collaboration committed to reducing poverty through research-driven policy recommendations (Exec. Order No. 2019-19). In 2022, the task force selected the University of Kansas Center for Public Partnerships and Research (KU-CPPR) to lead a study on the effectiveness of TANF spending and barriers to families accessing support for basic needs and employment. KU-CPPR collaborated with state agency representatives and focus groups of staff and individuals with lived expertise to gather diverse perspectives, interpret data, and generate actionable insights.

The study results are organized under seven key findings followed by recommendations. The first finding explores how Michigan distributes federal TANF and state maintenance of effort (MOE) funding compared to national, regional, and existing research on poverty dynamics. The remaining six findings dive deeper into an analysis of Michigan's TANF cash assistance program FIP and mandatory work program PATH. The findings are supported by quantitative data, focus group insights, and an exploration of the policy landscape, culminating in practical recommendations and lessons learned. Ultimately, this research aims to equip the Michigan Poverty Task Force with data-driven, actionable insights to help to reduce poverty and its effects, increase the skilled workforce, and strengthen the lives of families and children across the state.

Methods

The research team adopted a comprehensive mixed-methods approach, employing a convergent parallel design that centers the experiences of individuals with lived expertise. This approach was designed to explore two central research questions: 1) *To what extent is TANF funding being **effectively distributed** to address the needs of poor Michigan families?* and 2) *What **barriers** prevent low-income Michigan families from getting the help they need?*

The research methodology included iteratively braiding the insights from policy and spending analysis, quantitative analysis, and qualitative analysis throughout the research process. The analysis started with an in-depth examination of Michigan's TANF state plan and statutes, available eligibility criteria and program outcomes, FIP and PATH program manuals, and spending data. Expenditure data from Administration for Children and Families (ACF) TANF Financial Data Tables, Fiscal Years 2010-2022 provided data for national trends and regional comparisons, and corresponding MDHHS line-item expenditures for FY2021

and 2022 provided a more detailed understanding of Michigan's program-level spending (see [Spending Analysis Tables](#) for a financial data tables). Existing research on TANF policies, poverty dynamics, child well-being, and broader safety net framework provided key context for defining and evaluating effectiveness. This foundational work set the stage for a deeper exploration of Michigan's TANF cash assistance program for low-income families, FIP and FIP's mandatory work program PATH.

The quantitative analysis, building upon insights gained from policy analysis, was carried out with administrative data on Family Independence Program (FIP) applications from 2015 to 2022, alongside publicly available data on poverty rates, unemployment figures, and child care resources within Michigan. A comprehensive list of these data sources is provided in [Appendix A](#). Initially, the research team utilized publicly available datasets to construct a data dashboard aimed at facilitating eligibility analysis. This included incorporating data on Michigan's Payment Standard and Eligibility Criteria, the American Community Survey (ACS) 5-year estimates for 2020, and the Massachusetts Institute of Technology (MIT) Living Wage calculations for 2022. The objective was to determine the proportion of Michigan's population meeting the current income eligibility requirements. The dashboard offered interactive features allowing users to adjust income criteria parameters to project shifts in the eligible population size. Additionally, it provided insights into the demographic characteristics of the eligible group, including ethnicity, vehicle ownership, households with children under 6, uninsured individuals, racial demographics, internet access, educational attainment, language proficiency, and employment status (a snapshot of this dashboard is also included in [Appendix B](#)).

Upon acquiring the complete set of administrative data, the team proceeded with an in-depth descriptive analysis, employing a second data dashboard to visualize county-specific and demographic details related to FIP applications, denial reasons, case closures, identified barriers, and work participation rates. This tool enabled both the research team and Michigan state partners to delve into the administrative data's patterns and trends, guiding further analytical efforts (a snapshot of this dashboard is also included in [Appendix B](#)). The exploration period also included regular data meetings with the data team at MDHHS to understand specific outcomes of interest such as closures due to excess earnings.

Finally, the research team conducted an empirical analysis of the outcomes identified in the exploration stage. A key goal for the empirical analysis was to examine the factors that drive outcomes related to approvals, case closures, barriers, and work participation. The empirical strategy relied on multivariate logistic regression with year and MDHHS office level fixed effects. This methodological approach allowed the research team to control for time-specific trends and variations in local program implementation. The research team also employed clustered standard errors at the MDHHS office level to account for heteroskedasticity and correlation of errors within offices. To assess the impact of caseload on program outcomes, the research team modified the methodological approach to use year and county level fixed effects. This methodological approach also includes some data related limitations that are discussed in the Section for Limitations and Lessons Learned.

Qualitative data was collected via seven virtual focus groups, including two participant types: frontline staff (both MDHHS and MWA/PATH) and individuals with lived experience (ILEs) encompassing approved, denied, and prospective clients. The focus groups were conducted separately for staff and ILEs, semi-structured protocols were used to explore group experiences with FIP, including accessibility of assistance, motivations behind applying (or not applying), and their experiences with program processes. See [Appendix C](#) for semi-structured protocol questions. Participation included twenty-five staff members (12 MDHHS and 13 MWA/PATH) and 19 ILEs. Using thematic analysis, transcripts, and session notes were analyzed and

codebooks for each participant type were developed by first applying codes to focus group transcripts for their corresponding participant type and then cross applying those codes to the other participant type's transcript (See [Appendix D](#)). This enabled coders to identify the points of convergence and divergence between the groups. Following the identification of themes, qualitative insights were developed and later paired with quantitative insights and policy context to ultimately form the following key findings and recommendations.

Key Findings & Recommendations

Finding 1: Michigan's distribution of the Temporary Assistance for Needy Families (TANF) funds limits its effectiveness as an antipoverty strategy.

Key Takeaways

- 1** Michigan ranks 38th, among the lowest in the nation, in basic assistance spending. In FY 2022, Michigan spent only 7% of federal TANF and state Maintenance of Effort (MOE) funds on basic assistance; with 4% going to relative foster care payments and adoption subsidies and 3% going to cash assistance to low-income families.
- 2** In FY2022, Michigan spent less than 7% on core activities that directly support families and their self-sufficiency goals, including less than 1% on work, education, and training activities; approximately 4% on work supports and supportive services and 2% on child care.
- 3** Michigan is one of 22 states that allocates funds to refundable tax credits, representing 3% of total funds used. The Earned Income Tax Credit (EITC) has proven positive effects on employment, well-being, and health and educational outcomes, but the generosity of state payments matters, and cash remains essential to addressing the needs of families in deep poverty.
- 4** Program management spending in Michigan is high at 26%, mainly due to child welfare expenses, while only 4% of total funds used went to administrative costs.
- 5** Michigan dedicates 26% of TANF and MOE funds to services for children and youth, which is significantly above the 3% US average. Sixty-eight percent of this funding supports at-risk youth programming, and the remaining 32% goes towards tuition assistance grants and scholarships.
 - Over half of the tuition grants and scholarships are mandated to serve low-income families, but the rest have no income limits or established mechanisms to track TANF's impact on low-income families.
- 6** Michigan carries forward a significant unused balance from prior years (\$124 million in FY 2022) with the potential to help with short-term transition costs related to increased access and benefits.

Michigan has increasingly shifted federal TANF and state MOE funds from a focus on cash assistance and work toward a broad array of other programs and services. These other programs and services, while important for children and families, serve mostly to mitigate the complex downstream effects of poverty, and a percentage is made available to programs serving families with incomes well above poverty. Given the existing research on the importance of quality income and work supports in reducing poverty and its effects, Michigan's current distribution of TANF funding and declining emphasis on cash and work does not reflect the state's bold poverty-reduction goals (Shaefer L. H., Edin, Fusaro, & Wu, 2020; State of Michigan, 2023; Thompson, Azevedo-McCaffrey, & Carr, 2023).

Current research on the effectiveness of TANF spending is limited in part due to the diverse spending approaches of each state and the lack of outcomes or accountability measures for spending beyond cash assistance programs. A recent review by the Administration for Children and Families (ACF) assessed each state's plan and spending trends, noting that spending trends are increasingly out of line with TANF's intent and the latest research on the importance of cash assistance and poverty reduction and child well-being (Administration for Children and Families, 2023). ACF recognized federal policy and reporting requirements focused on cash assistance and behavioral compliance over family outcomes have not provided an adequate framework for understanding TANF spending on other programs or the extent to which low-income families are served nationwide. The review also noted that most TANF state plans do not provide enough detail to draw a line between spending and the extent to which low-income families are served.

Michigan's state plan faces a similar challenge, however, a crosswalk of the state plan with Michigan's federal expenditure reports alongside literature on declining caseloads and cash assistance provided insights into the reach and possible impacts of shifting from an emphasis on traditional cash to other programs and services. Studies on declining caseloads suggest that strict TANF policies play a significant role in caseload reductions with negative impacts on children and families (Parolin Z., 2021; Pavetti L. &, 2022; Shaefer, et. al). As caseloads decline, states allocate the balance to other programs and services to maintain state MOE obligations. While other means-tested programs have helped make up for TANF's decline and contributed to a reduction in poverty nationwide, families experiencing deep poverty are left behind (Thomson, et al., 2022).

Michigan receives \$772.8 million each year as a federal TANF block grant to "help low-income families with children achieve economic self-sufficiency". In fiscal year (FY) 2022 Michigan transferred \$8.3 million of those federal funds to the Child Care and Development Fund (CCDF) and \$77.3 million to the Social Services Block Grant (SSBG)³. Michigan also allocated \$566.4 million in required state Maintenance of Effort (MOE) funds. Altogether, in FY 2022 Michigan spent or transferred a total of \$1.3 billion in federal TANF and state MOE funds across several state agencies (see

³ The fiscal year runs October 1-September 30.

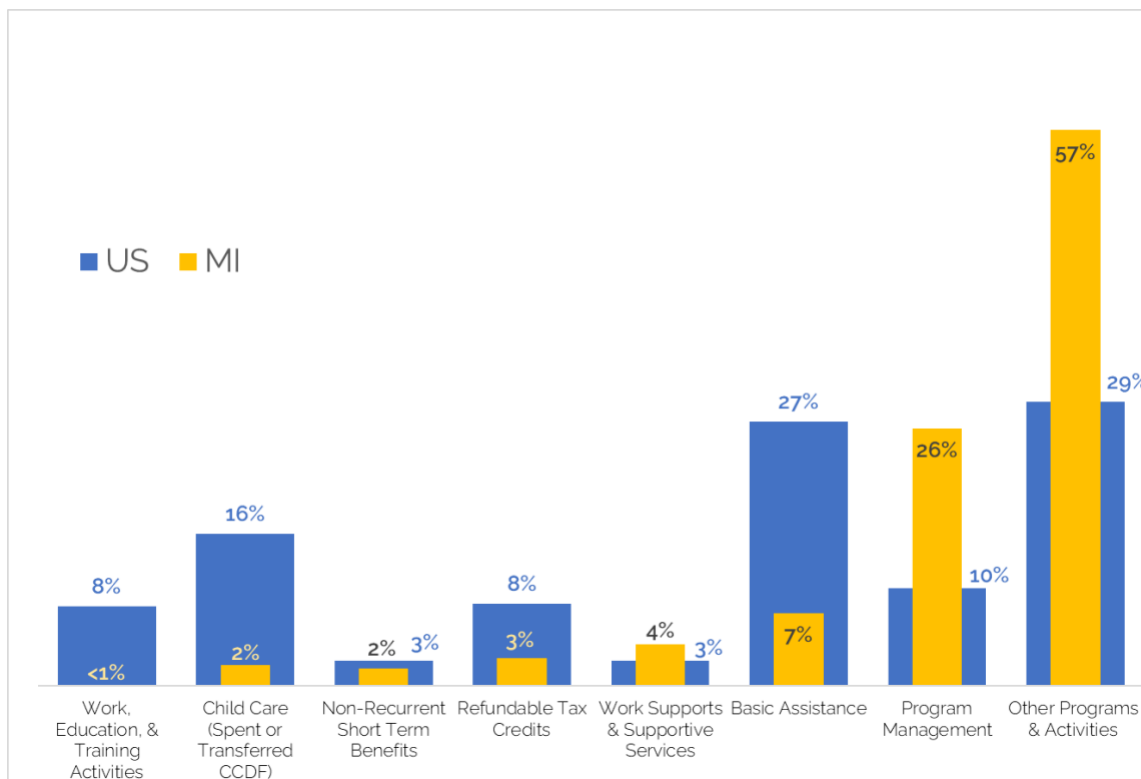
Table 3). Federal TANF dollars do not have income limits, but the Michigan Social Welfare Act requires that all MOE funds be limited to families under 200% FPL (The Social Welfare Act 280 of 1939, 2016). A breakdown of these expenditures below by high-level federal reporting categories provides a glimpse into how Michigan distributes funding and highlights opportunities for strengthening TANF's potential. These federal categories provide a starting point for an analysis of state spending priorities, supplemented by insights from the MDHHS budget team, program-level impact reports, and the Michigan TANF state plan.

Basic Assistance

Michigan ranks 38th, among the lowest in the nation, in basic assistance spending. In FY 2022, Michigan spent only 7% of federal TANF and state Maintenance of Effort (MOE) funds on basic assistance; with 4% going to relative foster care payments and adoption subsidies and 3% going to cash assistance to low-income families.

Basic assistance is made up of two spending categories: 1) basic assistance (also known as cash assistance) and 2) relative foster care maintenance payments and adoption and guardianship subsidies. In FY 2022, Michigan spent only 7% of combined federal and state MOE funds on basic assistance, with over half (4%) going to relative foster care maintenance payments and adoption and guardianship subsidies, and 3% going to direct cash assistance/FIP benefits, far below spending on other programs and activities (see Figure 1 and Figure 7). This spending translated to a monthly average of 8,729 families accessing FIP in calendar year 2022, or 8% of families with children under 18 in deep poverty (107,299) (Office of Family Assistance, 2023; U.S. Census Bureau, 2022).

Figure 1. Michigan's total federal TANF and state MOE funds used compared with U.S. average (FY 2022)

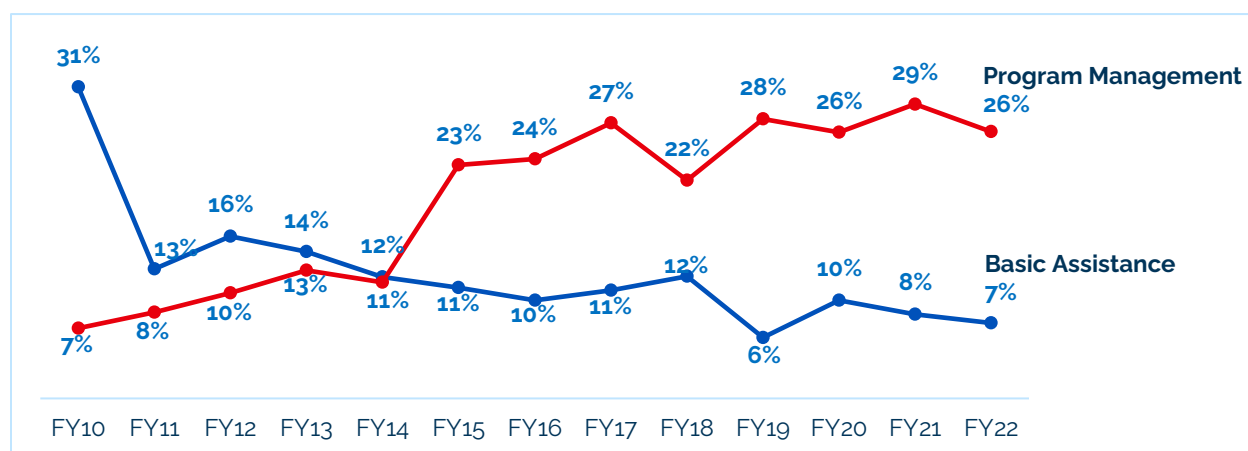


Source 1. KU-CPPR analysis of FY 2022 TANF Financial Data from the U.S. Department of Health and Human Services (HHS), Administration for Children and Families (ACF), Office of Family Assistance.

The portion of TANF basic assistance that supports adoption subsidies is equal to approximately 20% overall adoption subsidies spending in Michigan and supports households that are otherwise ineligible for Title IV-E funding; Title IV-E funding requires that the child must be TANF or SSI-eligible or have "special needs" (Brown & Dell, 2023). Basic assistance: relative foster care maintenance payments and adoption and guardianship subsidies are 100% federal dollars, and therefore do not have income limits. Data was not available to determine to what extent these TANF-funded adoption subsidies serve low-income families.

Prior to 2011, Michigan's spending on basic assistance aligned more closely with the US averages. Michigan spent nearly a third of TANF and State MOE funds on basic assistance in 2010, just slightly above the national average. Spending on basic assistance was approximately 31% in 2010 and 13% in 2011 while national averages remained steady (see figure 2).

Figure 2. MI Basic Assistance and Program Management TANF & MOE spending overtime (FY 2010-2022)



Note: Represents the percentage of federal TANF and state MOE funds used, including transfers. KU-CPPR combined administrative and systems costs for FY 2010-2012 to represent program management an inverse pattern can be seen from approximately 2012 onward.

Source 2. KU-CPPR analysis of TANF Financial Data from the U.S. Department of Health and Human Services (HHS), Administration for Children and Families (ACF), Office of Family Assistance.

This rapid decline aligns closely with the enforcement of several policy changes. Michigan reduced the FIP lifetime limit from 60 months to 48 months in 2006, but the change did not take full effect until 2011 and contributed to an estimated 39% decrease in caseloads. New policies enforcing stricter penalties and full family lifetime sanctions in 2011 also likely contributed to a sharp decline in program access and thereby spending. Given the significant increase in the overall poverty rate in Michigan from 2000 (10%) to 2011 (17%), there is no clear evidence that these policy changes corresponded with a decreased need. TANF funds previously spent on cash assistance in Michigan were diverted to other programs and activities as caseloads declined to help maintain MOE requirements with implications for families in poverty and child welfare overtime (Maguire-Jack, Johnson-Motoyama, & Paramenter, 2022; Pavetti, Safawi, & Trisi, 2021).

Low and stagnant FIP payment standards also impact spending and the decline of cash assistance. The current maximum monthly payment standard (covered more fully in finding 2) for a family of two (\$403) and a family of three (\$492) has only increased by approximately 7% from the maximum amount a family could receive in 1996. Additionally, the original maximum FIP benefit has lost 49% of its purchasing power since 1996 (U.S. Bureau of Labor Statistics, 2023). If the original maximum payment standard of \$401 for a family of two had kept pace with inflation, it would have been equivalent to approximately \$790 in 2024 (U.S. Bureau of Labor Statistics, 2024).

Core Work Supports and Activities:

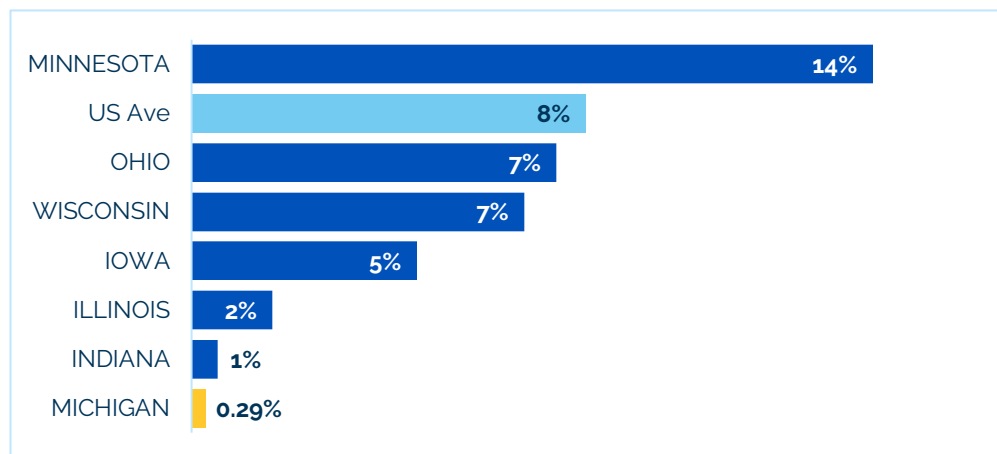
In FY 2022, Michigan spent less than 7% on core activities that directly support families and their self-sufficiency goals, including less than 1% on work, education, and training activities; approximately 4% on work supports and supportive services, and 2% on child care.

In FY 2022, Michigan spent less than 7% on core activities that directly support families and their self-sufficiency goals, including less than 1% on work, education, and training activities; approximately 4% on work supports and supportive services, and 2% on child care. See below for more details. A summary of PATH program spending by category is also provided below for a different view of how priorities and activities breakdown at the work program level.

Work, Education, and Training Activities

In FY 2022, Michigan spent under 1% (0.2%) of total TANF and State MOE funds on federally required work, education, and training activities compared to the national average of approximately 8%. Michigan ranked 48th in the nation (out of 51 states, including the District of Columbia) and last in the region (see Figure 3). In Michigan, all work, education, training activities spending goes towards cash assistance program participants. College tuition assistance and scholarships, however, fall under *services for children and youth* (see Services for Children and Youth).

Figure 3. Regional work, education, and training activities spending, percent of total funds used (FY 2022)



Source 3. KU-CPPR analysis of FY 2022 TANF Financial Data from the U.S. Department of Health and Human Services (HHS), Administration for Children and Families (ACF), Office of Family Assistance.

Work Supports and Supportive Services

In FY 2022, Michigan ranked 3rd out of 43 states on work supports spending, but next to last (39th out of 40 states) in supportive services. Work supports are essential for FIP participants who need material help obtaining and maintaining employment. Support can include funds for gas, bus tokens, car payments, auto repair, auto insurance reimbursement, and van services. States are also permitted to use TANF funds to pay for special licenses, tools, uniforms, bonuses, incentives, and work support allowances. Families struggling to meet basic needs and issues such as lack of transportation often need additional support when attempting to obtain or maintain employment. Since 2015, Michigan has consistently spent over twice the national average on work supports. In FY 2022, Michigan spent a little over 4% on work supports compared to a national average of a little more than 1%. FY 2018 saw a significant increase to nearly 6% while national averages remained steady. A regional comparison of FY 2022 spending shows that Ohio (4%) is the closest neighbor in terms of work supports spending, with other regional states spending little to no funding on work supports.

Supportive services include assistance with substance abuse, mental health, and domestic violence services. Families in poverty are much more likely to experience such struggles and face inequitable access to the concrete resources often needed to overcome such barriers to stable employment, suggesting supportive services may be a key component of an effective antipoverty strategy (U.S. Department of Health and Human Services, 2020). TANF rules allow cash assistance participants to engage clients in barrier removal as an activity, however, the hours do not count towards the work participation rate. States have some flexibility to design their programs and policies in a way that best serves clients in need of

barrier removal and supportive services. For instance, Michigan policy allows for barrier removal to count as subsidized employment when the activity is part of a subsidized employment program. Despite this adaptive policy, subsidized employment represents less than half a percent of state spending, indicating potential opportunities for enhanced staff training (see Finding 7 for more details on actionable insights for work programming). In FY 2022, Michigan spent less than half a percent on supportive services (equivalent to \$130,000), whereas pre-pandemic, Michigan spent approximately 1%.

National averages are helpful, but not always indicative of best practice. Spending in both categories is low for the nation given the added barriers and risks families in poverty often face when attempting to find and maintain stable employment, as noted in subsequent quantitative and qualitative findings.

Child Care and Child Care and Development Fund (CCDF) transfers and state MOE

In FY 2022, Michigan spent approximately 2% of total funds used on child care, including funds transferred to the state's Child Care and Development Fund (CCDF) administered by the Michigan Office of Child Development and Care (CDC). The CDC oversees Michigan's child care assistance program and statewide child care development and quality improvement efforts. Staff encouraged to refer applicants to CDC's Great Start to Quality website for help finding licensed child care (Michigan Department of Health and Human Services, 2023). ACF caps CCDF transfers for child care activities at 30%, but that cap includes any transfers to SSBG which are capped at 10%. Of note, in addition to transferring federal funds, in FY22, Michigan also allocated state MOE funds to CCDF: less than a percent of total funds used for pre-K expenses and 1% to CCDF child care.

Income verification and co-payments are waived for FIP participants (Michigan Department of Education, 2024). Safe and reliable child care and assistance is critical to workforce participation for low-income families and quality early care and education can have impacts long-term on child outcomes; child care subsidy has also been correlated with reduced child maltreatment (Maguire-Jack, Johnson-Motoyama, & Paramenter, 2022; Yang, Maguire-Jack, Showalter, Kim, & Slack, 2021).

PATH: Michigan's Cash Assistance Work Program

The LEO Workforce Development (LEO-WD) agency contracts with local Michigan Works! Associations (MWAs) to provide mandatory employment and training services via the Partnership Accountability Training Hope (PATH) program. PATH expenses are spread across federal reporting categories but call for special attention given core connection to FIP and TANF's primary goals. MDHHS transfers approximately \$50 to \$60 million of TANF and state MOE funds each year to LEO-WD to administer PATH, equivalent to approximately 4 to 5% overall of TANF and State MOE spending. Amounts vary each year, based on actual expenses invoiced quarterly. Between 2015 and 2019, an average of 31,000 FIP applicants were referred to PATH compared to 11,535 in 2022. Each quarter local MWAs report PATH expenses by federal reporting category to LEO-WD and MDHHS. MDHHS budget office and PATH's invoices from FY 2022 show that education and training activities made up 13% of PATH expenses while supportive services made up 40% and work supports such as transportation made up 12% of PATH expenses (see Table 5). The largest portion of PATH expenses went to "other" supportive services and "other" work activities.

The PATH program is responsible for helping MDHHS maintain the federally required Work Participation Rate of 50% (Michigan Department of Labor and Economic Opportunity Workforce Development, 2022). ACF reduced Michigan's WPR requirement to zero in recent years due to

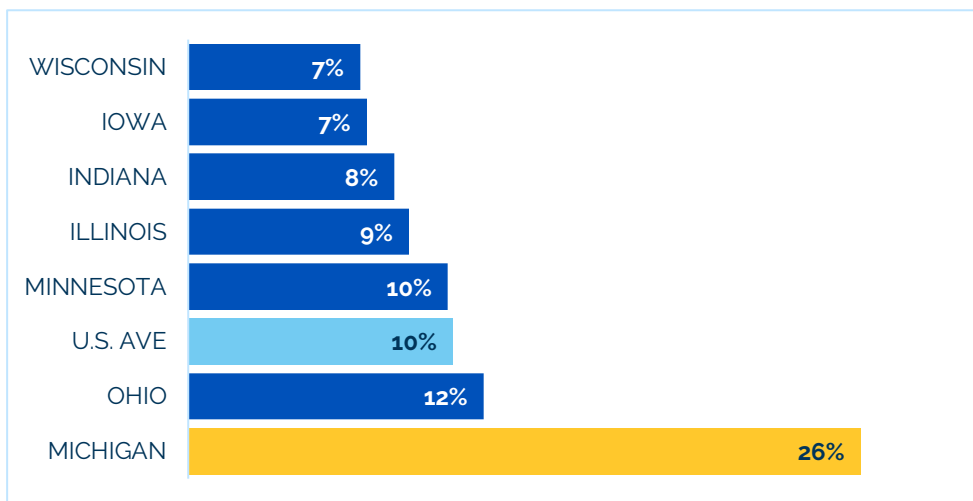
caseload reduction credits⁴. Michigan policy still states a goal of 50% WPR and achieved an approximately 45% WPR in FY 2022 compared to 25% in FY 2021 (Administration for Children and Families, 2022). Staff enter self-reported wages upon employment, however, there are no formally shared training, wage, or employment retention benchmarks. MDHHS staff interviews indicated that MDHHS has explored partnering with the Unemployment Insurance Agency (UIA), housed under LEO, to obtain wage data but has not entered into a formal data-sharing agreement to date. PATH is a key component of cash assistance programming and has the potential to be a pathway to education and economic mobility, however, very little funding goes towards PATH in comparison to the broader array of TANF spending. Increased funding would ideally be paired with interagency co-created self-sufficiency benchmarks based on education, training, wages, and retention and outcomes data on employment and wages. Shared anti-poverty and earnings-based benchmarks aligned with other employment and training programs such as Workforce Innovation and Opportunity Act (WIOA) programs may also foster more effective outcomes-based investments, as long as services are adapted to the unique needs of TANF participants Finding 7. PATH struggles to serve clients who do not already have characteristics for success in the job market. (See Finding 7) (Cielinski, 2017).

Program Management

Program management spending in Michigan is high at 26%, mainly due to child welfare expenses, while only 4% of total funds used went to administrative costs.

In FY 2022, Michigan ranked fourth in the nation in terms of program management spending. This translates to 26% of total funds used, over twice the national average of 10% as seen in Figure 4 below. As noted earlier, program management spending has more than tripled since 2011 while basic assistance spending experienced a sharp decline (Figure 2).

Figure 4. Percentage of Total Funds Used for Program Management (FY 2022)



Source 4. KU-CPPR analysis of FY 2022 TANF Financial Data from the U.S. Department of Health and Human Services (HHS), Administration for Children and Families (ACF), Office of Family Assistance.

States are required to report program management expenditures under three subcategories: administrative costs, assessment and service provision, and systems. Program management is often thought of as synonymous to administrative costs, however a

⁴ "A state's caseload reduction credit for a fiscal year equals the percentage point decline in its average monthly caseload between the previous year and a base year, currently FY 2005" (Administration for Children and Families, 2022).

closer look at program management subcategories shows that a little more than 4% of total funds went towards overall administrative costs while less than 1% went towards data systems costs and 22% went towards assessment and service provision, which was made up mostly of child welfare foster care and child protective services staffing expenses. Furthermore, Michigan's administrative costs fell below the national average of 6% and the 15% federal limit (Office of Family Assistance, 2023).

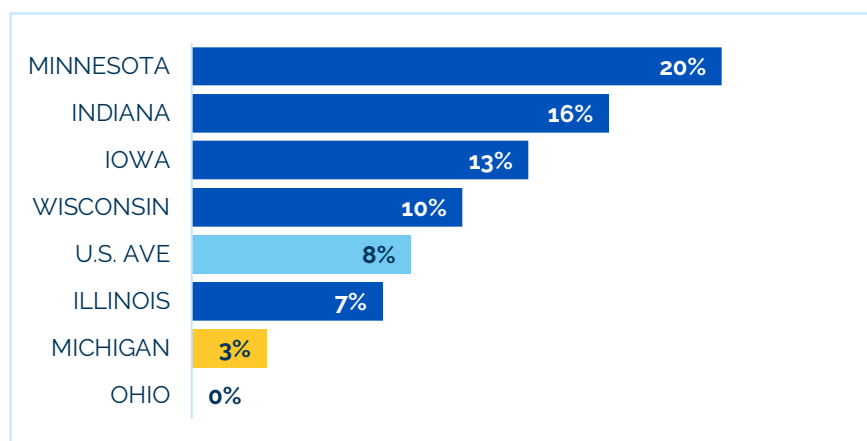
Child welfare expenses may make up most of this category due to the assessment and service provision sub-category, intended to capture "costs associated with screening and assessment (including substance abuse screening), SSI/SSDI application services, case planning and management, and direct service provision that are neither 'administrative costs,' nor are otherwise able to be allocated to another expenditure category" (Administration for Children and Families, 2022). Michigan should revisit the federal reporting the nature of program management child welfare expenses and consider moving these costs to child welfare spending category or the general state fund.

Refundable Tax Credits

Michigan is one of 22 states that allocates funds to refundable tax credits, representing 3% of total funds used. The Earned Income Tax Credit (EITC) has proven positive effects on employment, well-being, and health and educational outcomes, but the generosity of state payments matters, and cash remains essential to addressing the needs of families in deep poverty.

Michigan was among the first states to dedicate TANF funding to state EITCs. The Michigan Earned Income Tax Credit for Working Families (Michigan EITC) is administered by the Michigan Department of Treasury. In FY 2022, Michigan allocated 3% of TANF funding to EITC, compared to a US average of 8% (see Figure 5). Twenty-two states allocated funding to state refundable tax credits in FY 2022, and Michigan ranked 20th. A regional comparison shows that Michigan ranks next to last in the region, just above Ohio (see figure 5) and Minnesota allocates upwards of 20%.

Figure 5. Percent of Total Funds used, State Refundable Tax Credits and EITC (FY 2022)



Source 5. KU-CPPR analysis of FY 2022 TANF Financial Data from the U.S. Department of Health and Human Services (HHS), Administration for Children and Families (ACF), Office of Family Assistance.

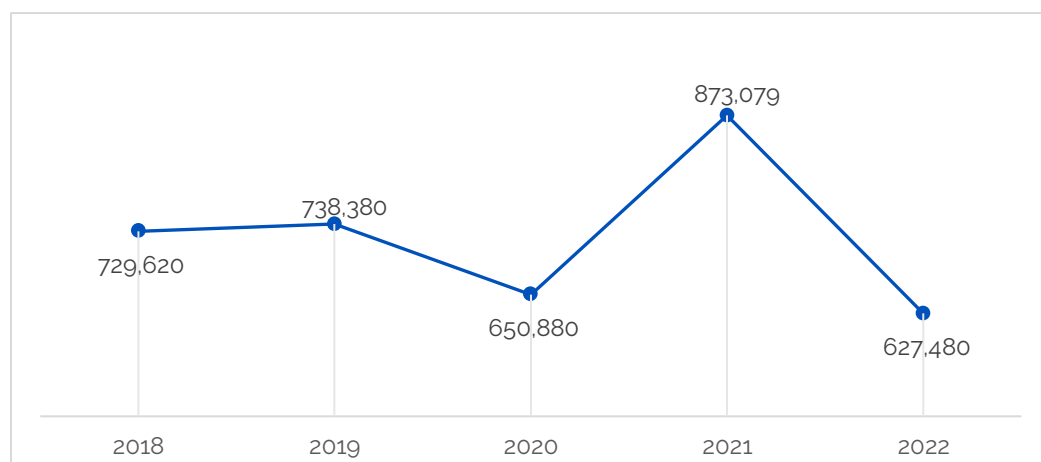
The expansion of the EITC alone has been credited as being the biggest factor boosting single mothers' employment since the early '90s, reducing poverty by 22% in 2019, which created an increased impact of over 17% in their employment rates since 1993 (Grogger, 2004; Thomson, et al., 2022). The expansion of the federal EITC is also noted for its positive

effects on single mothers' employment, parental and child health and well-being, and educational outcomes (Markowitz et al. 2017; Tach & Edin, 2017; Thomson, et al., 2022).

EITC works as a supplement to low wages, thereby increasing economic security, reducing stress, and enabling families to better meet their children's financial needs (Shaefer, Edin, Fusaro, & Wu, 2020). Studies on the health effects of state supplements to the federal EITC suggest that the generosity of state EITC matters when it comes to mental health, infant health, and health behaviors (Collin, et al., 2021; Markowitz et al.). Of note, in 2023, Public Act 4 of 2023 expanded the Michigan EITC from 6% of the federal EITC to 30% (see Michigan Compiled Law 206.272), retroactive to the 2022 tax year, however these impacts on spending have yet to be reflected in spending data (Michigan Earned Income Tax Credit for Working Families, 2024). In 2022, 627,480 families received Michigan EITC, far greater than the number of FIP households in the same year (see

Figure 6). The EITC, however, is a one-time cash infusion tied to earnings. While the EITC has positive impacts on low-income households, it is limited in its impact on deep poverty and day-to-day basic needs, further emphasizing the unique role cash assistance can play when addressing deep poverty (Berkowitz, Dave, & Venkataramani, 2023; Maguire-Jack, Johnson-Motoyama, & Paramenter, 2022).

Figure 6. Number of families who received Michigan EITC, 2018-2022



Note: Counts are higher in 2021 due to temporary American Rescue Plan Act eligibility expansion.

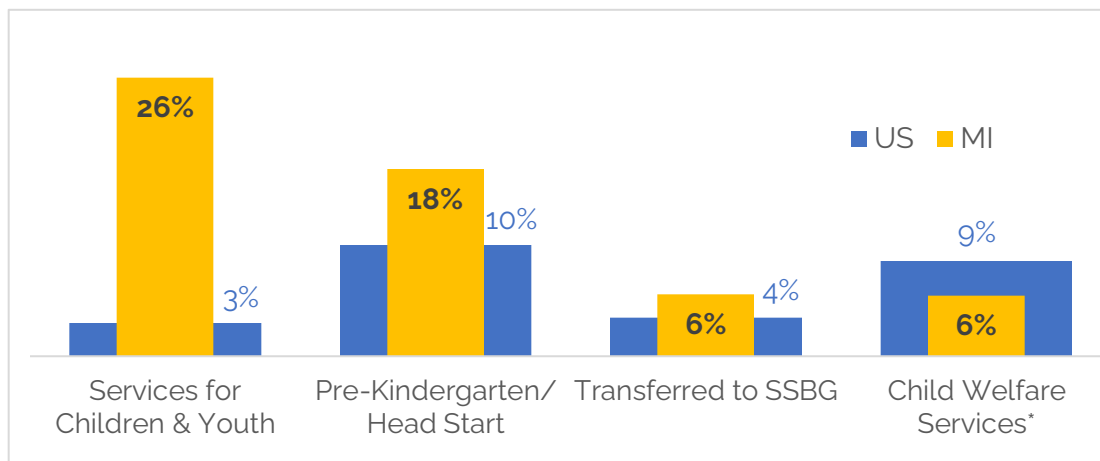
Source 6. Kids Count Data Center, Annie E. Casey Foundation and the Michigan League for Public Policy, data from the Michigan Department of Treasury.

Other Spending Areas

Federal TANF and state MOE funds support important preventative and social welfare services, but more can be done to direct TANF spending towards upstream, root causes of poverty.

A significant portion of TANF and state MOE funding supports services for children and families beyond TANF's core purposes. Many of these services play a critical role in supporting low-income families, but existing research suggests that funding may be more effective in addressing poverty and TANF's core intent when directed towards upstream investments in direct cash assistance and employment support (Whitman et al., 2022) (Weida, Phojanakong, Patel, & Chilton, 2020). Details on other spending areas are outlined below under, with special emphasis on the largest federal spending category "services for children and youth".

Figure 7. Other Spending: Michigan's allocation of federal TANF and state MOE funds (FY 2022)



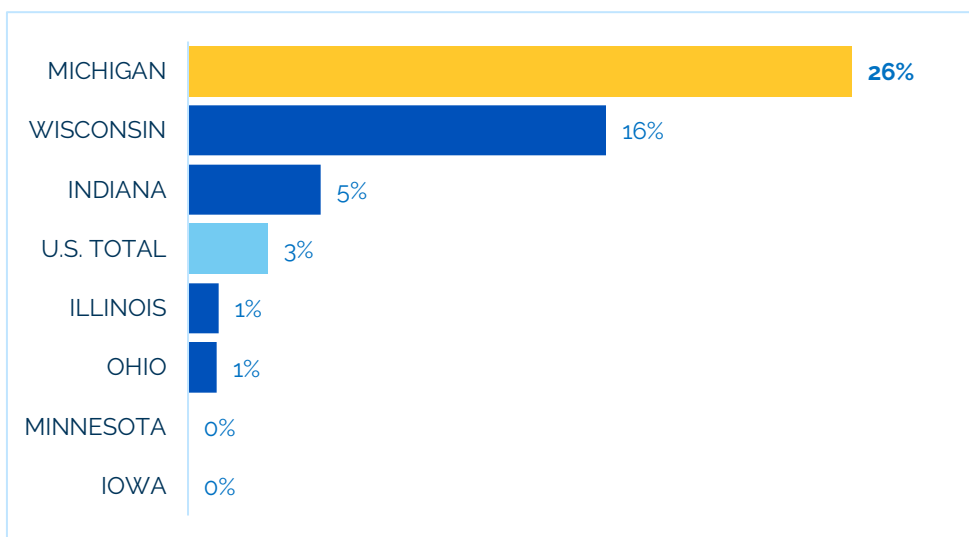
Source 7. KU-CPPR analysis of FY 2022 TANF Financial Data from the U.S. Department of Health and Human Services (HHS), Administration for Children and Families (ACF), Office of Family Assistance.

Services for Children and Youth

Michigan dedicates 26% of TANF and MOE funds to services for children and youth, which is significantly above the 3% US average. Sixty-eight percent of funding for services for children and youth supports at-risk youth programming, and the remaining 32% goes towards tuition assistance grants and scholarships.

Federal reporting guidance defines services for children and youth as, "programs designed to support and enrich the development and improve the life skills and educational attainment of children and youth," such as after-school programs, mentoring, or tutoring programs (Administration for Children and Families, 2022). Michigan consistently spends far more than other states on services for children and youth, and in FY 2022, Michigan spent 26% compared to the 3% US average and ranked second in the region to Wisconsin, whose allocation towards service for older children and youth increased dramatically from less than 1% in FY 2021 to 16% in FY 2022.

Figure 8. Services for Children and Youth Total Funds Used, Midwest regional comparison (FY 2022)



Source 8. KU-CPPR analysis of TANF Financial Data from the U.S. Department of Health and Human Services (HHS), Administration for Children and Families (ACF), Office of Family Assistance.

KU-CPPR worked with MDHHS to better understand what makes up *services for children and youth* and how much these expenditures serve low-income families in Michigan. Several programs make up spending under this category, including the Fostering Futures scholarship program managed by MDHHS Children's Services, MDHHS community services and outreach programs such as runaway and homeless youth grants, at-risk programs managed by the Michigan Department of Education, and tuition and scholarship programs managed by Treasury. Details and findings are outlined below.

Michigan Department of Education: At-risk youth programs

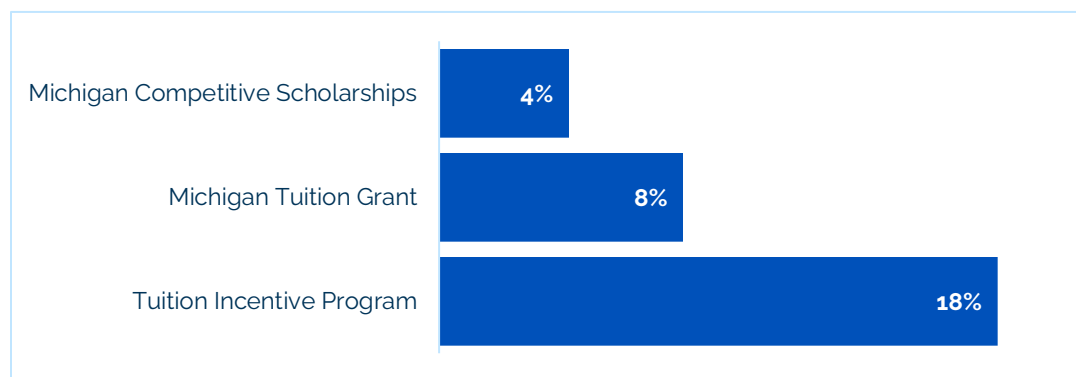
The largest portion, over a third of services for children and youth spending, goes towards programs targeted toward “at-risk” youth such as runaway and homeless youth grants and after-school or summer programs administered by the Michigan Department of Education (MDE). At-risk youth program expenses also represent a significant portion of overall spending (18%). At-risk programming is mandated to serve families under 200% FPL. At-risk programming is known to have positive effects on adult earnings and stability. More data is needed, however, to better understand the outcomes of various at-risk programs funded by TANF and the impacts on Michigan's anti-poverty goals as compared to existing evidence on the effectiveness of traditional cash assistance.

Treasury Department: Tuition Assistance and Scholarships

In FY 2022, Tuition Assistance and Scholarships made up 32% of services for children and youth but only 8% of the total funds used. Since at least 2015, Michigan has allotted between 7% and 9% of total funds used to “Treasury tuition and scholarships.” Tuition assistance and scholarships have garnered national attention due to ACF and concerns that many states are diverting TANF funding from families in poverty to families well above most definitions of needy. In Michigan, however, over half of the TANF-funded tuition assistance programs and scholarships are mandated by state statute to serve low-income families.

Treasury tuition and scholarships fall under TANF goal three (prevent or reduce out-of-wedlock pregnancies) of Michigan's most recent TANF state plan (State of Michigan Department of Health and Human Services, 2023) and are 100% federal TANF dollars. Three tuition assistance and scholarship programs fall under Treasury that rely, in part, on TANF funding: The Tuition Incentive Program, the Michigan Tuition Grant, and Michigan Competitive Scholarships, together totaling 8% of total TANF spending (see Figure 9). Figure 9. Percent of total TANF funds used for Treasury Tuition Assistance and Scholarships (FY 2022).

Figure 9. Percent of total TANF funds used for Treasury Tuition Assistance and Scholarships (FY 2022)



Source 9. KU-CPPR analysis of MDHHS budget office FY 2022 records.

The Tuition Incentive Program (TIP) is the largest scholarship program funded by TANF, and TANF is its primary source of funding. In FY 2022, Michigan spent approximately \$62 million of federal TANF on TIP-eligible families. State statute mandates that applicants have Medicaid coverage for 24 months within a 36-month period as identified by MDHHS (The State School Aid Act 94 of 1979, 2011). TIP pays for the first two years of college tuition and beyond for those who remain eligible. According to the annual report, TIP served 23,801 youth in the 2021-2022 fiscal year (see Table 4 for details), and half went to 2-year community college programs and almost all the remaining half went to 4-year public colleges, with a small segment attending 4-year private education institutions (Michigan Department of Treasury, 2022).

The remaining two programs made up 3% of total funds used (\$41 million) in TANF spending in FY 2022 and have no low-income limits. This amount is roughly equivalent to the total funds spent on cash assistance (\$44 million). In FY 2022, Michigan contributed \$27 million (2% of total funds used) to the Michigan Tuition Grant (MTG). Eligibility is determined by subtracting the Free Application for Federal Student (FAFSA) from the school budget, factoring the family contribution to determine need, and funding the difference. MTG provides a maximum of \$3,000 per academic year and served 13,626 students 2021-2022 (Michigan Department of Treasury, 2022). In FY 2022, Michigan spent approximately \$14 million on Michigan Competitive Scholarships (MCS). Eligibility is determined by academic performance and need is also determined by the FAFSA. Michigan Competitive Scholarships award up to a maximum of \$1,500 per academic year and served 19,678 students in the in the 2021-2022 fiscal year (Michigan Department of Treasury, 2022).

A recent Pell Institute study on indicators of higher education equity ranked Michigan higher than most states on estimated college participation rates for students from low-income families (35%). Michigan ranked in high on average costs (undergraduate tuition, fees, and room and board) charged by 4-year public colleges and universities for full-time in-state students by state, but low in terms of average costs for community colleges and 4-year private colleges (Cahalan, Addison, Brunt, Patel, & Perna, 2021). A separate study conducted by the University of Michigan's Education Policy Initiative is currently underway on the effectiveness and impact of TIP, with results expected in summer 2024. Additional data on the income levels of families served by MCS and MTG was not available for this study.

Children's Services Agency: Child welfare programs and other MDHHS programs

The balance of federal TANF funds went to the following Children's Services Agency: Child Welfare line items expenses: youth in transition, rape prevention and services, runaway and homeless youth grants, and School Success Partnership Program. Of those line items, only the School Success Partnership Program was uniquely identified in the most recent TANF state plan with a noted income threshold of 185% of the FPL; the others were referenced throughout under "other programs and services", purposes one and two, and purpose three, "out of wedlock pregnancies", where there is no income threshold (State of Michigan Department of Health and Human Services, 2023).

Early care and education: Pre-K/Head Start

Approximately 18% of gross spending in FY 2022 was categorized under the federal spending category "early care and education: pre-kindergarten/Head Start", all of which were state MOE funds. The majority of funding was transferred to the Michigan Department of Education to fund Michigan's Great Start Readiness Pre-K (GSRP). GSRP serves 4-year-olds from low-income or families at risk of low education attainment, but families with incomes at or below 100% of FPL must first be referred to Head Start. Children receiving TANF, SSI, or SNAP or in foster care, or who are experiencing homelessness are eligible and

considered in the lowest income bracket (Michigan Department of Education, 2024). Less than 1% (state MOE) was transferred to CCDF.

Pre-K and Head Start programming is highly regarded in the literature as beneficial to short and long-term child outcomes. Ongoing efforts to encourage streamlined screening and referrals from FIP to GSPR are encouraged to supplement FIP/PATH efforts to support education, training, and work.

Child Welfare Services

A closer look at expense reports shows that Michigan spent approximately 20% of total federal TANF and state MOE funds on child welfare expenses distributed across several other federal spending categories, such as program management: assessment and service provision, administration, and services for children and youth.

MDHHS is responsible for investigating complaints of child abuse and neglect and prevention services. ACF asks states to report TANF spending on Child Welfare Services under three federal categories: Family Support/Family Preservation/Reunification Services, adoption services, and other services, which includes screening, assessment, and case management work. Using these federal categories, in FY 2022 Michigan, child welfare services made up 5% of spending, made up entirely of the subcategory, Family Support/Family Preservation/Reunification Services. This aligned closely with average US child welfare spending at 6%. A closer look at state expense reports suggests, however, that Michigan spent over 20% of total federal TANF and state MOE funds on child welfare expenses distributed across several other federal spending categories, such as program management (assessment and service provision), administration, transfers, and services for children and youth referenced above.

Michigan provides prevention and family preservation services through statewide programming by Families First of Michigan, Family Reunification Program, and Families Together Building Solutions-Pathways of Hope and local programming. Early childhood programming and Great Start Collaboratives which support home-based and center care facility quality improvement efforts are also funded by a small proportion of state TANF MOE child welfare funds as a part of family preservation and reunification services administered by the Michigan department of Education (MDE) (ACF, 2013; Great Start to Quality, 2024). For an idea of impact across child welfare related funding streams, an estimated 213,865 children in Michigan received prevention services in FY 2021 (US DHHS ACF Children's Bureau, 2023). While Michigan has experienced a significant increase in child fatalities in 2022, the number of children exiting foster care exceeded the number of children entering foster care, and since the COVID-19 pandemic, the number of children entering foster care has continued to trend down (US DHHS ACF Children's Bureau, 2023).

Existing research and staff input suggest that past lawsuits and the effort to strengthen child welfare outcomes is responsible for the increases in TANF child welfare spending (Hahn, Golden, & Stanczy, Welfare Is Not What You Think It Is, 2012), however, increasing evidence from broader research suggests there may be a direct connection between decreased spending on benefits and increased child welfare spending (Ginther & Johnson-Motoyama, 2022). [Finding 2](#) highlights some of these connections and actionable insights that overlap with spending policy.

Social Services Block Grant (SSBG) transfers

MDHHS manages the Social Services Block Grant (SSBG). SSBG transfers are a standalone federal reporting category, but it is important to note the direct connection to child welfare

services when considering the overall distribution of TANF funding compared to core TANF components. Of note, of the approximately \$77 million of federal TANF funds regularly transferred to SSBG, all are directly tied to foster care. Additional state MOE funds are also blended with state general funds and Title XX funds to provide preventions services. States are authorized to use up to 10% of the TANF grant on Title XX programs. Michigan requires these programs and services be limited to children and families with incomes below 200% of the federal poverty guidelines (MDHHS, 2022).

Unspent funds

Michigan carries forward a significant unused balance from prior years (\$124 million in FY 2022) with potential to help with short-term transition costs related to increased access and benefits.

Michigan carries forward an unobligated balance of unused federal funds each year, totaling \$124 million in FY 2022. This represented 16% of Michigan's TANF grant. Many states carry forward some unspent TANF funds to act as a buffer for future, unforeseen economic challenges and budgetary demands. Michigan's unspent funds balance now far exceeds the amount of funding that went to help families in deep poverty meet their basic needs in FY 2022.

Policy Recommendations

Michigan is not alone in this downward trend on cash assistance and increased spending on other previously state-funded activities. TANF has the potential, and intended purpose, to help other critical safety net programs like Supplemental Nutrition Assistance Program (SNAP), known as the food assistance program in Michigan, close the gap on basic needs for many families in deep poverty in Michigan. The recommendations below are a major step forward in regaining some ground and positioning Michigan as a leader on data-driven, anti-poverty strategies.

- Prioritize serving families under 200% FPL for all TANF funded programming and increase TANF spending on: 1) cash assistance; 2) core work, employment, and training services; and 3) direct financial support such as child care and emergency assistance.
- Continue to increase allocations to the Michigan Earned Income Tax Credit for Working Families (Michigan EITC), while prioritizing cash assistance as a pathway to employment for those in deep poverty.
- Develop a method for estimating the portion of expenditures that benefit low-income families by program and ensure program accountability across agencies and departments.

Additionally, MDHHS should:

- Work with agency partners to establish shared definitions of effectiveness, poverty reduction goals, and benchmarks for monitoring TANF's impact in all areas of spending.
 - For example, continue to explore data sharing agreements between MDHHS and Unemployment Insurance Agency (UIA) to track employment, wage data, and program impact for FIP/PATH participants.
- Review each program annually to confirm the correct TANF purpose is being applied, estimate the number of families and children served using TANF funds (even when braided with other funding), and any related outcomes.
- Reorganize and update the state plan to include recent allocations by program.
- Review each program annually to ensure ACF-196R reporting represents the best fit for major state expenses categories.

Finding 2: Most families experiencing poverty are not eligible for cash assistance and eligible families still cannot meet their basic needs.

Key Takeaways

- 1** FIP is out of reach for most families in poverty. The current income eligibility formulas create a significant barrier to accessing FIP: 66% of families in poverty and 16% in deep poverty can't access FIP due to low-income eligibility thresholds.
- 2** FIP benefits grow less effective as a safety net every year. FIP's maximum monthly payment has lost 49% of its value since 1996 after adjusting for inflation. The maximum payment for a family of two has only increased from \$401 in 2005 to \$403 in 2022.
- 3** FIP is critical in moments of crisis but often not enough to create stability, even with the help of other assistance programs such as food assistance. In 2022, 97% of households receiving FIP couldn't cover monthly housing and utilities costs, leaving them unable to meet basic needs or handle unexpected expenses.

The FIP payment standard serves as Michigan's approach to identifying income eligibility and setting monthly benefit payments, and therefore has consequences for both the number of families that are eligible for assistance and the level of support those families receive.⁵ FIP is designed to connect families to a network of resources such as child care assistance, transportation assistance, and employment and training opportunities. However, our findings indicate that most families living in poverty are ineligible for FIP due to its stringent income criteria and low payment standards. Individuals with lived expertise indicated that while FIP provides critical relief for basic needs such as rent, it often falls short at the end of the month, even when combined with other programs like food assistance.

Low and unreliable assistance payments have been found to provide some short-term relief to poor families, but ultimately negatively contribute to poverty and its consequences (Spencer, Lemon, Komro, Livingston, & Woods-Jaeger, 2022). Evidence also indicates that even with employment, many TANF participants still struggle to meet their basic needs, and even the slightest setback can put stable employment at risk (U.S. Department of Health and Human Services, 2020). On the positive side, research highlights several benefits of stable income support programs, including increased earning potential for children once they reach adulthood (CBPP 2022; Duncan & Magnuson 2011), better family relationships and child well-being, enhanced infant brain development leading to improved higher language, cognitive scores and social skills (Troller-Renfree, et al., 2022; Weissman, Hatzenbuehler, & Cik, 2023), reduced poverty-induced mental health issues like anxiety and depression (Weissman, Hatzenbuehler, & Cik, 2023), and protective effects against intimate partner violence (Spencer, Lemon, Komro, Livingston, & Woods-Jaeger, 2022).

Research shows programs that help families move out of poverty can also help decrease the risks of child abuse (Child Welfare Information Gateway, 2023), but the generosity of anti-poverty policies is imperative (Ginther & Johnson-Motoyama, 2022; Spencer, et al., 2021; Weissman, Hatzenbuehler, & Cik, 2023). This is key for Michigan where 85% of children with substantiated reports of child maltreatment suffer from neglect. This is compared to the national average of 74% (U.S. Department of Health & Human Services, Administration for Children and Families, Administration on Children, Youth and Families, Children's Bureau, 2023). Neglect is defined as harm or risk of harm for "failure to provide [or seek the means to provide] adequate food, clothing, shelter, or medical care" (MCL 722.622, Child Protection Law Act 238 of 1975). Notably, public assistance (71%) is listed as the primary risk factors

⁵ Some states have separate mechanisms for determining income eligibility and benefit levels.

associated with victims' caregivers in Michigan (U.S. Department of Health & Human Services, Administration for Children and Families, Administration on Children, Youth and Families, Children's Bureau, 2023). This, along with the findings below illustrate the impact of FIP's declining effectiveness on families in Michigan and set the stage for recommendations.

FIP is out of reach for most families in poverty.

FIP is out of reach for most families in poverty, with dire consequences for family and child well-being. The current FIP payment standard leaves assistance out of reach for an estimated 66% of families in poverty and 16% of families in deep poverty. Since its last update in 2008, the maximum payment amount for a family of two is \$403, reflecting less than a 7% increase since 1996 (U.S. Bureau of Labor Statistics, 2023). Individuals with lived experience (ILEs), particularly those who applied and were denied, described how, although they "made too much" for FIP eligibility, they still struggled to cover the costs of basic needs and utilities and frequently relied on local support like food pantries. ILEs shared that they wished they had an opportunity to speak with someone and discuss why they felt they should qualify for FIP.

The following quotation comes from an ILE's account of how their household and financial circumstances changed and how those changes resulted in their decision to seek out cash benefits. The following ILE identified as a person who should qualify for FIP but was denied: "...I'd separated from my husband, I had three children, but my income went from overtime to not working any overtime. [The program] included all the overtime and I guess I made too much based on [my] family size."

Additionally, several focus group participants who were either applying for or already receiving disability benefits found themselves ineligible for FIP due to income. Michigan FIP policy excludes Social Supplemental Security Income (SSI) recipients as grantees, which means their SSI income is not included when calculating income eligibility and benefits amounts. However, even though these individuals' SSI incomes may have been too great to qualify for cash assistance, it was clear that their income was not enough to meet basic needs. When in the process of applying for SSI, individuals are temporarily deferred from TANF work requirements. Existing research indicates that a significant portion of TANF applicants may have visible or non-visible disabilities, and although the TANF program can provide accommodations and training, transitioning to SSI is often more financially beneficial due to higher payments and federal funding, prompting both states and individuals to prefer SSI over TANF (Wamhoff & Wiseman, 2006). Increasing FIP income limits may provide additional employment and training options for individuals with disabilities who are in crisis or desire alternatives to SSI.

FIP benefits grow less effective as a safety net every year.

The maximum payment standard for FIP is only 24% of the federal poverty guidelines for 2023. Due to inflation, the real value of the current maximum payment has dropped by 49% over the years, with a minimal increase from \$401 to \$403 a month for a family of two since 2005 (U.S. Bureau of Labor Statistics, 2023). Furthermore, administrative program data indicates that many families end up receiving less than this maximum amount. From 2015 to 2022, the average FIP benefit amount saw little to no growth, moving from an average of \$365 in 2015 to \$402 in 2022 across all family sizes (See Tables 4&5).

Insights from the ILE focus groups underscore this issue. Many of those who received FIP/CASH assistance reported either previously receiving or planning to apply to other benefit sources to help make ends meet. One focus group participant (ILE, Cash assistance and PATH) remarked, "It is quite telling that in the DHS little lobby, where you turn in

paperwork, they have a list of all the food banks in the area. [It's] like they know that they can't help worth [explicit language]." The commentary regarding benefit amount and demographic reports indicate that the benefits obtained from FIP alone are not enough to support household needs.

FIP is critical in moments of crisis but often not enough to create stability.

In 2022, 97% of participating households received an average monthly benefit amount that did not meet the estimated monthly expenses for housing and utilities as per the ALICE Household Survival Budget. According to the 2021 ALICE Household Survival Budget, the average monthly costs for one adult and one child in Michigan were \$239 for utilities, \$415 for rent, \$199 for child care, and \$706 for food. Even after accounting for food assistance (\$372/month for a family of two) and child care assistance, a family of two with no income falls short an estimated \$600 a month.

Focus group findings echoed these challenges indicating that while FIP can help with some immediate necessities, its effectiveness as a comprehensive safety net wanes over time. Families often struggle to afford basic needs towards the month's end and lack a financial cushion to navigate unforeseen or unexpected expenses. Commenting on the critical role of cash assistance, one ILE said:

The cash was critical simply because I still had to pay rent. I still had to pay for incidental items for the household. Even though the cash wasn't an awful lot, it did help things out an awful lot. We would frequently run out of cash before the next month, but the cash was really critical. (ILE, former cash assistance recipient, current recipient of food assistance and emergency utility support)

Policy Recommendations

There are several opportunities to make FIP a more effective means of addressing poverty in Michigan, and much can be done at the agency level with state budgetary support. Michigan's Social Welfare Act grants the FIP agency the authority to "develop policies to establish income and asset limits, types of income and assets to be considered for eligibility, and payment standards for assistance programs administered under this act" (The Social Welfare Act 280, M.C.L. 400.57 et seq., 1939). The current income eligibility level is below 25% of the FPL, well below the definition of deep poverty (50% FPL).

The **top priority** for the Michigan Poverty Task Force should be to recommend MDHHS: Increase the FIP payment standard and tie to annual cost of living increases to ensure families living in poverty can meet their most basic needs and connect to critical work supports, thereby increasing the proportion of the block grant that funds cash assistance.

States take diverse approaches to setting and increasing benefits and eligibility standards. Five states base income eligibility directly on FPL, ranging from 50% FPL (Ohio) to 100% (Nevada). Vermont ranks among the most effective states in terms of the number of families in poverty receiving cash assistance, and in 2019, created a basic needs and payment standard based on the Consumer Price Index and a regionally adjusted housing allowance (Shrivastava & Thompson, 2022). Vermont reviews the standard each year and determines adjustments based on budgetary capacity (Oalican, 2023).

Increasing the FIP payment standard positions Michigan as a leader among the states in implementing evidence-based, outcomes-driven policy. Fifteen states and the District of Columbia have increased benefits as of July 2022, with increases ranging from 1% to 102% (six were recurring increases) (Thompson, Azevedo-McCaffrey, & Carr, 2023). Michigan's current maximum benefit payment for a family of two (\$403) falls just below the median in

the region and US. Payment levels range from \$229 in Indiana to \$653 in Wisconsin. Four of seven states in the region (Illinois, Wisconsin, Ohio, and Minnesota) increased maximum benefits amounts, ranging from 1% to 14% increases respectively (see Table 6). Minnesota also provides a \$110 housing grant supplemental on top of cash assistance (Minnesota Department of Human Services, 2024).

Increasing the payment standard and tying the new standard to a cost-of-living index such as the federal poverty guidelines, updated annually by the U.S. Department of Health and Human Services, would have immediate impacts on families in poverty, decrease administrative burdens on staff and applicants, and make poverty reduction benchmarks easier to set and monitor.

- The current income eligibility level/maximum payment standard is below 25% of the FPL, well below the definition of deep poverty (50% FPL).
- Raising the payment standard by approximately 35% is equivalent to a \$143 a month increase for a family of two (\$544 a month total) or approximately 33% FPL (2023). An estimated 8% more families in poverty would be eligible.
- Raising the payment standard by approximately 50% is equivalent to a \$201 a month increase (\$605 a month total) or 37% FPL for a family of two and more in line with neighboring states such as Minnesota and Wisconsin. An estimated 25% more families in poverty would be eligible.
 - Minnesota recently increased their standard and maximum monthly benefit for a family of two from \$537 a month to \$621 a month (12% increase), equivalent to approximately 38% FPL (Minnesota Department of Human Services, 2023). (See Table 5).
 - Wisconsin's eligibility income limit is 115% FPL; benefit levels are \$653 for Community Service Job placements, \$608 for participants in their W-2 transition program, and \$673 for a custodial parent of infants or at-risk pregnancies (Wisconsin Department of Children and Families, 2023). (See Table 5).
- Alternately, if Michigan tied FIP eligibility and assistance to 50% of the FPL for a family of two, \$822 per month, an estimated 16% more families in poverty could have access to FIP.
- In the near term, more families would be connected to workforce development opportunities and better enable successful participation and earning potential (National Academies of Sciences, Engineering, and Medicine, 2019).

Additionally, Michigan should explore the following recommendation to increase stability and expand the impact of FIP:

- Create a housing assistance supplemental grant on top of cash assistance (see Minnesota for an example, \$110 supplement) (Minnesota Department of Human Services, 2024).

Finding 3: FIP requirements, program guidelines, and stigma hinder access to critical assistance.

Key Takeaways

- 1 Difficult verification processes and stigma deter applicants from completing the eligibility period, with 15% denied due to incomplete information and these applicants being less likely to apply again.

- 2 Individuals with cases previously closed due to child support noncompliance have 78% higher odds of having that closure again, indicating that the underlying compliance challenges persist over time.
- 3 Policies and staff struggle to support diverse family structures, with complexities in custody and guardianship often hindering access to benefits.
- 4 Familiarity with the application process reduces the likelihood of denial, suggesting that better information upfront could improve approval rates and client experience.
- 5 Despite a significant increase in applications from younger individuals aged 18 to 30, their approval rates have not improved, and they face higher odds of denial for various reasons, including failure to provide information..

Michigan has made noteworthy progress in recent years streamlining the application and eligibility processes for cash assistance and other benefits⁶. Study findings suggest, however, that verification processes and perceived stigma still deter many applicants from seeking FIP when they need it most. This stigma complicates trust and communication, especially during the eligibility period, and particularly for individuals dealing with child support compliance, younger applicants, and those from diverse family structures. Findings also point to several actionable insights: providing clearer policy guidance for staff, offering more detailed program information upfront to applicants, and adopting a supportive, non-judgmental approach by staff to boost applicants' motivation and success.

The stigma attached to welfare is a significant hurdle for families seeking help, complicating the already challenging application process and affecting their health and well-being (Pulvera, et al., 2023) (Lapham & Martinson, 2022). Furthermore, existing research supports our findings that the hidden costs of stigma can further limit clients' capacity to *reapply* after failing to provide adequate information or complete program requirements the first time (Halling & Baekgaard, 2023) (Office of Information and Regulatory Affairs, 2022). Efforts to ease the cognitive burden of enrolling in benefit programs can improve take-up (Fox, Stazyk, & Feng, 2020). Federal TANF rules are inherently and administratively burdensome, but states have some flexibility in how they interpret these rules and to what extent they pass these burdens onto staff and clients (Brodkin & Majmundar, 2010) (Fox, Feng, & Reynolds, 2023).

Federal TANF rules require that states 1) define need and develop an eligibility test and payment standard, 2) assess employability of adult recipients, 3) engage adults in work or activities within 24 months, and 4) sanction families with a member who refuses to participate in activities without good cause such as child care or transportation barriers (TANF CFR, 1999). States must also define what it means to engage in work. Michigan, like most states, has a standard approach to determining FIP eligibility, starting with an income eligibility test and an online application in a system called MI Bridges. Michigan requires eligible adults to engage in work program activities, as narrowly defined by the Social Security Act 42 U.S.C. § 607 and almost immediately during a 10-day Application Eligibility Period (AEP) at a local MWA as a condition of eligibility (Social Security Act, 2012). MDHHS reduced the AEP from 21 days to 10 days in 2020 to help get cash relief to families faster. Still, this policy exceeds the federal requirements to engage in work activities within 24 months or when an eligible adult is determined ready, whichever comes first. The intent of the AEP is to incentivize engagement and connection to a broad array of supports, but study findings suggest that when clients are engaged in core work-oriented activities before

⁶ In 2022, Michigan expanded and aligned the asset limit for food assistance, cash assistance and State Emergency Relief to \$15,000 and empowered staff to accept a client statement of assets rather than requiring applicants to complete an assets verification checklist. In 2018, Michigan significantly reduced the overall length of application for assistance.

barriers are meaningfully and sufficiently addressed, there may be unintended consequences for self-sufficiency.

While FIP policy has been modified over time to allow leeway for those with significant barriers, the extent to which clients and/or staff are aware of or confident in the ability to apply policy exceptions may dampen the intended benefits and outcomes (Brodkin & Majmundar, 2010). The study findings below provide insights into how these requirements impact FIP applicants and participants in Michigan, the recent efforts to improve processes and policies, and the ways Michigan can continue to improve access and engagement.

Difficult verification processes and stigma deter applicants from completing the eligibility period, with 15% denied due to incomplete information and these applicants being less likely to apply again.

Although FIP's application process improved in the last decade, it still involves extensive verification requirements. Analysis revealed that the detailed information required can complicate the completion of the application process and may discourage clients from trying again after they are denied. Specifically, 15% of applicants were denied due to failure to provide all required information during the application period (Table 18). It is also important to note that barriers related to internet access can also complicate the application process. According to the eligibility analysis, 18% of the potentially eligible households in Michigan had no access to the internet. This is disproportionately higher than the overall average at 6% (Table 12). Access to the internet can be an important resource during this eligibility period as much of the documentation can be easily completed online. Having extensive verification requirements can serve as a barrier to families getting help when they need it most. The quotation below illustrates ILE perceptions regarding the extent of information clients were asked to provide: "We received cash assistance, child care, and food stamps. But when we tried to get it, it was very hard. They wanted everything, even your shoe size" (ILE, previously received cash, child care, and food assistance).

Applicants that were denied due to reasons other than household group composition were often less likely to come back to the program. In comparison to other denials, applicants who were denied due to failure to provide information had 16% lower odds of applying again after 6 months (Table 15, Model 4). In comparison to other applicants who were approved, applicants whose cases were closed due to refusal to cooperate with child support had 16% lower odds of applying again (Table 15, Model 7).

The difficult application processes may also contribute to the stigma that applicants may feel for needing and seeking out benefits (Pulvera, et al., 2023). Some ILEs felt judged by staff as "lazy" or "taking advantage of the system," describing encounters that made them feel stigmatized for their circumstances and treated as "second-class citizens." For example, one ILE, with cash assistance and PATH experience, described their perspective of their PATH orientation as, "I felt like there was an assumption being made that 'you don't wanna work' or 'you're just looking for some easy ways to avoid working'". ILEs shared that being stigmatized impacted participants' motivation. An ILE who applied but was denied cash assistance said, "We don't wanna be going through all of this, and being judged really just makes you just wanna give up".

While many staff members highlighted the importance of empathy in their roles, they often found themselves constrained by policy despite their desire to be empathetic towards their clients. Existing research on stigma notes that a perceived lack of case worker empathy negatively influences applicants' ability to see through difficult program processes (Hetling, et al., 2021). Similarly, our findings illustrate the importance empathetic staff can play in

helping applicants through complicated program processes. ILEs and staff who reported the adoption of supportive, person-centered, and non-judgmental approaches highlighted that clients were more successful and motivated to participate. Numerous accounts highlighted the advantages of a non-judgmental relationship, which fosters a sense of support and open communication between clients and staff. The following ILE's account illustrates those positive relationships and the benefits of their presence:

I've always had a really good relationship with my workers. Very conversational. They have understood why I am on assistance at this moment, what my issues are, what my problems are. It's not that I don't want to work. When they understand those things upfront it helps to kind of put them at ease, and it does make their job a little easier, therefore I don't get a lot of the hassles that a lot of people have experienced. (ILE, previously qualified for cash assistance but no longer does. Currently receives food assistance and emergency utilities assistance.)

Insights from staff and ILE focus groups illustrate the challenges clients face in providing the required information, often due to strict deadlines and the specificity of the information needed. Staff acknowledge that the tight turnarounds are meant to speed up access to benefits. As one MWA/PATH staff participant put it, "It's not like clients are here because they need help a month from now, they need help now." However, this accelerated process may inadvertently increase the risk of benefits being denied or terminated if clients struggle to gather the required information quickly enough or if the information they provide doesn't meet policy standards. Focus groups pointed to a few examples of information that may fit requirements for eligibility and assistance but may be difficult to obtain or align with program standards. Examples included proof of assets, place of residence or ownership/rental agreements, and utilities. Some participants expressed that while they paid for rent, utilities, and other such necessities, these documents were not always in their name.

Despite only a few staff members having prior experience working with refugee and immigrant clients, those who had faced significant challenges. The difficulties stemmed mainly from a lack of familiarity with the required documentation by both staff and clients, language barriers, and complications in gathering necessary documents. To tackle these issues, the staff utilized on-site translators and translation services, adopting an "all hands-on deck" strategy. However, this approach was less than ideal due to limitations in staff capacity. The eligibility analysis conducted by the research team highlighted that 9% of Michigan's potentially eligible population has "limited English proficiency," a rate significantly higher than Michigan's overall average of 2% (Table 13). This discrepancy underscores the need for targeted support and resources to effectively serve refugee and immigrant clients within the program.

Staff recognized that despite policy provisions for flexibility and exceptions to accommodate each family's eligibility requirements and needs, these options were either underutilized or applied with little confidence. The issue of tight deadlines remains a significant concern, highlighting the need for a balance between expedited service and ensuring clients have a fair chance to meet application requirements.

Individuals with cases previously closed due to child support noncompliance have 78% higher odds of having that closure again, indicating that the underlying compliance challenges persist over time.

Federal law requires that families receiving TANF must assist in establishing and enforcing child support by identifying the non-custodial parent to state authorities except in cases like

domestic violence or stalking. Additionally, TANF recipients must also transfer their rights to child support payments directly to the state. This arrangement allows the state to retain collected child support funds to offset the cost of TANF assistance provided, both to themselves and the federal government. Data shows that clients who had previously lost their benefits due to a closure on child support noncompliance had 78% higher odds of having the same closure again (See Table 29). This evidence suggests that for most families struggling to comply with child support, the underlying challenges persist alongside the need for assistance.

I think one of the problems is when you do get the people that go through PATH a lot of them for me is coming up with a compliance with child support. If they start PATH, they get in PATH, and then they realize that they didn't get in compliance with child support because child support could go into the case and shut the case down.
(FIS/MDHHS staff)

Insights from the staff and ILE focus groups suggested that child support compliance is an enduring and complicated issue for clients. In instances where child support payments may have been decided by courts prior to application, TANF requirements force a family to revisit these arrangements, and the time or psychological costs of doing so may outweigh the benefits from cash assistance. Lastly, it may be unsafe for clients and their children to pursue child support from former partners. Families can claim "good cause" for non-cooperation; however, it still takes verification, time, trust, and knowledge of these program policies to navigate these exceptions. The Family Violence Option in welfare reform law of 1996 does allow states the option to exclude survivors of domestic violence from time limits, work requirements, and child support enforcement.

In Michigan, a FIP specialist must submit a good cause claim within two days. Applicants then have 20 to 25 days to provide written evidence that pursuing child support is both "against the child's best interests," defined in the MDHHS Bridges Eligibility Manual as pending adoption, adoption counseling, or domestic violence, or any cases in which pursuing paternity or support may put a child in danger or cause physical or emotional harm (Michigan Department of Health and Human Services, 2023). Verification sources include medical, court, police, or domestic violence records. Michigan has a policy in place with the potential to ease administrative and psychological burdens: if good cause is due to domestic violence, "verification of good cause due to domestic violence is required only when questionable" (Michigan Department of Health and Human Services, 2023), but studies have shown that although substantial numbers of custodial parents seeking TANF report domestic violence, few receive mandated services or child support enforcement waiver through the federal Family Violence Option (FVO) (Lindhorst, 2010). This may suggest more training and time are needed to ensure staff are confident in implementing these waivers.

While child support generally has positive effects on child well-being, non-custodial parents of children eligible for TANF often struggle to pay, with or without enforcement (Vogel, 2020). In 2022, the federal government amended the Social Security Act, increasing the certification requirements for states to ensure that staff are trained and confident in providing appropriate screenings and referrals and implementing the "good cause" exemption for victims of sexual harassment and survivors of domestic violence, sexual assault, or stalking. In 2022, Michigan created a workgroup focused on child support policy improvements, and a recent policy improvement permitted child support collected by the state to pass through to families as income without impacting their earned income levels and eligibility for benefits.

Policies and staff struggle to support diverse family structures, with complexities in custody and guardianship often hindering access to benefits.

ILEs reported increased challenges accessing support when family structures did not fit neatly within policy guidelines or when policies failed to capture the nuances of their households. Issues arise in situations such as disputed or shared custody, or when dealing with extended family or stepfamily arrangements, and complicate the process of identifying and applying for benefits. Policies often overlook stepchildren, leading to confusion and disputes over which household is eligible to "claim" children for benefits. This oversight ignores the reality that multiple households may contribute to a child's care and upbringing.

For potential clients, who may have custody of family members' children, ILE and staff participants described similar barriers when it comes to determining guardianship status and proving dependency. Consequently, being a member of complex family structures may result in delays during the application process and may remain unresolved, further impeding the timely receipt of benefits. TANF serves families whose households and structures range in complexities. However, some of these families may not be represented or recognized by federal TANF policy, which limits the program's intention of reducing poverty. The following quote is an example of a barrier encountered by one such type of family:

When I got my niece and nephew, I didn't realize at the time that their parents were still claiming them...I have my niece and nephew, but their parents were still getting benefits for them. That's how I received the letter, basically saying that I was denied and that someone else was claiming the kids, so we're working on that." (ILE, previously received cash assistance and was later denied)

In Michigan, family structure impacts eligibility and monthly benefits, which are calculated based on who the states consider part of the household and the earned income they receive. Federal law states that families must have at least one adult caretaker and one dependent child (or pregnant) to be eligible for FIP. The child must either be under 18 years old or 18 and a full-time high school student. Michigan distinguishes four household structures that impact what income is counted and monthly grant amounts: the role of stepparents, unrelated caretakers with foster children, SSI recipients, and ineligible grantees. Stepparents can choose to be counted as eligible grantees or not up to 18 months after marriage if their assets and combined earnings are less than twice the maximum allowed for each. This policy decision allows the family to transition over time to the potential loss of work supports and services in cases where the stepparent income may lead a household to exceed the income limit.

Unrelated caretakers who receive FIP based solely on the presence of a child placed in the home by Children's Services are counted as ineligible grantees. This works to ensure a child can still receive assistance even if the caretaker's income is too high. Michigan policy also considers Supplemental Security Income (SSI) recipients as ineligible grantees. SSI benefits are typically higher than TANF benefits, so choosing to exclude SSI recipients increases the likelihood that the other members of household will be eligible based on income (Urban Institute, 2023).

Federal statute also states that individuals with illegal alien status, an Intentional Program Violation (IPV), or fugitive felon status are ineligible, however in Michigan, household members disqualified due to alien status, Intentional Program Violation (IPV), or fugitive felon status count as a member of the program group and therefore the household receives the eligible grantee payment standard.

While these policy adaptations are intended to increase the impact of FIP for children and families, both applicants and staff members may find it challenging to navigate these policies, especially during stressful periods when families are most in need and likely to apply. Providing additional training for staff on the unique strengths and needs of diverse family structures could improve the application process. By equipping staff with the skills to guide families through the safety net and support systems more effectively, we can enhance the experience for applicants, lessen the cognitive load on staff, and ultimately improve the well-being of children.

Familiarity with the application process reduces the likelihood of denial, suggesting that better information upfront could improve approval rates and client experience.

Qualitative and quantitative findings suggest that applicants who have more information about the application process are more likely to be approved and navigate the program's complicated requirements. Among all applicants, those who had applied before had 81% higher odds of getting approved again (Table 32, Model 1). Furthermore, applicants who had applied previously had 29% lower odds of being denied due to information noncompliance (Table 30). We see a similar trend with applicants that were approved at least once before the application, with 20% (Table 30) and 16% (Table 31) lower odds of getting a denial due to information noncompliance and orientation noncompliance, respectively. This suggests that previous experience with the application process may help applicants with the knowledge that reduces the odds of getting these noncompliance related denials.

Similar trends emerged even when applicants were denied. Among applicants that had been denied before, those who were previously denied due to failure to provide information had 31% higher odds of getting approved in a future application if they applied again (Table 32, Model 4) and those who were previously denied due to orientation noncompliance had 13% higher odds of getting approved in a future application (Table 32, Model 5). This implies that even if applicants were denied due to failure to provide information or orientation noncompliance, the gained knowledge from going through the process and gathering knowledge about the information and orientation requirements increases their odds of approval in a future application.

While some applicants may be able to overcome the administrative burdens the second time, much may be dependent on their inherent capacity to overcome learning costs and tolerate administrative burdens (Halling & Baekgaard, 2023). This finding is consistent with existing research on the hidden costs of administrative burdens and their impact on an applicant's ability to access much needed help (Halling & Baekgaard, 2023; Office of Information and Regulatory Affairs, 2022) and suggests that reduced or eased burdens may lead to a decrease in information denials.

Focus group discussions with staff revealed that sometimes MDHHS interviews were not happening at the right time or clients were unable to review the "right" information when needed. Clients were getting passed along to PATH, and while in some cases clients were well-informed, other clients were either missing some or all the information needed to fulfill the basic requirements and responsibilities of the programs.

I don't think it's just with paperwork. Even with what we have to go over when we do an interview, we are throwing a lot of information at [client]. If we're not reaching them before their scheduled appointment for PATH, then they're lost. The chances of them realizing that they have to go to that appointment before we talk to them is just about 0. The biggest thing is that we need to do that interview with them before their scheduled appointment. (Staff Focus Group, MDHHS)

Some ILEs said that the application process was smooth and fast, and these accounts were credited to either ease of uploading documentation or the ability to access case workers to get clarification regarding documents needed. Even though updates to MI Bridges have created a more user-friendly interface, limited details on cash assistance program requirements have led to increases in workload for staff as clients “drop off” after learning the program requirements. Staff must still dedicate capacity to process and contact clients who will, ultimately, not participate in the program, which takes time away from working with clients who are interested in participating in the program.

I don't know that when you click cash assistance on MI Bridges, application if it then explains, you've clicked. Yes, you want cash assistance. You will have to participate in XYZ. It just goes into the eligibility questions, you know. Your income, your expenses, and then you're done you just to do the application. And there's no like initial information. That's like, by the way you clicked cash assistance. That means you might have to participate up to 40 hours with a Michigan Works! service center something like that. (MWA/PATH Staff)

Despite a significant increase in applications from younger individuals aged 18 to 30, their approval rates have not improved, and they face higher odds of denial for various reasons, including failure to provide information.

The number of applications from younger individuals, aged 18 to 30, has seen a significant increase (Table 33), yet the approval rate of these applications has not shown a corresponding rise over the years. Although there was a noticeable increase in approvals in 2020 (Table 34), the overall trend for approvals among this age group remains flat. This discrepancy suggests that the program may be facing challenges in adequately addressing the unique needs of younger applicants, who are increasingly making up a larger portion of the applicant pool.

Furthermore, analysis reveals that younger applicants have 31% higher odds of reapplying six months after their initial application (Table 15, Model 1), but they face 34% lower odds of receiving an approval for FIP benefits compared to other age groups (Table 32 Model 1). Additionally, they are 18% more likely to receive a denial due to incomplete information provided during their application process (Table 30). These findings highlight specific areas where younger applicants struggle with the application process and suggest a need for further research into the barriers faced by this age group. Understanding these challenges more deeply could lead to improvements in access to FIP benefits and enhance the program's overall effectiveness for younger individuals.

Policy Recommendations

Michigan has taken several evidence-based steps in recent years to reduce administrative burdens and increase accessibility. Streamlining processes and eligibility requirements reduces barriers and creates program efficiencies for staff and participants (Fox, Feng, & Reynolds, 2023).

- In 2018, MDHHS enhanced accessibility and collaboration with community partners through an online portal called MI Bridges.
- In 2019, MDHHS increased and aligned asset limits for food assistance, cash assistance and State Emergency Relief to \$15,000 and empowered staff to accept a client statement of assets rather than requiring applicants to complete an assets verification checklist.
- In 2022, Michigan made significant changes to child support policy to increase income for FIP families by implementing a full pass through, effective 2023. Federal

law set limits on this pass through, but Michigan is funding any balance owed to the federal government with state funds and exploring further enhancements to TANF child support policy via an interagency task force.

Even with these significant improvements, Michigan can further ease access and reduce administrative burdens and stigma for applicants, participants, and staff.

- Continue to work with staff and ILEs to simplify the application eligibility period process (AEP) and provide clearer guidance to applicants upfront on what the program provides and requires.
- Continue to support community-based partnerships offering targeted FIP and PATH outreach, education, and application support to families.
- Simplify or reduce verification requirements that go beyond federal requirements and allow more time to prepare for work participation after approving benefits (two months before community service work is required and 24 months before work activities must start) (TANF CFR, 1999).
- Ensure staff across agencies are trauma-informed and adequately trained on deferrals.

Finding 4: High MDHHS caseloads negatively impact the ability of staff to provide effective services to clients.

Key Takeaways

- 1 High caseloads at Michigan Department of Health and Human Services (MDHHS) offices adversely affect both client experiences and outcomes within the program. Staff feel overwhelmed by the volume of applications, shortened eligibility review periods, and seasonal demands and cannot provide the necessary attention to each case, which leads to diminished service quality and timeliness.
- 2 High caseload strain results in a 12% lower likelihood of successful case closures due to excess earnings and an increased probability of closures for noncompliance with work participation requirements.
- 3 High caseloads combined with Universal Case Load (UCL)'s shared service, task-oriented approach may impede the identification of client barriers; high caseloads decrease the odds of barrier identification by 18%, and UCL complicates the development of a personal connection and trust between clients and case workers.
- 4 Technical problems and inconsistent staff practices across MDHHS and Michigan Works! Associations (MWA) lead to communication difficulties, further exacerbating the negative impacts of high caseloads.

MDHHS Family Independence Specialists (FIS) are often the first point of contact for FIP applicants and play a critical role in helping them navigate the eligibility process and solve eligibility and compliance problems if they arise. Study findings indicate, however, that high MDHHS caseloads are negatively impacting clients' program experiences and outcomes. Michigan's transition to a universal caseload (UCL)⁷ approach has intensified these challenges despite introducing noted benefits. Staff and ILE focus group participants discussed the importance of having the time to develop trust and rapport with each other and noted that detailed notes and consistent use of systems by staff were essential when there wasn't time to build a connection.

⁷ A UCL pilot began in February 2018 and moved to 50 counties by October 2018. UCL moved the state from an assigned case worker model to a geographically based shared services model.

A brief overview of MDHHS FIP and MWA PATH staff roles and their goals across agencies provides important context for the findings that follow. MDHHS and MWA staff have overlapping and interdependent roles. The primary role of MDHHS eligibility and FIS is to screen applications for FIP eligibility, conduct phone interviews with potential FIP clients, collect missing eligibility data, and describe requirements for program participation. This process includes assessing potential barriers to work participation to determine if FIP applicants are eligible for a temporary work requirement deferral or if they are work eligible individuals (WEI). If an applicant qualifies for a temporary work deferral, FIS staff will work with the applicant to create an individualized action plan and then monitor the case over time. WEIs move on to PATH to complete a PATH orientation, complete a barrier questionnaire and other assessments, and establish work activity action plans.

MWA PATH case managers help WEIs identify employment or training goals, submit verification paperwork, and address any participation barriers that may emerge such as transportation, child care, or health. PATH workers are also responsible for collecting and entering work program activity or employment hours for each participant. MWAs often have career coaches on staff to assist with orientations, job searching, or skill development but clients primarily have one assigned case manager or career coach. While work participation, employment, and monitoring compliance are key demands for PATH staff, policy guidance recommends that during the 10-day AEP, they focus on barrier removal activities rather than jump-starting core work activities. Throughout the PATH experience, FIP and PATH staff communicate through their respective systems—Bridges and the One-Stop Management Information System (OSMIS)—and in some cases, offices have local contacts or dedicated liaisons who assist with interagency communication and help address issues with compliance or documentation. Staff and ILE focus groups provide key context for understanding the conditions under which these roles struggle or work well together to aid client success.

High caseloads at MDHHS offices adversely affect both client experiences and outcomes within the program. Staff feel overwhelmed by the volume of applications, shortened eligibility review periods, and seasonal demands and cannot provide the necessary attention to each case, which leads to diminished service quality and timeliness.

The number of FIP applications has varied substantially over the years. Starting with a 9% rise in 2018 and continuing into 2019, the applications experienced a sharp 29% increase from 2019 to 2020 (Table 36). Although there was a decline in 2021, the applications rebounded with a 20% increase in 2022 (Table 36). Overall, from 2015 to 2022, there was a cumulative increase of 13% in the number of FIP applications (Table 36).

The average number of cases managed by an MDHHS staff member per week in 2022 was 26, whereas an MWA staff member managed 1 case per week (See Table 6). MDHHS caseloads are impacted by seasonality, with FIS staff managing significantly higher caseloads between August and October. Average caseloads go from 20 cases per week in March to 33 cases in August and 39 cases in October (See Table 8). Seasonality of applications also came up in ILE and staff focus groups when discussing variation in caseload across the year.

Qualitative analysis of focus group discussions found that the high caseloads managed by MDHHS staff impact the quality of services they can provide to clients. Staff members feel they are not able to allot adequate time for each unique case. Individuals with lived experience (ILE) were aware of staff caseloads and the topic came up in all three ILE focus

groups as a factor that influenced the quality of services received and clients' experience in the program. Talking about this issue, an ILE (*applied for FIP, denied*) said, "I think it really depends on the type of worker that you have and how much they are willing to give, based off their own caseload." ILEs recognized the high caseloads managed by staff and while they acknowledged that staff were not responsible for determining caseloads, they believe high caseloads negatively affect their experience throughout their time in FIP and PATH.

Seasoned staff may be experiencing added caseload burden from staff turnover and the added responsibility of having deeper knowledge of the program requirements, especially for cases with unique attributes, because of their previous experience. Further, some types of cases, such as those involving immigrant or refugee clients, require specialized knowledge to help address unique needs, paperwork, and barriers. When a specialized worker is not present, these cases may require more staff capacity dedicated to simply understanding policies and procedures.

High caseloads within MDHHS offices can inadvertently affect the client experience in Michigan Works Agency (MWA) offices. This happens when omissions during the eligibility determination process increase the workload for MWA staff, potentially delaying the identification of barriers and adversely affecting the client's interaction with the program. While smaller MWA offices might sometimes manage the oversight, the cumulative effect of additional tasks often places a heavier load on both systems. An experienced staff member described the strain this dynamic causes, including how the burden often falls on those with the most experience, negatively impacting client service:

I am almost burnt out. I can barely get to my own caseload. I'm one of the longest people that's been there. I get employers, DHS, and coworkers calling. I have my manager like "Oh, I'm not sure. She will know how to take care of it. Give her call" ...I had a customer and it's taken six different individual meetings to find out that she may have a severe mental health issue. If I didn't have these large caseloads, and there were more people working we might have got to the bottom of this a lot faster. (MWA/PATH staff with nearly two decades experience in position)

This account underscores the challenges of high caseloads but also points to a broader need for a more equitable distribution of work and a diversification of skills among staff. It highlights the importance of training staff to be more autonomous and suggests an area for improvement in training, particularly in recognizing mental health barriers. Rather than indicating a lack of support among staff, this situation signals a critical need for strategies that enhance staff capacity to manage their workloads effectively to provide timely, comprehensive assistance to clients.

High caseload strain results in a 12% lower odds of successful case closures due to excess earnings and an increased probability of closures for noncompliance with work participation requirements.

High caseloads impact clients' likelihood of success during and after the program, and administrative requirements add to the burden that staff carry for each case. Clients who worked with MDHHS offices with higher caseloads had 10% lower odds of becoming employed through the PATH program during work participation (Table 19, Model 2). Clients applying to MDHHS offices with higher caseloads had 12% lower odds of successful case closure due to excess earnings (Table 16, Model 2), and 12% higher odds of closure due to employment or work participation noncompliance (Table 28, Model 2). This suggests that high caseloads lower staff ability to provide services needed for clients to be successful in

the program as well as their ability to support clients in maintaining work participation status and program compliance.

Before in a standard food assistance app I could have that wrapped in 30 minutes or less unless we had real extreme circumstances for the family. Trying to get the required documentation, our interview guide. Trying to make sure we hit all the cash points, because it is supposed to be a multi-use form, but for the cash program it misses quite a few things. (FIS/MDHHS staff)

Staff tasked with handling a wide array of cases often express feelings of being overwhelmed due to an accumulation of responsibilities and growing job expectations. During focus group discussions, staff shared insights about their multifaceted roles, which frequently extend beyond their original job descriptions. This situation is exacerbated by staff turnover, leading to individuals taking on duties across multiple positions. An account from a FIS worker at MDHHS vividly captures these challenges:

With cash they want us to do more and more, and they don't understand all the time it takes. We only have so much time and something's gotta give. When they give us more and more to do, something's gotta give, whether your case is reduced or not. What they're asking of people is not doable. There's no way we could do our job well, let alone do it great, in the time that they want to give us to do this, and obviously the pay doesn't increase accordingly. There is nothing that we can do other than to do our best. I think most of us feel like we're drowning. There's no way we can do justice for the clients that we have, regardless of how much we work at it. It's just impossible to do, given the limitations of the resources and the time allotted. (MDHHS Staff)

This narrative from an MDHHS staff member underscores the daunting pressures faced by those on the front lines, highlighting the critical need for a reevaluation of workload distribution, realistic job expectations, and appropriate compensation to ensure both staff well-being and the effective delivery of services to clients.

High caseloads combined with Universal Case Load (UCL)'s shared service, task-oriented approach may impede the identification of client barriers; high caseloads decrease the odds of barrier identification by 18%, and UCL complicates the development of a personal connection and trust between clients and case workers.

Barrier identification is another process impacted by caseloads, which is crucial in determining what services applicants may receive. The barrier identification process requires clients to provide information about personal barriers that may impact their participation in the program. This requires time, effort, and trust between the client and the case manager. Applicants whose MDHHS offices had higher caseloads had 18% lower odds of having a barrier identified (Table 21, Model 2). This suggests that high caseloads may impact the time it takes for staff and clients to build rapport and trust to complete the barrier identification process.

During focus group discussions, staff emphasized the importance of building interpersonal connections with clients, particularly for identifying barriers. Creating a familiar and trusting relationship encourages clients to feel safe in disclosing issues they might otherwise keep hidden. The lack of such connections, particularly in high caseload environments where clients may end up speaking to any available case worker, inhibits the sharing of these critical details. As one FIS worker pointed out, the impersonal nature of interactions under such conditions means clients, often facing significant personal struggles, are reluctant to share sensitive information with someone they haven't built a rapport with. These dynamics compromise the ability of staff to promptly address issues:

Clients are calling and speaking to the next available case worker and those connections aren't developed and [clients are] not expressing barriers because there's a vulnerability in that position. We see clients at their worst and they're not willing to share with just the next available person. So, we're not able to address those issues right up front. (MDHHS FIS staff)

The implementation of the Universal Case Load (UCL) system was identified in focus group discussions as a contributing factor to diminished personal interaction with clients and delays in identifying their barriers. Introduced across 50 counties in 2018, UCL marked a substantial shift in case management practices and inter-agency communication. Originally, the counties were organized into 10 regions to serve individuals within those areas, aiming to enhance efficiency and deliver "faster and more reliable service." Despite these intentions, MDHHS has observed UCL counties have significant application backlogs (38%) compared to non-UCL counties (4%) and is working with staff, clients, and leadership to address underlying issues (MDHHS, 2024).

Although focus group insights highlight some client appreciation for the UCL system's theoretical convenience—offering access to any available staff member for case assistance at any time—there are growing concerns about the loss of personalized attention and the trust necessary for addressing deeply personal challenges. The UCL system's inefficiencies have hindered timely identification and resolution of program participation barriers. High caseloads further exacerbate the issue, leading to either hurried barrier identification processes or instances where barriers go unnoticed until clients' benefits are in jeopardy. This situation underscores the critical balance needed between operational efficiency and maintaining the quality of client support essential for addressing the unique and personal challenges faced by individuals in the program.

Staff also expressed that it is difficult to prepare a client for work program participation in just ten days. Some said the shortened timeline is a benefit for clients who are prepared when they start because they can get into career or job retention support for 180 days, even if they become ineligible for FIP through excess earnings. Staff in offices that have not yet transitioned to UCL anticipate it will cause similar disruptions as experienced by their peers. Regarding the transition to UCL, an MDHHS staff member described how their processes have been impacted and noted how the orientation of their work changed to being task-focused instead of client-focused:

I used to spend a lot of my time trying to circumvent [issues stemming from OSMIS and Bridges miscommunications] by going and seeing these people were scheduled to attend orientation, who didn't attend, who did complete their AEP, and going back to get those processed timely for client benefits. Going into a UCL system, I'm not given that flexibility. When those interfaces don't happen then I don't know until it's time to deny them, and I get that next task. I don't have the option anymore of going in and assigning myself things like let me follow up with this client. It's because UCL is so task related and it's not client related. (MDHHS staff)

Staff discussed how lack of familiarity with client cases or experiences complicates barrier identification and removal. Deeper knowledge of individual cases allows staff to identify barriers that clients may not consider to be related to their participation in FIP/PATH. When one case is handled by multiple case managers, clients may feel overwhelmed by the need to explain their needs at each touchpoint. One ILE shared frustrations regarding the lack of a single touch point and stated, "I have had more DHS case workers than any other thing. I felt like they passed me around and didn't want to take my [case]. I have to explain to every case

worker what's going on, the reason something isn't in my name, why I can do this, why I can have that, and it gets frustrating. In five months, I have had six case workers which is insane" (ILE, applied for cash and denied).

Individualized attention and proactive engagement with clients help resolve barriers to program participation. For example, more specialized staff positions, such as case workers placed in schools, had smaller caseloads and were better able to be hands on and proactive in addressing the needs of families. Staff in these roles were able to identify and resolve barriers as they came up, and in some instances were able to prevent barriers before their effects were felt by clients. This was likely due to the individualized and intimate knowledge of the client experiences by the case worker and smaller caseloads.

Technical problems and inconsistent staff practices across MDHHS and Michigan Works! Agencies (MWA) lead to communication difficulties, further exacerbating the negative impacts of high caseloads.

Effective communication between MDHHS and MWA is key to their job functions and essential for client success. However, effective communication between parties is complicated by both technical issues and inconsistencies in staff practice. Focus group discussions revealed that OSMIS, Bridges, and MI Bridges experience technical issues that lead to missed communications and adds to staff workload. Staff must often backtrack, manually enter data, and correct errors for elements that are meant to be automated. Such discrepancies can mistakenly flag clients as non-compliant, leading to delays in benefits or, in some cases, case closures.

A vivid example shared by an MDHHS staff member illustrates the issue: when a client completes the AEP with MWA, the update in OSMIS should automatically transfer to Bridges, prompting case workers to proceed with approval. However, failures in communication between OSMIS and MI Bridges are common. OSMIS may be updated, but MI Bridges remains unchanged, leaving case workers unaware and unable to process the case without significant delays. This breakdown in system communication can postpone benefits by weeks. Ideally, these systems should interact seamlessly but in reality, often fall short, causing frustrations for both clients—who may inquire about the status of their benefits—and staff, who must rectify these "technical errors":

One of the biggest issues that we encounter at our office is when a client completes their application eligibility process with the MWA, the MWA updates OSMIS, and OSMIS is supposed to then transmit over to Bridges. So, a client completes AEP, MWA puts it in, and it's supposed to transfer over to Bridges, and then the worker gets a notice to run the case, and it should approve. However, OSMIS and bridges don't always communicate. OSMIS will update, Bridges does not, and the worker's not getting a notice they can process, until it's day 45, and the workers looking at their SOP like, "Oh, I have to run this case" and it's still pending, because OSMIS never updated. Bridges never updated. [The data systems] never talked. So, it is my job - one of my jobs - I have to go in and update manually so the cash benefits can [be] approved. Honestly, that client could have got those benefits 15 days prior. There's a delay in benefits. It's not overdue with SOP [Standard of Promptness], but it is a delay in benefits that [the client] could have gotten a half that month prior. In a perfect world, [the data systems] would have communicated. [Data systems not communicating] is the biggest frustration with it because sometimes the clients, are calling, saying "I completed AEP, where are my benefits?" Then we have to be like "Well, it's a technical error. We'll fix it," and they shouldn't have to, again make that one

phone call, that they're on hold, and whatnot. But that's my biggest gripe about when the communication's not there, it delays the benefits." (MDHHS staff)

Inconsistencies in how client notes are recorded, managed, and updated leads to wasted effort and missed opportunities to work with clients, as noted in an MDHHS staff and MWA staff focus group exchange:

I have an example of [case notes being entered]. [Recently] somebody asked me to check cause not everyone in our office could have access to OSMIS...I went and looked for a customer. They attended orientation on the [date], and then there's been no comment since then from the Michigan Works! specialist. (MDHHS staff)

Response in session by MWA/PATH, "Oh, no, they need a mid-week check-in. They need a final check-in like, where are their case notes? You only have 48 hours to get those in." (MWA/PATH staff)

This scenario illustrates the breakdown in communication and procedural adherence that can occur within and between agencies, leading to potential service gaps for clients. The lack of timely and comprehensive case note entries not only hampers the continuity of client service but also reflects systemic issues in information sharing and staff accountability, underlining the need for stringent adherence to documentation practices to enhance client support and program efficacy.

Technical difficulties and inconsistencies in staff processes can even lead to erroneous case denials, cutting clients off from receiving benefits and supports when they need them, as noted below by MDHHS and MWA/PATH staff:

MDHHS on timely input of AEP completions: I don't even know if they're doing anything for AEP, so it's rough down here with that, sometimes. We actually have three or four that we deal with regularly, and we just had to do a vendor complaint on one of them, because they would not even put in timely the AEP completions. We would deny the people, and then they would come back and say, oh, I'm sorry we didn't update it timely. They did complete AEP. So that's an issue for us, for sure.

MWA/PATH staff on AEP: And honestly that doubles your workload, because then we're like you have to put a new referral. And then sometimes those referrals have to get pushed through. And that's a lot of extra work. Just for one little, honestly, one little dropdown box it's so small.

This scenario illustrates the broader implications of such administrative and technical inefficiencies, not only increasing the workload for staff but also potentially compromising the level of service and support provided to clients.

Policy Recommendations

Michigan spends approximately 3% of total federal TANF and state MOE funds combined on MDHHS public assistance staff and 6% if including school-based Pathways to Potential, policy and administration, and administrative support staff. The Michigan Poverty Task Force should make the following recommendations to reduce barriers to FIP and strengthen program effectiveness:

- Employ more MDHHS staff and allow more time for processing cases, interviewing, trust-building, and assessing for barriers.
- Provide more training in managing specialized cases and ensure clear guidance on flexibility and discretion with deferrals and employment or information requirements.

- Continue to take a person-centered approach to examining UCL and its impact on personalized service and trust-building.
- Continue to monitor Pathways to Potential and apply learnings to broader FIP caseload processes.
- Explore integrating or synchronizing MDHHS and MWA PATH forms to avoid duplicate efforts for clients and staff.

Finding 5: Risk of homelessness, unmet basic needs, child care, transportation, and mental health issues significantly hinder FIP applicants' success with the program.

Key Takeaways

- 1** Child care poses a complex challenge for low-income families, with 31% of cases reporting a barrier citing it as a difficulty. The issues include waitlists, lack of specialized care, and stringent accreditation requirements.
- 2** Seventy-three percent of cases with a barrier cite transportation as a challenge. Despite resources, unclear financial support guidelines hinder staff's ability to assist.
- 3** Clients in remote areas may face higher odds of program noncompliance due to long commutes and limited transportation and child care options.
- 4** The mental health of FIP participants and other crises are increasingly concerning, resulting in a 49% higher chance of noncompliance.
- 5** Twelve percent of applicants experienced homelessness after application, suggesting that the program failed to serve their needs in times of acute crisis.
- 6** Unmet basic needs also prevent effective program participation, perpetuating cycles of poverty and dependence.

Homelessness, unmet basic needs, child care, transportation, and mental health issues present substantial obstacles to FIP applicants' ability to maintain benefits and succeed in FIP and PATH despite resources and program components focused on barrier removal. These barriers, which may be underreported or unresolved, restrict FIP's capacity to adequately equip participants for meaningful engagement and sustainable employment.

TANF recipients and low-income households disproportionately struggle with housing stability, child care access, reliable transportation, and mental health issues, including trauma, anxiety, and depression (Ha, Collins, & Martino, 2015; Washington, 2021; Weissman, Hatzenbuehler, & Cik, 2023). These challenges, often interrelated, negatively impact economic stability and child well-being (Last, Triplett, McGinty, & Beidas, 2023; Spencer L. E.-J., 2022). Furthermore, a recent study on the impact of cash assistance and homelessness in the US suggests that access to TANF may have a direct effect on housing stability for households with children (Shaefer, Edin, Fusaro, & Wu, 2020). These barriers are often symptoms of broader structural challenges, but evidence suggests that providing concrete support to address such barriers at the household level is crucial for creating the conditions needed for self-sufficiency. Recent studies also show that TANF programs that are also more flexible and trauma-informed are more likely to reduce the adverse effects of trauma and poverty on children and may enhance the odds of sustained employment (Smith, Callinan, Posner, Holmes, & Ebling, 2021; Hendrix, Vogel-Ferguson, & Gringeri, 2023; Holmes, Ciarleglio, Song, Clayton, & Smith, 2020).

FIP services are designed to focus on identifying and overcoming barriers from the start (Michigan Department of Health & Human Services, 2023). The first step to identifying

barriers in FIP is a lengthy questionnaire included in the application. MDHHS FIS staff follow up in an interview and can provide supportive services to assist with each of these barriers before applicants are approved. MDHHS staff can also set barrier removal goals and temporarily defer participants from work program participation requirements if participants lack transportation or child care, or if they encounter “unexpected or unforeseen reasons” that prevent work participation activities. As soon as MDHHS staff certify eligibility, a referral is sent to PATH program, and the 10-day application eligibility period (AEP) at local Michigan Works! Agency begins.

PATH case managers are also charged with helping families identify and address barriers to work during the AEP. If PATH staff identify a barrier or a crisis that may make it difficult for a participant to comply with training, employment, or education activities, they can assign the participant to the Barrier Removal activity for 14 days at a time. They are required to document the barrier in OSMIS and create an Individual Service Strategy (ISS) Action Plan and barrier Mitigation Plan. Hours entered under this activity do not count toward “allowable” work participation hours, but staff can blend Barrier Removal activity hours with countable, core activity hours (Michigan Department of Labor and Economic Opportunity Workforce Development, 2022).

Funds are available for supportive services and emergencies and barrier identification and removal is a significant part of the overall application process, but as noted below, may not always be successful. The findings below provide insights into child care, transportation, and mental health challenges and ways Michigan might better leverage existing resources and policies to strengthen families and their ability to successfully participate.

Child care poses a complex challenge for low-income families, with 31% of cases reporting a barrier citing it as a difficulty. The issues include waitlists, lack of specialized care, and stringent accreditation requirements.

Overall, only 36% of approved applicants had one or more barriers identified between 2015 and 2022 (Table 22). Of these cases, 31% identified child care as a barrier. Existing research and focus group insights indicate that child care is a significant and complicated barrier for low-income families (Ha, Collins, & Martino, 2015).

Child care is huge. That is a huge tough one that people are on waiting list for six months plus, depending on what areas you live in. I feel like there's just not enough places to meet the demand that's needed. (MWA/PATH staff)

The number of children in the client's care and other external factors add to the difficulty of finding child care. These complexities can encompass a range of issues, such as the availability of child care slots within the community, the presence of openings suitable for children of specific ages or those with special needs, and the acceptance of child care vouchers by providers. A case highlighted by an individual with lived experience (ILE) illustrates the tough choices faced by families: a participant had to withdraw their child from school due to inadequate support for special needs. This decision forced them into a difficult position, having to choose between continuing to receive benefits and ensuring the well-being of their child.

The child care thing was really frustrating cause I was doing college stuff, and I have very limited options in my area cause it's a small community. It had to be certified and all of the other stuff. The only daycare in my town wasn't accepting new people. I was like what am I going to do? My hands are tied. [Program staff suggested], “Oh you could have a friend or family member take these classes, put in like 40 hours, to be able to watch your kid for like a couple of hours a week,” but that doesn't make sense.

I can't have, ask them to do that. It was just chaos. I'm like you know what, forget it, I'll start doing homeschooling, which caused another issue with my cash assistance, because it needed a school verification. The public school in my area failed my child. I'm not going to send them back to that school. I'm sorry but no. (ILE, MWA/PATH)

Requirements such as maintaining attendance, meeting accreditation standards and the need for family members to participate in certain approved courses significantly increase the burden on participants. These demands may place individuals in a predicament where they must choose between securing benefits and prioritizing their child's well-being. The availability of child care varies significantly by region, with rural areas particularly affected. For example, in some rural counties, the absence of approved child care facilities within a city may necessitate long commutes for clients, a challenge that becomes even more pronounced when transportation barriers exist.

Child care difficulties are recognized as valid reasons for deferral from program requirements at both the federal and state levels. Federal policy grants clients up to 24 months to start participating in work activities, offering a window to address child care issues before such engagement is mandatory (TANF CFR, 1999). However, FIP sets a much stricter expectation, often requiring participants to engage in work-related activities almost immediately as a condition for receiving benefits. This discrepancy between federal guidelines and FIP's requirements underscores the tension between program compliance and addressing the real-world challenges faced by families in securing suitable child care.

Seventy-three percent of cases with a barrier cite transportation as a challenge. Despite resources, unclear financial support guidelines hinder staff's ability to assist.

Child care and transportation are frequently cited as interconnected barriers, with the presence of one often exacerbating the challenges of the other. Transportation was successfully identified as a barrier in 73% of all cases where a barrier was recorded between 2015 to 2022. Vouchers for public transportation are provided for 22% of all instances where travel is identified as a barrier (Table 26). Private Vehicle Mileage Reimbursement is provided as a supportive service for 27% of instances while Auto Purchase, Repair, Insurance or Auto Other is provided for 25% of all instances of travel barriers (Table 26).

The research team's eligibility analysis revealed that 21% of households potentially eligible for cash assistance lacked vehicle ownership, a figure markedly higher than the state's average of 5% (Table 11). This statistic likely underrepresents the true scale of transportation barriers among the potentially eligible population since it only accounts for vehicle ownership at the household level. It doesn't consider the accessibility of the vehicle to all household members, meaning that even in households with a vehicle, not everyone might have access to it, further limiting their transportation options and impacting their ability to access necessary services and employment opportunities.

Insights from the focus group discussions suggested that although having a personal vehicle offers the most flexibility for job-related tasks and overcoming additional barriers, assisting clients in acquiring and maintaining a vehicle poses significant challenges for both clients and staff. The search for a suitable vehicle often triggers a cascade of financial implications, including costly insurance premiums that can exceed the vehicle's value and maintenance needs like tire rotations and oil changes. Staff members expressed confusion over the financial support available for vehicle-related expenses, indicating a lack of clear guidelines on funding for vehicle procurement and upkeep. There is a consensus among

staff on the need for more explicit instructions and increased funding to cover the comprehensive costs associated with vehicle ownership.

Discussions on transportation barriers also touched on the use of Uber cards, with staff addressing concerns about monitoring client usage. This approach has shown promise in both rural and urban areas. Pick-up and drop-off services were valued where available, though they may not fully address the needs of clients with non-standard work hours. Public transportation, such as buses, was mentioned as a less viable option, especially in rural areas. Its effectiveness is limited by service availability, inflexible schedules, and concerns about reliability, making it a less practical solution for those working early morning or late-night shifts.

Clients in remote areas may face higher odds of program noncompliance due to long commutes and limited transportation and child care options.

Clients residing in remote areas may encounter greater challenges in adhering to program requirements, primarily due to extended travel times and scarce transportation and child care services. Analysis indicates that clients from counties with longer average commute times are 25% more likely to experience case closure due to noncompliance with employment or work participation mandates (Table 28, Model 1). This implies that living further from job locations can significantly hinder a client's ability to meet the program's work participation criteria.

Focus group discussions further illuminate the difficulties faced by individuals in rural regions, who typically endure longer commutes with fewer transportation and child care alternatives available. The accumulation of travel needs—for reaching child care facilities, workplaces, or educational institutions—amplifies the necessity for dependable transportation solutions. Unfortunately, public transport options are often less feasible in these areas. Qualitative insights suggest that measures such as gas cards, Uber cards, and assistance with obtaining a vehicle might provide more effective (and sometimes the only viable) solutions for overcoming these barriers.

Staff observations highlight that residents of certain locations may face additional hurdles due to the competitive job market with lower wages. Consequently, clients are compelled to extend their job searches beyond their immediate localities, exacerbating the challenges posed by limited transportation access. This situation restricts their ability to explore broader employment opportunities, underscoring the critical need for targeted support and innovative solutions to address transportation barriers for clients in remote and economically disadvantaged areas.

The mental health of FIP participants and other crises are increasingly concerning, resulting in a 49% higher chance of noncompliance.

Among applicants who reported facing barriers, 13% identified experiencing a crisis event, such as domestic violence, homelessness, or family issues, and 10% reported barriers related to mental health or substance abuse (Table 25). Interestingly, 14% of those who identified barriers did not receive any form of supportive services (Table 23). Specifically, clients who highlighted barriers associated with crisis events or mental health were 49% more likely to have their cases closed due to noncompliance with employment or work participation requirements (Table 28).

When it came to addressing these barriers, staff were unable to provide supportive services in 25% of such cases (Table 37). Meanwhile, 21% of the cases were referred to Substance Use or Mental Health services for further assistance (Table 37). However, case deferrals due to these barriers occurred in only 6% of instances (Table 37). This information underscores a

gap in the provision and accessibility of supportive services for clients facing significant life challenges.

Staff focus group discussions shed light on the increasing challenge of mental health among clients, highlighting the difficulties in both identifying and addressing mental health needs due to limited interaction between clients and staff. Often, mental health barriers are not recognized until the case reaches a triage stage, leading to frustration among staff. They expressed concern that many of these issues could potentially be addressed more proactively rather than waiting until clients face punitive measures. Staff also noted that once mental health barriers are identified, they can facilitate connections to local resources and make necessary adjustments to the individual's work plan. This points to a critical need for earlier identification and intervention strategies to support clients with mental health and crisis-related barriers, thereby enhancing their chances of successful program participation.

Twelve percent of applicants experienced homelessness after application, suggesting that the program failed to serve their needs in times of acute crisis.

Out of all applications received, 12% were from individuals who reported experiencing homelessness after their application submission (Table 38). It is important to note that this figure is likely understated due to the general tendency for homelessness to be underreported (Brush, Gultekin, & Grim, 2016). Analysis of this subgroup revealed that over half of these applications came from individuals who experienced homelessness within one year of applying, with over a third experiencing homelessness within just six months (Table 39). This pattern indicates that many applicants turn to the program during periods of acute crisis or when they may be at high risk of homelessness, seeking immediate relief or support.

Despite their urgent needs, a significant portion of these applicants, 80%, were ultimately denied assistance (Table 40). Notably, 12% of these denials were due to applicants exceeding the income eligibility threshold—indicating that, despite their incomes, these individuals still encountered homelessness shortly thereafter (Table 41). This situation highlights a paradox where applicants, despite facing or being on the brink of acute financial crisis, are turned away for surpassing the stringent income criteria. This occurs even as they struggle to meet basic living expenses, pointing towards the inadequacy of current eligibility thresholds and payment standards in addressing the needs of those in acute financial distress.

Existing research suggests that decreased access to TANF is a driver of homelessness among families with children (Parolin, 2021; Shaefer L. H., et al., 2020). The observed disconnect between income levels that lead to denials and the subsequent experience of homelessness for denied applicants adds to evidence from previous sections discussing the need for an adjustment of the payment standard. By revising these criteria, the program could extend its reach, offering essential cash assistance to a broader array of individuals in urgent need. This adjustment is crucial not only for preventing homelessness among vulnerable populations but also for ensuring that the safety net provided by such programs is both accessible and responsive to the complexities of financial instability.

Moreover, within this group of applicants who experienced homelessness after a denial, 19% faced denial due to failure to provide information, and 18% were denied for not completing mandatory work participation activities or orientation sessions during the application eligibility period (Table 41). These findings highlight a critical missed opportunity for the program to act as a safeguard against homelessness for these vulnerable individuals. The denial rates suggest that many applicants, particularly those at risk of or experiencing homelessness, struggle with the program's requirements. They may lack the necessary

resources, time, or emotional capacity to navigate the application process, comply with its demands, or gather the extensive documentation required without additional support.

The challenges faced by those at risk of homelessness are further compounded by difficulties in securing all necessary documentation for the application, indicating a need for more time and assistance from supportive staff. Such support could involve guiding applicants through the necessary steps, helping them understand and meet the program's requirements, and thereby enhancing their chances of accessing the support they urgently need.

Among those applicants who successfully navigated the eligibility hurdles and were approved for assistance, a significant proportion faced subsequent case closures due to various compliance issues: 28% for noncompliance with employment or work participation requirements, 13% for failing to provide necessary information, and 12% for non-cooperation with child support enforcement (Table 42). This outcome illustrates individuals at risk of homelessness, even after successfully meeting the stringent criteria for program eligibility, encountered benefit terminations due to procedural noncompliance. The root causes of these compliance difficulties are often deeply intertwined with the complex challenges inherent to vulnerable populations, such as mental health struggles, financial instability, legal troubles, and substance use disorders and root structural causes such as housing affordability, low incomes, and income inequality (Allegrante & Sleet, 2021; O'Regan, Ellen, & House, 2021).

Alarmingly, only 41% of these approved applicants had any barriers officially recognized during their participation in the program (Table 43). The identification of barriers is a critical step in the process and essential for the provision of supportive services tailored to individual needs and for preempting potential compliance issues later in the program. Among those whose barriers were identified and who experienced homelessness within one year of their application, only 12% had significant life challenges such as crisis events, domestic violence, homelessness, family issues, mental health, or substance use acknowledged as barriers (Table 43). This indicates a concerning shortfall in the program's capacity to detect and address the barriers affecting the most vulnerable and at-risk applicants in a timely manner. Identifying these barriers could be the first step in providing needed support or deferrals to work participation to ensure that at-risk participants do not lose their much-needed benefits and the program can act as a protective factor against future experiences of homelessness.

Unmet basic needs also prevent effective program participation, perpetuating cycles of poverty and dependence.

Individuals enroll in assistance programs to address their fundamental needs, yet individuals with lived experience (ILEs) indicated that having these basic needs met is a foundational requirement for effective program participation. This creates a paradox where the inability to fulfill essential needs itself becomes an impediment to engaging with the program. Focus group insights reveal that clients must have their basic needs—like housing, food, and utilities—satisfactorily addressed to achieve success within the program. Unmet needs elevate the risk of failing to comply with program requirements.

Furthermore, ILEs identified basic needs as encompassing housing, food, and utilities and staff broadened this definition to include personal care items such as haircuts, toiletries, and appropriate professional attire. This expanded view acknowledges the comprehensive nature of needs that affect an individual's ability to participate successfully and gain employment.

An ILE who received cash assistance and was part of the PATH program highlighted the contradictory situation where attempting to work could jeopardize their health and potential

eligibility for disability benefits. This participant's account underscores perceptions of a detrimental cycle, where trying to meet one requirement adversely affects their ability to access other needed support. The narrative calls attention to the systemic issues within assistance programs that can trap individuals in a cycle of unmet needs and barriers to essential services, emphasizing the need for systemic change to ensure seamless access to comprehensive support for those in need:

It's been really hard. If I do go try to get a job, and I have a seizure on the job, that's not gonna look good, and on top of that. If I go and get a job that is kind of proving that I can work. Then they won't give [disability] to me. Then I can't get cash assistance because I can't get child care. Then I can't get a job, because I can't get child care. It's a vicious cycle, and something needs to change, or there's gonna be so many people without proper access to things. (ILE, FIP/ PATH)

This experience also underscores the importance of training staff in clear communication of intersecting program policies and flexibilities intended to ensure continuity of care while families wait for SSI approval. For the example above, FIP participants are eligible for child care assistance if they are participating in approved activities and can be deferred from work participation if significant barriers arise (Michigan Department of Human Services, 2024). SSI applicants and recipients can also earn income and still be eligible for benefits (Social Security Administration, 2024).

Policy Recommendations

Michigan consistently spends less than 1% on supportive services, 3% on work supports such as transportation, and less than 3% on child care (spent and transferred). While this is in line with national spending trends, more can be done to leverage federal funding to help families address many of the challenges associated with poverty that, if left untreated, further disconnect families from economic opportunities. The Michigan Poverty Task Force can make the follow recommendations to increase TANF's effectiveness as a workforce development program:

- Boost funding for work supports and supportive services for mental health, transportation, job skills and resources, and child care alongside more discretion (and training) on good cause exemptions, deferrals, and use of funds for creative solutions in resource constrained areas.
- Continue to collaborate with local and statewide partnerships dedicated to housing, homelessness prevention, and mental health services for FIP clients with a focus on streamlining enrollment in services.
- Create housing assistance supplemental grant on top of cash assistance (Minnesota's is \$110) (Minnesota Department of Human Services, 2024).
- Expand the preparation and barrier removal phase within the federally allowable 24 months for clients with significant barriers before they are required to engage in work activities.
 - Tie this policy change to expansion of time limits (from 48 months to within the federally allowable limit of 60 months) and/or redefine activities within federal leeway to promote more staff discretion throughout the preparation process.

Finding 6: Overly restrictive work participation rules discourage clients and lead to untimely case closures.

Key Takeaways

- 1** Clients struggle with "jumping through hoops" on limited resources, leading to 27% of closures due to noncompliance in employment or work program activities.
- 2** System limitations on data entry like rounding down work hours may inadvertently cause noncompliance.
- 3** Restrictions on what counts toward work participation hours further limit clients' activities and discourage participation.
- 4** Younger clients (18-30) struggle more with work participation and have poorer outcomes in the PATH program, indicating that the current support and program guidelines may not meet the unique needs of younger participants.

Restrictive work participation and verification rules make it hard for families and staff to succeed. Staff and clients struggle with what often feels like arbitrary and time-consuming limitations on what counts towards one's required work participation hours and acceptable verification. Some participants recognize that FIP policy provides staff with some discretion for unique cases, but where staff lack clarity or confidence in procedures, they are inclined to err on the side of strict policy interpretation. Strict interpretation is a common phenomenon when implementing TANF policy, leading to a mismatch between clients' definitions of success and program goals and ultimately untimely loss of benefits (Dunford-Stenger, et al., 2021; Lens, 2008; Pavetti L. &, 2022).

Federal TANF's rules incentivize states to design program policies that focus staff time on behavioral monitoring and compliance over employment outcomes and family well-being with an added emphasis on work participation rates and caseload reduction credits (Falk, 2023a; Lower-Basch & Young, 2022). While Michigan has made some advancements in reduced administrative burdens through policy adaptations in recent years, complicated WPR reporting requirements, system challenges, and severe penalties for noncompliance remain embedded in program policy and culture with serious implications for family and program outcomes.

Clients struggle with "jumping through hoops" on limited resources, leading to 27% of closures due to noncompliance in employment or work program activities.

Twenty-seven percent of clients experienced a case closure due to employment services or work participation noncompliance, making it the most frequent closure reason behind no eligible members or children (Table 27). The consequences of such noncompliance are severe: a family faces a three-month loss of all assistance after the first infraction, a six-month loss after the second infraction, and permanent ineligibility after the third (The Social Welfare Act 280 of 1939, 2022). While families can reapply if the most sanctioned adult leaves the household, these rules may unintentionally encourage family separation, potentially leading to higher poverty rates (State of Michigan Department of Health & Human Services, 2023; Pavetti L., 2018). Additionally, sanctions contribute to the 48-month lifetime limit on assistance, effectively penalizing families twice.

The high rate of closures for noncompliance may stem from the barriers clients encounter. Clients that report a barrier during the program have 70% higher odds of closure due to employment or work participation noncompliance (Table 28, Model 1). Michigan's Social Welfare Act, 400.57g and FIP program policies do allow clients to claim "good cause" for noncompliance, but interpreting these cases falls heavily on case workers (The Social

Welfare Act 280, M.C.L. 400.57 et seq., 1939). Although noncompliance cases can be resolved in triage where MDHHS staff, MWA case workers, and clients come together to see if there was “just cause” or a misunderstanding, clients are often not aware of why they are in triage and staff regret not addressing barriers earlier in the process.

Individuals with lived experience (ILEs) in focus groups shared that maintaining eligibility feels like “jumping through hoops” to complete complicated tasks that might potentially jeopardize their extended network of social support and connections. This includes adhering to strict definitions of what activities and hours count towards work participation requirements and asking for proof from a range of parties outside the program. Clients are required to collect documentation from health care systems, education systems, and/or a workplace, and unfortunately players across systems may not be aware and are not beholden to the same timelines as clients who risk noncompliance. Complications may also arise when finding ways to prove compliance for clients whose job placements do not align with existing procedures. For example, if secured jobs do not have bi-weekly pay then clients may be at risk of not being able to “prove” compliance.

Complicated requirements and punitive sanctions discourage families from applying and increase stigma around seeking assistance (Spencer, Lemon, Komro, Livingston, & Woods-Jaeger, 2022). Families whose cash and food assistance are taken away for failing to meet a requirement have poorer employment outcomes and are less likely to escape deep poverty than other families that leave TANF (Zane, 2021). Moreover, stricter work sanctions are not effective in increasing earnings and income for disadvantaged families in the long term (Wang, 2021).

ILE and staff focus group participants also discussed how they felt like they “did everything ‘right’ and still needed support.” While for some ILEs gaining employment resulted in no longer requiring benefits and support from FIP, for others employment did not always lead to stability despite losing access to benefits.

They force you to go through all these hoops, and then if you go through these hoops, and you try to better yourself, and say you're able to get a job, it's not the best job, you may need a little bit more assistance still, they'll cut you off bone dry! They don't keep you, like oh well we'll gradually [reduce benefits], no. The moment you even get a job, they'll cut off all of everything, cold turkey. It's not okay. Cause people still have bills, it takes a bit to get your first check. (ILE, MWA/PATH participant)

This finding is consistent with low benefit levels and existing research at-large on the impact of declining value and income thresholds on TANF's effectiveness (Shaefer, Edin, Fusaro, & Wu, 2020). It may also point to the need for more time to help prepare and train participants for higher paying, on-demand jobs (Pepin, 2020; Wang, 2021).

System limitations on data entry like rounding down work hours may inadvertently cause noncompliance.

States are required to define what it means to engage in work and the definition may include work activities as outlined in federal TANF rule (TANF CFR, 1999). One of PATH's primary program purposes is to help Michigan fulfill WPR requirements⁸ by engaging clients in these

⁸ While the WPR is commonly understood to be the federal standard of 50%, Michigan, like many states, currently has an adjusted WPR of 0% due to caseload reduction credits but achieved a WPR of 25% in FY21.

time-limited, predefined work program activities⁹. MDHHS establishes the federal minimum required hours of participation for everyone upon referral to MWA, ranging from 20 hours a week for a single-parent family with a child under the age of six to 55 hours for a two-parent family using federally funded child daycare¹⁰. Workforce Development encourages MWAs, however, to require five additional hours of each household to help ensure the work participation rate is achieved, exceeding federal and state requirements. (Michigan Department of Labor and Economic Opportunity Workforce Development, 2022).

Insights from the staff focus group revealed that the rounding of WPR hours can sometimes lead to issues related to noncompliance. The system used for recording work hours does not permit the entry of fractional hours, compelling staff to record only whole numbers. Consequently, MWA staff vary in their handling of partial hours, with some individuals choosing to round to the nearest whole number. The following quote comes from an MWA/PATH staff participant and illustrates a rigid approach of sticking to policies and process:

Maybe it's in a noncompliance meeting or even a triage, and the client is like "I don't understand why x, y and z, how am I in trouble?" I respond well you didn't meet your hours, because we have to round down because there's no way to round up a decimal point in OSMIS, because that's giving you credit for hours you didn't actually do. We have to round down, and therefore you didn't meet your hours, and then there's nothing I can do about it. I can't make a half into a one. I have to make a half into a 0. (MWA/PATH staff)

Instances like the one described above put staff in the uncomfortable position of choosing between not applying full credit for time spent on tasks or sticking to protocol; not because a client did not participate in work hours, but because a data system does not allow for exact entry. Multiple staff reported that they provide clients with flexibility when it comes to the system limitation by rounding up the hours when deemed appropriate. To be clear, staff are not rounding clients' hours up simply to keep clients compliant. Instead, staff are rounding up to give credit to clients who are actively participating to ensure their hours are recognized.

Based on qualitative reports the rounding down of work participation hours could have ripple effects on future client participation. When a client's time spent is reduced simply because of differences in data entry, their motivation to continue program participation may be impacted. In response to being asked if it would be helpful to allow decimal entry or halves to be entered, staff reached a consensus that it indeed would be a meaningful change. As an MWA/PATH participant exclaimed, "Oh, absolutely 100% if OSMIS would let us do halves or percentages of hours like that would be great. [The system] doesn't allow you, but I wish it did."

⁹ When it comes to counting hours, while states have room to interpret what counts as a work activity, the federal guidance on each component is prescriptive and limiting.

¹⁰ In addition to maintaining these hours and meeting with case managers, FIP/PATH participants are required to submit the following documentation on a regular basis: (MWA) Up to 40-hours a week assigned activities, (MWA) DHS-630 Weekly Activity Log, (MWA) "MDHHS-38 Verification of Employment, and a minimum of two consecutive pay check stubs that represent expected hours of participation, or collateral contact with employer or other person who has knowledge of the position and wages earned" BEM 228.

Restrictions on what counts toward work participation hours further limit clients' activities and discourage participation.

Work Participation Rates (WPR) are the main metric the federal government uses to gauge state compliance and effectiveness in the Temporary Assistance for Needy Families (TANF) program. Despite the complex rules governing allowable activities and their limitations, states do have some leeway. For instance, the federal standard sets the WPR at 50%, but with the introduction of caseload reduction credits, it allows states to aim for lower rates as an incentive to reduce their caseloads (Falk, 2023a). In fiscal year 2021, over 30 states achieved a WPR of 0% thanks to these credits, with Michigan reaching a 25% WPR (Administration for Children and Families, 2022).

States have the freedom to define what counts as a work activity and can enact policy to help staff at the local level feel more empowered to work within TANF's work participation rate and approved activity limitations (Gaffney & Webster, 2021). States can also allow families to engage in activities that do not count towards work participation rates. In many states WPRs are quite low due to caseload reduction credits. However, when left to a work program or case worker to decide, state and local staff alike may hesitate to take the risk and interpret policy in the strictest sense. States often still use the WPRs as performance measures and are reluctant to assign recipients to activities that are not counted towards the federal rate (Lower-Basch & Burnside, 2023).

The findings from qualitative analysis of both staff and client reports reveal that the imposition of time limits on when and how much of an activity can be counted can result in obstacles and frustrations, ultimately discouraging participation despite persistent needs. When participants discussed time constraints placed on activities, they voiced frustrations and reported a sense of "wasted efforts". As the following ILE participant described:

...They only count so much for like the job searching, and the applications, and I've had job applications take like 3 plus hours, but I can only count 2 hours of it. And it's like, okay? It's so much hassle. (ILE, MWA/PATH)

Clients described their difficulties in achieving and maintaining program requirements along with everyday commitments. Activity limitations and fluctuations in program requirements may require clients to engage in numerous program activities, resulting in clients being spread too thin. A client's ability to balance responsibilities can be further complicated by the fluctuations of what can count and when. For example, some ILE participants reported they had experienced capacity constraints regarding their participation in education programs when they had reached their limit in hours that count towards the WPR. When such limits were reached, clients had to balance household labors (e.g., child pick-up and drop off), continue participating in their education programs (e.g., assignments, attend courses, internship activities, etc.), and incorporate activities like job searching or volunteering to maintain program compliance. The following quote illustrates how fluctuations in activity limitations and clients' personal lives can result in a pile-up of stressors and deter participants:

There's all these little rules that make it that much harder to continually participate actively, because we have to keep it in mind and shift gears and change activities even if [clients are] regularly participating doing one thing even the community service hours aren't the same month to month, cause those are based off of their FIP calculation. One month they might be allowed to do 100 hours of community service, and the next month if they have a change in income or household composition, they might only be able to do 50 hours of community service, which greatly reduces their

ability to participate in that activity so it's a lot to keep track of for somebody who even wants to actively participate, which is a big deterrent for some people.
(MWA/PATH staff)

Younger clients (18-30) struggle more with work participation and have poorer outcomes in the PATH program, indicating that the current support and program guidelines may not meet the unique needs of younger participants.

Younger clients, aged 18 to 30, face greater challenges with work participation and generally achieve less favorable outcomes within the PATH program, highlighting a potential mismatch between the program's support structures and the unique needs of this demographic. Specifically, younger clients struggle more with the work participation activities than older applicants, with younger clients having 17% lower odds of obtaining employment in PATH (Table 19, Model 1), and 15% lower odds of obtaining employment in PATH even after participating in the Job Search and Job Readiness (JSJR) activities (Table 20, Model 1). This suggests that the JSJR program and the employment supports do not cater to the specific needs of this younger population.

Younger clients (aged 18 to 30) also have worse off outcomes than older clients, with 12% lower odds of getting a successful case closure due to excess earnings (Table 16, Model 1). After getting a successful case closure due to excess earnings, younger clients are 69% more likely to come back to the program and apply again in comparison to older clients (Table 17, Model 1). This trend suggests a lack of lasting financial stability and the potential for the program's interventions to fall short of fostering long-term self-sufficiency among younger participants.

Case closures due to noncompliance on child support and work participation activities also disproportionately affect younger clients with 72% higher odds of getting a closure due to refusal to cooperate with child support requirements (Table 29) and 57% higher odds of getting a closure due to employment or work participation noncompliance (Table 28, Model 1). This further suggests that some of these program guidelines may not be addressing or catering to the specific needs of this population.

Policy Recommendations

The federal rules guiding FIP and PATH are complicated and, in some cases, contradictory, and states and staff often err on the sides of strict interpretation when designing state statutes and program policies and interpreting at the program level. Federal guidance, however, advises states to use the flexibility provided to 1) leverage caseload reduction credits, 2) define and design what counts for work activities, and 3) adapt sanctions to work best for each state's needs. The Michigan Poverty Task Force should make the following recommendations to reduce administrative burdens and costs, eliminate barriers to assistance, and improve effectiveness and employment outcomes:

- Establish shared interagency agency goals and metrics to recognize and prioritize barrier removal, industry-driven job training, education, job retention, and living wages.
- Revise policy to ensure staff are empowered to leverage caseload reduction credits to focus on individual goals and outcomes over state-level work participation rate (WPR) goals.
- Study the needs of the younger clientele so FIP and PATH staff can better understand their specific barriers and how the program can better serve their needs.
- Eliminate full-family sanctions and lifetime bans to create a more stable safety net for children.

- A growing number of states have repealed full-family sanctions and 25 states have fully lifted the lifetime ban (Zane, 2021).
- Vermont, a state with one of the highest TANF-to-Poverty ratios (for every 100 families in poverty, 70 access TANF), has replaced strict sanctions with monetary incentives for completing goals (Oalican, 2023).
- Risk of doing nothing: TANF cash assistance restrictions such as full-family sanctions may contribute to negative child welfare outcomes, increased cases of poverty-related neglect and foster care removals (Ginther & Johnson-Motoyama, 2022).

Additionally, the following PATH program-level adjustment may be a quick win:

- Adjust WD guidance/MWA policy to no longer “suggest the MWA require five additional hours per week” of work participation activities (Michigan Department of Labor and Economic Opportunity Workforce Development, 2022).

Finding 7: PATH struggles to serve clients who do not already have characteristics for success in the job market.

Key Takeaways

- 1 Already being employed or getting employed in PATH drives successful closures due to excess earnings, however, the sustainability of these outcomes depends on other factors.
- 2 Employment during PATH in higher paying jobs or participation in education and training activities results in more sustainable outcomes and reduced reapplication rates.
- 3 The program struggles to serve applicants with the most critical needs for self-sufficiency, i.e. clients with no recent or current job market experience (measured as clients with no earned income during application) or clients with lower educational qualifications.
- 4 When staff prioritize barrier removal and individualized goals over the urgency of meeting work requirements, the clients have a more positive program experience and outcomes.

Study findings suggest that pre-existing characteristics like earnings and education are among the strongest predictors of employment outcomes, but FIP and PATH struggle to serve those who lack such characteristics. Individuals who receive transportation or child care services, or who participate in education and training activities tend to have more sustained employment outcomes and lower chances of returning to FIP. Clients experience successful outcomes when staff tailor their success criteria to the unique short- and long-term needs of each family, moving beyond the strict focus on mandatory work participation hours and immediate job acquisition.

Existing research on TANF work program outcomes indicates that Michigan may not be alone in struggling to serve those with the greatest needs (Bloom, 2012; Ybarra & Noyes, 2019). Broader research also suggests, there is often a mismatch in cash assistance programs between TANF work program pressures to get employed as soon as possible and the goals and needs of families to find stable, long-term employment (Dunford-Stenger, Holcomb, Hetling, & Krepico, 2021). Research on effective TANF work program strategies is complicated by the multiple strategies employed across states and ACF's emphasis on behavioral compliance over employment outcomes and well-being. Mandatory work

programs, in general, have been found to be just as likely to increase poverty as reducing poverty in the long term (National Academies of Sciences, Engineering, and Medicine, 2019), but emerging evidence suggests there may be some activities and approaches that lead to better outcomes than others.

Recent syntheses of TANF work program research observed that while job search assistance strategies do not noticeably improve employment outcomes, subsidized employment and transitional jobs can have long-term positive effects on employment and earnings (Cummings, 2023) (OPRE, 2023). Other studies suggest that embedding basic skills training in sector-driven training and rethinking what work-ready means, scaffolding interventions, and giving additional time to prepare for higher earning jobs may boost impact amid other external systemic factors (Bloom, 2012; Lower-Basch & Young, 2022; Pavetti L. &, 2022). FIP/PATH policy encourages sector-based employment training and subsidized employment, however, in FY 2022, it represented less than half a percent of state spending. These findings are consistent with existing TANF work program research findings despite variation in program designs from state to state. Many of the challenges and contradictions staff face when attempting to balance individual needs with complicated compliance and reporting requirements are illustrated below along with actionable insights.

Already being employed or getting employed in PATH drives successful closures due to excess earnings, however, the sustainability of these outcomes depends on other factors.

Being employed in PATH leads to the highest increase in the odds of getting a successful closure due to excess earnings, with 6.7 times higher odds in comparison to all other approved and closed cases (Table 16, Model 7). In comparison, participation in Job Search and Job Readiness activities increases the odds of getting a closure due to excess earnings by 82% (Table 16, Model 8) and participation in Education or Training activities increases the odds by 50% (Table 16, Model 9). Of note, Job Search and Job Readiness activities are limited to the hourly equivalent of 6 weeks per year.

The type of employment in the PATH program, however, was an important factor in determining the sustainability of outcomes. Among those who received closures due to excess earnings, clients with higher average wages, while employed in PATH, had 18% lower odds of applying again for cash assistance. This implies that clients who work in higher paying jobs may experience more sustained outcomes after closures due to excess earnings (Table 17, Model 1).

Even though participation in education and training activities shows the lowest increase in odds of getting a closure due to excess earnings (Table 16, Model 9), clients who participated in educational or training programs had 18% lower odds of applying again after successfully closing their case due to excess earnings (See Table 17, Model 4). This may imply that participating in education or training programs contribute to more sustained outcomes for participants.

During focus group discussions involving staff and individuals with lived experience (ILEs), the topics of training, certifications, and employment types were prominent. These conversations illuminated that client success often involves acquiring training, certifications, or degrees, overcoming barriers, and engaging in job searches that culminate in more stable and upwardly mobile career trajectories. Such achievements significantly diminish the likelihood of needing to reapply for program assistance.

When I was going for my [career] training, they paid for my schooling. They helped with my gas back and forth, and I was still on cash assistance, so that was, that was a really good plus side of the program for me. (ILE, MWA/PATH)

The value of case managers who prioritize barrier removal and tailor goals to individual clients was another key insight from the focus groups. Clients reported enhanced program experiences when case managers actively addressed their specific needs and obstacles. For instance, another ILE recounted a situation where the program's flexibility and the case manager's proactive efforts helped address a crucial financial need:

We had a good experience and the staff, they understood our concern at the time, and the staff actually went out of their way to help us, because I remember there was some financial need, because my wife was going through this certificate program, and she needed to take some tests in the medical field and the case worker also was able to help us by locating some funding from the MDHHS. Which helped her to take the test, pass the test, and eventually become a valuable member [of] the employment community. (ILE, MWA/PATH and Food Assistance)

The program struggles to serve applicants with the most critical needs for self-sufficiency, i.e. clients with no recent or current job market experience (measured as clients with no earned income during application) or clients with lower educational qualifications.

According to the eligibility analysis, 9% of all potentially eligible individuals in Michigan worked less than 25 weeks in a year. This is disproportionately higher than the overall average at 3% (Table 14). During the application process, applicants provide information about both their earned and unearned income. Those entering the program without any earned income—meaning they have not received income from wages, self-employment, or rent—typically experience poorer outcomes compared to those who do have some form of earned income at the point of application. Specifically, applicants with no earned income at the time of application had 84% lower odds of being employed in the PATH program (Table 19, Model 1). This disparity persists even after these individuals participate in Job Search and Job Readiness programs. After participating in the Job Search and Job Readiness Program, clients who did not have earned income at the time of their application had 67% lower odds of being employed in PATH (Table 20, Model 1). This indicates a significant struggle within the program to adequately support clients lacking recent employment or opportunities to earn.

Moreover, the program struggles to engage clients with no earned income even during the barrier identification process. Clients that did not report any earned income at the time of application had 43% lower odds of having any barriers identified in comparison to clients with some earned income at the time of application (Table 21, Model 1). This may impact the client's outcomes at the end of the program. Clients who did not have earned income at the time of their application had 46% lower odds of having a closure due to excess earnings (Table 16, Model 1).

Similar trends can be observed with clients who came into the program with lower educational qualifications. According to the eligibility analysis, 24% of all potentially eligible individuals in Michigan have no high school or GED. This is disproportionately higher than the overall average at 10% (Table 10). Among FIP applicants around 17% did not complete high school or GED, and these applicants also experience more limitations related to work participation and employment with 27% lower odds of obtaining employment in PATH (Table 19, Model 1) and 25% lower odds of employment in PATH even after going through the Job Search and Job Readiness Program (Table 20, Model 1). Clients with no GED or high school

diploma have lower odds of successfully closing their case due to excess earnings and those that do close for excess earnings have higher odds of needing to return to the program. Clients with no GED or high school diploma have 39% lower odds of getting a closure due to excess earnings (Table 16, Model 1), and among clients who do get a closure due to excess earnings, they have 27% higher odds of applying again (Table 17, Model 1). This suggests that clients with lower educational qualifications struggle to find success in the program and do not see sustainable outcomes even after being deemed a success by program standards.

These patterns underscore a broader issue. The program's current structure and measures of success may not adequately address the varied starting points and needs of its participants. While closing a case due to excess earnings and minimizing the likelihood of reapplication are considered markers of success, these criteria may not fully capture the progress or needs of clients who begin with significant barriers to employment and self-sufficiency. This discrepancy highlights the necessity for a more inclusive and flexible approach to support those lacking the pre-existing characteristics typically associated with successful outcomes within the program.

When staff prioritize barrier removal and individualized goals over the urgency of meeting work requirements, the clients have a more positive program experience and outcomes.

The WPR and the federally required hours serve as the only formal interagency performance benchmarks; there are no other formally recognized shared interagency benchmarks or incentives for outcomes such as credentials, wages, or job retention. Given that clients start from different places, their perception and experience of success may differ from the program's definition of success, which narrowly looks at work participation and closures due to excess earnings.

Drawing from staff and ILEs focus group data, it is clear that there is no such thing as a universal client, highlighting the importance of tailoring the program and its definition of success to individual needs. The anecdotal evidence provided by staff indicates that the role of the program and the client's outcome may need to be individualized to each client, as this MWA/PATH participant stated, "Client success looks a little different for each one. It doesn't have to be big and showy for us." Individualization of client goals occurred when staff adjusted their existing ideas of client success, which in some cases required staff to diverge from the program's current definition. This individualization was determined by the staff who were able to function as experts in their fields. Staff described their processes for adjusting perceptions of client success by accounting for the variations in clients' starting points. The individualized approach and the rationale for its implementation was echoed across MDHHS and MWA/PATH participants. The following excerpts from a MDHHS participant and MWA/PATH participant provide a descriptions of individualized approaches and demonstrate how both agencies can adjust the definition of success for clients:

Success takes different forms. I'm thinking of a client who has a child with special needs. They applied for assistance, and we got the documentation that she needed in the home. During the time [the client] had to be home, they wanted to go back to school, and so they're working on all these things so when the time comes that they will be educated and ready to navigate everything, especially having a child that needs extra care. For others, somebody was in an assault shelter. They followed through, they got their cash assistance. Now they have secured housing. They found a job. As long as the clients are better off than when they started, it's a success.
(FIS/MDHHS staff)

Even though 17% of all closed cases were closed due to excess earnings (Table 27), 59% of those clients applied to the program again in the future. This suggests that while many of these clients achieved the program's definition of success through closures due to excess earnings, they do not see sustained outcomes from the program and need to apply again. Data from the focus group discussions with ILEs and staff suggests that the program's definition of success and its metric to tracking progress for individuals may need to be revisited and re-examined. Staff discussed how the program works better for clients when the ways of measuring progress are individualized to the client and where they are starting.

It's really an individualized for different clients. We're trying to see progress. Obviously, clients come in on different levels. Some clients will come in and have signed up for school, have their work history, and have a great support system. Their success is going to be a little bit different from someone that comes in the program who is homeless, suffering from domestic violence, and experiences of that sort...Remember it's an eligibility-based program so some people you can set them up for success, but not necessarily see the success because that case may be closed or found ineligible. Parts of the PATH program is sending someone hope, giving them resources to obtain different skills, and learn new information that may move them forward. We don't necessarily see the fruits in it at PATH from a job. People typically look at success as it's about the client obtaining employment. That may not be the type of success we see for all our clients because their 48-month time limit could run out or they may stop receiving child support from a second parent. The success looks different, but the main thing is seeing some sort of progress. (MWA/PATH staff)

Clients come into the program with very diverse needs and barriers that influence their ability to meet the requirements of the program. Barrier identification and removal may be one way in which clients and staff may experience success. Overall, only 36% of approved applicants had one or more barriers identified between 2015 and 2022 (Table 22). Receiving services for barriers improves the odds of clients getting employed in PATH or closing their case due to excess earnings. If a client receives supportive services for any reported barrier, the odds of case closures due to excess earnings increase by 39% (See Table 16, Model 1). Specifically, receiving services addressing travel barriers (44% increase), job search, skills, or experience barriers (38% increase) and child care barriers (42% increase) all contribute to higher odds of case closures due to excess earnings (Table 16, Models 3-5).

For some clients with previous work history, full-time employment may be a success, whereas, for clients with no work history, success may look like getting a resume created and getting connected to services for mental health support. While the former experience fits under the program's definition of success, clients and staff may still perceive the latter to be a more accurate picture of success for their lives and future.

Policy Recommendations

FIP and PATH are clearly embedded with strengths-based approaches and policy guidance on how to meet the needs of each family that comes to the program; however, it is often hard to strike a balance or interpret such guidance, especially for those who are newer and lack experience and confidence in interpreting policy in the best interest of families and long-term outcomes.

Examples of agency efforts to focus on individualized success include MDHHS's Milestones: Transitional Supportive Services (TSS) pilot (FY 2022). This is a state-funded pilot that allows staff to "reward successful milestones" such as completion of training, up to 180 days of continuous employment with funds for personal care services, care maintenance—expenses

that are not otherwise allowable. Pathways to Potential (P2P) is another program adaptation that allows staff to have a smaller caseload and meet families in the schools to work more closely with families to address barriers or even prevent barriers.

Evidence from this study suggests that these approaches, while more costly, could have more positive effects on program goals. The Michigan Poverty Task Force can also further strengthen program effectiveness for those most in need by recommending the following:

- Redefine job readiness and invest in and incentivize more creative core activities that engage clients with barriers in evidenced-based activities such as On the Job Training (OJT) and encourage more time, as needed, to complete education and training goals that increase the likelihood of higher-paying wages.
- Redefine success based on where people start—make it clear and ensure policy gets out of the way and empowers staff (e.g. barrier removal improves the likelihood of closures due to excess earnings).

Limitations and Lessons Learned

During the planning, implementation, and analysis for this project, the research team was afforded incredible access and cooperation from Michigan state agency partners, Michigan Works! Agency partners, and individuals with lived experience. Although great efforts were made by all involved in the project, there are still some limitations that should be noted for the final report and some lessons learned that can help guide future evaluations of the use of TANF funds in Michigan. The first of these limitations is that TANF is a large funding source used to support many different programs across the state, and this report cannot cover an evaluation of all programs supported through TANF funds. As such, the research team and this report have focused on overall TANF spending to discern how Michigan prioritizes the use of those funds and to then take a closer look at the cash assistance or FIP as an anti-poverty program. There are several other investigations underway for some of the other programs supported by TANF funds, such as the Tuition Incentive Program, which will provide additional insight to the effectiveness of those programs, but the research team recommends evaluations be implemented for all programs receiving funds to ensure programs help state goals.

The large scope in which states are empowered to use TANF funds also poses limitations for the analysis of how Michigan allocates funds across programs. The research team relied on both publicly available federal data on Michigan's use of funds and budget and expense reports provided directly from MDHHS. Researchers used federal spending categories for state level comparisons to determine the overarching categories of spending for Michigan, however, these categories do not always match on a one-to-one basis across Michigan's state plan, federal reporting, internal MDHHS budgets, and individual program budget reports. Because the spending analysis across data sources does not allow for a direct comparison, researchers used federal budget reporting to allow readers to reference openly available federal data sources for future analysis. For spending analysis more nuanced than the federal reporting categories, researchers referred to internal MDHHS line item and program-level expense reports based on actual expenses for TANF accounting. This may lead to slight differences in reporting from the federal reporting categories. For future analysis and transparency, expenditures could be walked across various budget reports by program in the state plan to provide more direct access to how Michigan prioritizes TANF funds for reducing poverty.

Strategies Employed to Mitigate Limitations in Quantitative Analysis

Empirical and Analytical Strategy

The research team used both publicly available datasets and administrative data along with transcripts and analysis from focus group discussions with staff and individuals with lived experience. A notable limitation of the study was that the quantitative analysis did not include any data on individuals who are potentially eligible but have never applied to the program. This prevented any direct comparison of outcomes between applicants and non-applicants. Additionally, the study lacked information on the outcomes for applicants who were either denied assistance or had their cases closed for reasons other than achieving excess earnings, as well as any data that tracked the long-term outcomes of applicants' post-program participation.

To address these gaps, the research team utilized publicly available sources like the American Community Survey (ACS) 5-year estimates and income eligibility criteria to conduct a descriptive analysis of the potentially eligible population. While this approach didn't allow for outcome comparisons between non-applicants and applicants, it did offer insights into the characteristics of the potentially eligible population relative to the broader Michigan population.

The empirical analysis focused on identifying factors driving outcomes within the FIP applicant pool in Michigan, acknowledging that the findings are solely representative of the experiences of this group, without extending to non-applicants. The recruitment efforts for the qualitative analysis included a diverse array of individuals with lived experience including individuals who are potentially eligible for TANF but did not apply. The research team made concerted efforts to include the perspectives of potentially eligible non-applicants through the qualitative analysis¹¹.

Although the research team lacked data on applicants' post-program outcomes, reapplication rates were examined as an indicator of whether individuals who exited FIP due to excess earnings sought further assistance, shedding light on the program's effectiveness in fostering long-term self-sufficiency. Additionally, by merging FIP application data with information from the Homeless Management Information System (HMIS), the team was able to assess if applicants experienced homelessness before, during, or after their FIP application, providing valuable insights into the stability of applicants' living situations beyond their program involvement.

Administrative Data Access

The research team initially planned to start the analysis of administrative data by May 2022, aiming to perform a preliminary descriptive analysis to inform the qualitative data collection and recruitment strategies. However, delays in securing the necessary data access approvals pushed the first data delivery to November 2022, necessitating an extension of the project's timeline. In response, the team pivoted to focus on analyzing publicly available data, reviewing and analyzing the policy, and assessing Michigan's eligibility criteria during the interim. This preliminary work informed further policy analysis and qualitative recruitment and data collection.

After receiving access to the administrative data in November, the team started processing the data by cleaning all the datasets and exploring the data fields. In collaboration with the Michigan Department of Health and Human Services (MDHHS) data team, a thorough validation of emerging data patterns was conducted through March 2023. During this phase, a significant querying error was identified, halting the analysis until the issue could be rectified. The corrected data was finally made available to the research team between June and July 2023, finally marking the start of the quantitative analysis phase. Since the querying error was significant, the research team had to start the entire data processing and analysis phase again after receiving the corrected data. These delays significantly impacted the project timeline and led to considerable adjustments.

Administrative Data Quality

A specific challenge arose while analyzing case closures due to excess earnings. When analyzing the case closures due to excess earnings, the research team found that a very

¹¹ Other potential empirical strategies such as regression discontinuity were not employed due to the scarcity of data related to key components of the eligibility criteria.

small proportion of cases were being flagged by the MI Bridges system for case closures due to excess earnings. Since this is an important outcome variable for the research, the research team collaborated with the data team at MDHHS to understand whether the patterns observed in the data aligned with their expectations. Through regular and frequent data meetings, it was discovered that the MI Bridges system was not flagging all the cases that should be flagged as a closure due to excess earnings.

To remedy this, the research team worked with the MDHHS data team to devise a method for identifying all relevant cases closed due to excess earnings. The team used case IDs and closure dates to match the closure data (specifically cases closed due to income reasons) with case budget data, which includes all data related to the income of the case members. Any case with earned income exceeding the payment standard was then flagged as a closure due to excess earnings. This approach enabled the identification of all pertinent cases MI Bridges had failed to flag. Given that this method of flagging closures due to excess earnings was developed independently of the system-generated flags, a revalidation of the data is advised once the flagging discrepancies in MI Bridges are corrected, ensuring the accuracy and reliability of the research findings.

Other Data Sources

The research team's quantitative analysis significantly focused on assessing how caseloads influence various outcomes. Caseload was defined as the number of cases each staff member managed weekly in each office. However, the team encountered a limitation: they only had access to a static count of staff members employed at each Michigan Works Agency (MWA) and Michigan Department of Health and Human Services (MDHHS) office and did not have the ability to track changes in workforce numbers over the years covered by the study. To proceed with the analysis under these constraints, the team assumed staff numbers remained constant throughout the study period.

This assumption was necessary to explore the critical aspect of how caseloads affect outcomes yet introduces a potential area of uncertainty in the findings. Recognizing this limitation, the team recommends acquiring detailed, year-specific workforce data for both MWA and MDHHS in future research endeavors. Such data would enable a more precise examination of caseload impacts and help validate the current study's findings.

To account for local geographical factors that could influence outcomes for applicants, the research team integrated a wide array of publicly available datasets. However, some of these datasets lacked information for the most recent years under study. To bridge this gap and ensure the comprehensive inclusion of these variables in the empirical analysis, the team employed a method of imputation through projection analysis for the missing data.

Utilizing historical data, the team applied linear regression techniques to forecast values for the missing years. This approach enabled the team to extend the datasets into the latest years of interest, maintaining the continuity and depth of the analysis. It's important to note that these projections are based on trends observed in the available data, and as such, represent estimates rather than actual recorded values. Consequently, while providing a practical solution to the issue of missing data, these projected numbers introduce a level of uncertainty. The analysis may therefore experience minor adjustments in its findings should the actual data for these years become available later.

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Spending Analysis Tables

Table 1. Michigan Federal TANF and State MOE Expenditures Summary ACF-196R Categories, FY 2022

Spending Category (and subcategories)	Federal Funds	State MOE in TANF and Separate State Programs	All Funds	Percent of Total Funds Used
Basic Assistance	\$98,896,735	\$143,646	\$99,040,381	7.4%
<i>Basic Assistance (excluding Relative Foster Care Maintenance Payments and Adoption and Guardianship Subsidies)</i>	\$43,832,410	\$143,646	\$43,976,056	3.3%
<i>Relative Foster Care Maintenance Payments and Adoption and Guardianship Subsidies</i>	\$55,064,324	\$0	\$55,064,324	4.1%
Assistance Authorized Solely Under Prior Law	\$13,617,394	N/A	\$13,617,394	1.0%
<i>Foster Care Payments</i>	\$13,617,394	N/A	\$13,617,394	1.0%
<i>Juvenile Justice Payments</i>	\$0	N/A	\$0	0.0%
<i>Emergency Assistance Authorized Solely Under Prior Law</i>	\$0	N/A	\$0	0.0%
Non-Assistance Authorized Solely Under Prior Law	\$142,153	N/A	\$142,153	0.0%
<i>Child Welfare or Foster Care Services</i>	\$0	N/A	\$0	0.0%
<i>Juvenile Justice Services</i>	\$0	N/A	\$0	0.0%
<i>Emergency Services Authorized Solely Under Prior Law</i>	\$142,153	N/A	\$142,153	0.0%
Work, Education, and Training Activities	\$3,731,539	\$103,227	\$3,834,766	0.3%
<i>Subsidized Employment</i>	\$1,069,714	\$2,836	\$1,072,550	0.1%
<i>Education and Training</i>	\$2,661,825	\$100,391	\$2,762,216	0.2%
<i>Additional Work Activities</i>	\$0	\$0	\$0	0.0%
Work Supports	\$53,787,962	\$2,255,093	\$56,043,055	4.2%
Early Care and Education	\$0	\$252,299,414	\$252,299,414	19.0%
<i>Child Care (Assistance and Non-Assistance)</i>	\$0	\$19,529,091	\$19,529,091	1.5%
<i>Pre-Kindergarten/Head Start</i>	\$0	\$232,770,323	\$232,770,323	17.5%
Financial Education and Asset Development	\$0	\$0	\$0	0.0%
Refundable Earned Income Tax Credits	\$0	\$38,066,101	\$38,066,101	2.9%
Non-EITC Refundable State Tax Credits	\$0	\$0	\$0	0.0%
Non-Recurrent Short-Term Benefits	\$15,063,947	\$8,721,387	\$23,785,334	1.8%
Supportive Services	\$130,408	\$0	\$130,408	0.0%
Services for Children and Youth	\$108,309,210	\$238,405,873	\$346,715,083	26.1%
Prevention of Out-of-Wedlock Pregnancies	\$0	\$0	\$0	0.0%
Fatherhood and Two-Parent Family Formation and Maintenance Programs	\$0	\$0	\$0	0.0%

Table 1 continued

Spending Category (and subcategories)	Federal Funds	State MOE in TANF and Separate State Programs	All Funds	Percent of Total Funds Used
Child Welfare Services	\$55,846,535	\$5,801,305	\$61,647,839	4.6%
Family Support/Family Preservation /Reunification Services	\$55,846,535	\$5,801,305	\$61,647,839	4.6%
Adoption Services	\$0	\$0	\$0	0.0%
Additional Child Welfare Services	\$0	\$0	\$0	0.0%
Home Visiting Programs	\$0	\$0	\$0	0.0%
Program Management	\$329,249,632	\$20,577,167	\$349,826,800	26.3%
Administrative Costs	\$50,431,687	\$4,753,125	\$55,184,812	4.1%
Assessment/Service Provision	\$276,298,333	\$15,800,000	\$292,098,333	22.0%
Systems	\$2,519,613	\$24,043	\$2,543,656	0.2%
Other	\$0	\$0	\$0	0.0%
TOTAL EXPENDITURES	\$678,775,515	\$566,373,213	\$1,245,148,728	93.6%
Transferred to CCDF Discretionary	\$8,300,000	N/A	\$8,300,000	0.6%
Transferred to SSBG	\$77,279,419	N/A	\$77,279,419	5.8%
Total Transfers	\$85,579,419	N/A	\$85,579,419	6.4%
TOTAL FUNDS USED	\$764,354,934	\$566,373,213	\$1,330,728,147	100.0%
Federal Unliquidated Obligations	\$0	N/A	\$0	N/A
Unobligated Balance	\$124,420,244	N/A	\$124,420,244	N/A

Source: U.S. Dept Health & Human Services, Office of Family Assistance, Administration for Children and Families.
Current as of January 22, 2024.

Table 2. KU-CPPR condensed categorization of Federal TANF and State MOE Expenditures Summary by ACF-196R Spending Category, FY 2022 (Michigan and US Average spending allocations est.)

Federal Activity	MI Percent of Total Funds Used	US Ave Percent of Total Funds Used
Program Management	26%	10%
Basic Assistance	7%	27%
Work supports and Supportive Services	4%	3%
Child Care (Spent or Transferred to CCDF)	2%	16%
Refundable Tax Credits	3%	8%
Non-Recurrent Short-Term Benefits	2%	3%
Transferred to SSBG	6%	4%
Services for Children and Youth	26%	3%
Pre-Kindergarten/Head Start	18%	10%
Child Welfare Services (includes foster care/child welfare authorized under prior law)	6%	9%
Home visiting	0%	0%
Juvenile Justice Services	0%	0%

Source: U.S. Dept Health & Human Services, Office of Family Assistance, Administration for Children and Families.
Current as of January 22, 2024.

Table 3. Michigan federal and state MOE expenditures and transfers by agency, FY 2022

Agency	Program	Federal	State MOE	Total	Percent of total funds
MDHHS	FIP, Child Welfare, Program management, IT Systems, short-term/emergency benefits.	\$405,062,877	\$21,036,308	\$426,099,185	32%
Transfer to MDHHS	Social Services Block Grant (SSBG) transfer for foster care, prevention services	\$77,279,419	N/A	\$77,279,419	6%
LEO Workforce Development	PATH program and administrative costs	\$54,394,054	\$2,665,605	\$57,059,659	4%
Michigan Department of Treasury	Michigan EITC (state MOE), Tuition Assistance and Scholarships (federal)	\$103,337,600	\$38,066,101	\$141,403,701	11%
Michigan Department of Education (MDE)	Great Start Collaboratives, Early Childhood, At-Risk, Great Start Readiness (PreK)	N/A	\$ 471,472,447	\$471,472,447	35%
Transfer to MDE	Child Development and Care Fund (CDC) CCDF transfer for Child Care/Pre-K	\$8,300,000	\$24,411,364	\$32,711,364	2%
Michigan Public Service Commission	Michigan Energy Assistance Program		\$8,721,386	\$8,721,386	1%
Carryover past fiscal year	N/A	\$115,980,984.62	N/A	\$115,980,985	9%
Total	N/A	\$764,354,935	\$566,373,211	\$1,330,728,146	100%

Note: this table provides alternative agency view of federal expenditures

Source: KU-CPPR analysis of MDHHS FY22 workbook for federal reporting, Quarter 4 2022

Table 4. Services for Children and Youth: Detail on Treasury Spending (FY 2022)

Treasury program	Income limits/eligibility	Total expenses (cash)	Youth served	Percent of total TANF and State MOE funds used
Tuition Incentive Program	Statute, Medicaid-eligible	\$61,912,104	23,801	5%
Michigan Tuition Grant	No income limits, FAFSA and school budget; Factored Family Contribution	\$27,059,754	13,626	2%
Michigan Competitive Scholarships	No income limits, FAFSA and school budget; Factored Family Contribution	\$14,417,150	19,678	1%
Total	N/A	\$103,389,008	57,105	8%

Source: MDHHS and Michigan Department of Treasury's Student Scholarships, Grants and Outreach (SSGO) Annual Report, 2021-2022.

Table 5. LEO/MWA PATH Q4 2022 subtotal and distribution by federal fiscal reporting category

LEO/MWA description	ACF Primary Category	ACF 196 FFR combined	Cumulative amount spent	Distribution
Other Supportive Services and "other work"	10.Work Supports	10c. Non-Transportation Work Supports (Assistance and Non-Assistance)	\$37,714,521	69%
Subgrantee Admin and MSF/Workforce Development Agency Admin	22. Program Management	22a. Administration	\$7,190,430	13%
Subgrantee Systems	22. Program Management	22c. Systems	\$1,940,087	4%
Education and Training	9. Work, Education, and Training Activities	9b. Education and Training	\$2,423,339	4%
Transportation	10.Work Supports	10a. Transportation (Assistance and Non-Assistance)	\$4,214,850	8%
Subsidized Employment	9. Work, Education, and Training Activities	9a. Subsidized Employment	\$910,828	2%
Total	N/A	N/A	\$54,394,054	100%

Source: KU-CPPR analysis of MDHHS ACF-196 internal reporting data; note this breakdown crosses over federal reporting categories.

Table 6. Maximum benefit levels for family of two, Midwest region 2021-2022

State	2021	2022	2022 %FPL equivalent	2021/2022 increase
Indiana	\$229	\$229	14%	0%
Iowa	\$361	\$361	22%	0%
Michigan	\$403	\$403	25%	0%
Illinois	\$431	\$435	26%	1%
Ohio	\$417	\$480	29%	13%
Minnesota	\$545	\$621	38%	14%
Wisconsin*	\$653	\$653	40%	0%

*Note: Wisconsin's income eligibility threshold is 115% FPL, but benefits are a set amount by various placement types in their overarching Wisconsin Works program. This amount represents W-2 Transition placements. Community Service Jobs have a higher monthly payment of \$653 and a Custodial Parent of an Infant or At-risk pregnancies receive \$673. Source: Urban Institute's Welfare Rules Database for July 2021, Table II.A.4., for 2021 data and state policy manuals for 2022 data.

Quantitative Analysis Tables

Table 7: Average Monthly Benefit for FIP Recipients between 2015 to 2022

Application Year	Average Monthly Benefit	Growth over Previous Year
2015	365.9752	NA
2016	367.3354	0.37
2017	368.1464	0.22
2018	371.8771	1.01
2019	381.1035	2.48
2020	382.7446	0.43
2021	382.7902	0.01
2022	402.8892	5.25

Table 8: Average Caseload (DHS and MWA)

Office Type	Average Number of Cases per Week per Staff
DHS	26
MWA	1

Table 9: Average Number of Cases in a Week for a DHS Staff

Application Month	Average Number of Cases in a Week for a DHS Staff
Jan	29
Feb	22
Mar	20
Apr	22
May	22
Jun	26
Jul	31
Aug	33
Sep	34
Oct	39
Nov	26
Dec	22

Table 10: Proportion of Michigan Households with No High School or GED

Overall	9.62%
Financially Insecure ¹² Households	15.34%
Households under the FPL	23.58%
Potentially Eligible Households	24.11%

This analysis uses the income eligibility criteria and ACS 5-year estimates for 2020 to estimate the proportion of potentially eligible households in Michigan.

Table 11: Proportion of Michigan Households with No Vehicle Ownership

Overall	5.3%
Financially Insecure Households	7.75%
Households under the FPL	15.24%
Potentially Eligible Households	21.36%

¹² Households that are unable to meet their monthly expenses with their monthly income.

This analysis uses the income eligibility criteria and ACS 5-year estimates for 2020 to estimate the proportion of potentially eligible households in Michigan.

Table 12: Proportion of Michigan Households with No Internet Access

Overall	6.07%
Financially Insecure Households	8.47%
Households under the FPL	14.03%
Potentially Eligible Households	18.04%

This analysis uses the income eligibility criteria and ACS 5-year estimates for 2020 to estimate the proportion of potentially eligible households in Michigan.

Table 13: Proportion of Michigan Households have Limited English Ability

Overall	2.45%
Financially Insecure Households	5.84%
Households under the FPL	8.18%
Potentially Eligible Households	8.67%

This analysis uses the income eligibility criteria and ACS 5-year estimates for 2020 to estimate the proportion of potentially eligible households in Michigan.

Table 14: Proportion of Michigan Households have Worked Less Than 25 Weeks

Overall	3.34%
Financially Insecure Households	3.7%
Households under the FPL	5.44%
Potentially Eligible Households	8.73%

This analysis uses the income eligibility criteria and ACS 5-year estimates for 2020 to estimate the proportion of potentially eligible households in Michigan.

Table 15: Drivers of Applying Again after 6 Months

		With Denials Before			With Approvals and Closures Before			
	Base (1)	With Caseload, and County FE (2)	With Ineligible Members or Group Denial (3)	With Information Noncompliance Denial (4)	With Employment Noncompliance Denial (5)	With Excess Earnings Closures (6)	With Child Support Noncompliance Closure (7)	With Employment Noncompliance Closure (8)
Case Characteristics								
Denied	-0.78*** (0.02)	-0.78*** (0.02)						
Denied_Ineligible_Members			-0.09*** (0.01)					
Denied_Information_Noncompliance				-0.18*** (0.01)				
Denied_Employment_Noncompliance					0.03** (0.01)			
Closed_Excess_Earnings						0.05* (0.02)		
Closed_Child_Support_Noncompliance							-0.17*** (0.03)	

Table 15 (continued)

			With Denials Before			With Approvals and Closures Before		
	Base (1)	With Caseload, and County FE (2)	With Ineligible Members or Group Denial (3)	With Information Noncompliance Denial (4)	With Employment Noncompliance Denial (5)	With Excess Earnings Closures (6)	With Child Support Noncompliance Closure (7)	With Employment Noncompliance Closure (8)
Closed_Employment_Noncompliance								0.40*** (0.02)
Applied_before	0.46*** (0.02)	0.46*** (0.02)	0.42*** (0.02)	0.44*** (0.02)	0.43*** (0.02)	0.59*** (0.02)	0.58*** (0.02)	0.57*** (0.02)
Caseload_DHS_lm		-0.04*** (0.01)						
Participant Characteristics								
EducationNot Completed School or GED	0.02* (0.01)	0.02* (0.01)	0.00 (0.01)	0.01 (0.01)	-0.00 (0.01)	0.11*** (0.02)	0.10*** (0.02)	0.10*** (0.02)
AgeUpto 30 Years	0.27*** (0.01)	0.27*** (0.01)	0.25*** (0.01)	0.25*** (0.01)	0.25*** (0.01)	0.37*** (0.02)	0.38*** (0.02)	0.34*** (0.02)
Marital_StatusMarried	-0.18*** (0.01)	-0.18*** (0.01)	-0.18*** (0.01)	-0.18*** (0.01)	-0.17*** (0.01)	-0.24*** (0.03)	-0.24*** (0.03)	-0.21*** (0.04)
RaceNon-White	0.05*** (0.01)	0.04*** (0.01)	0.01 (0.01)	0.01 (0.01)	0.01 (0.01)	0.22*** (0.02)	0.22*** (0.02)	0.21*** (0.02)
GenderFemale	0.46*** (0.01)	0.46*** (0.01)	0.45*** (0.01)	0.48*** (0.01)	0.46*** (0.01)	0.32*** (0.04)	0.32*** (0.04)	0.30*** (0.04)
EthnicityHispanic	-0.02 (0.02)	-0.03 (0.02)	-0.02 (0.02)	-0.02 (0.02)	-0.02 (0.02)	0.00 (0.03)	0.01 (0.03)	0.01 (0.03)
Number_Case_Members	0.03*** (0.00)	0.03*** (0.00)	0.04*** (0.00)	0.05*** (0.00)	0.04*** (0.00)	-0.00 (0.00)	-0.00 (0.00)	0.00 (0.00)
Geography Characteristics								
Distance_Applicant_MWA_miles_lm	-0.01 (0.01)	-0.01* (0.00)	-0.01 (0.01)	-0.01 (0.01)	-0.01 (0.01)	-0.00 (0.01)	-0.00 (0.01)	-0.00 (0.01)
Median_Household_Income_lm	-0.06* (0.02)	-0.08*** (0.02)	-0.01 (0.02)	-0.01 (0.02)	-0.01 (0.02)	-0.29*** (0.05)	-0.28*** (0.05)	-0.29*** (0.05)
Percent_with_Cash_Assistance_lm	-0.01 (0.01)	-0.01 (0.01)	0.00 (0.01)	0.00 (0.01)	-0.00 (0.01)	-0.04 (0.03)	-0.04 (0.03)	-0.04 (0.03)
Average_Commute_Time_Minutes_lm	-0.01 (0.04)	-0.01 (0.04)	-0.03 (0.04)	-0.02 (0.04)	-0.02 (0.04)	0.02 (0.07)	0.02 (0.07)	-0.00 (0.07)
Child_Care_Slots_per_1000_Children_lm	-0.01 (0.01)	-0.01 (0.01)	-0.01 (0.01)	-0.01 (0.01)	-0.01 (0.01)	0.01 (0.01)	0.01 (0.01)	0.02 (0.01)
Num. obs.	709132	709133	593879	593879	593879	115252	115252	115252
Num. groups: Application_Year	8	8	8	8	8	8	8	8
Num. groups: DHS_Office_Name	96		96	96	96	95	95	95
Deviance	782040.62	782042.75	633755.23	633520.46	633942.29	147020.02	146968.30	146351.02
Log Likelihood	-391020.31	-391021.37	-316877.62	-316760.23	-316971.15	-73510.01	-73484.15	-73175.51
Pseudo R2	0.09	0.09	0.06	0.06	0.06	0.08	0.08	0.08
Num. groups: County_Name		84						

Below is a description of Table 15: Drivers of Applying Again after 6 Months. Coefficients have been converted from log odds to odds ratios.

- Model 1, "Base"
 - Applicants who were denied for any reason had 54% lower odds of applying again.
 - The odds of applying again vary with client characteristics.
 - Clients who have not completed high school or received a GED had 2% higher odds.
 - Clients between 18 to 30 years had 31% higher odds.
 - Married clients had 17% lower odds.
 - Non-white clients had 5% higher odds.
 - Female clients had 57% higher odds.
 - Client ethnicity was not statistically significant.
 - Those with a higher number of members in the household had 3% higher odds.
 - Few geographical conditions impacted applicants' odds of applying again within 6 months.
 - Applicants' distance from their MWA office was not statistically significant (Model 1).
 - Applicants from counties with a higher median household income have 6% lower odds of applying again (Model 1).
 - Whether an applicant lived in a county with a higher percentage of persons receiving cash assistance, a higher average commute time, or with more child care slots did not have a statistically significant impact on their odds of applying again.
- Model 2, "With Caseload, and County FE"
 - Applicants that applied to DHS offices with a higher caseload had 4% lower odds of applying again after 6 months.
- Model 3, "With Ineligible Members or Group Denial"
 - In comparison to other applicants who were denied, applicants who were denied due to ineligible members or group had 9% lower odds of applying again.
- Model 4, "With Information Noncompliance Denial"
 - Applicants who were denied due to failure to provide information had 16% lower odds of applying again after 6 months.
- Model 5, "With Employment Noncompliance Denial"
 - Applicants who were denied due to employment noncompliance had 3% higher odds of applying again after 6 months.
- Model 6, "With Excess Earnings Closure"
 - In comparison to other applicants who were approved, we find that applicants whose cases were closed due to excess earnings had 5% higher odds of applying again after 6 months.
 - Clients with no GED or high school diploma that got a closure due to excess earnings had 27% higher odds of applying again.
 - After getting a successful case closure due to excess earnings, clients 18 to 30 years of age were 69% more likely to come back to the program and apply again compared to older clients.
- Model 7, "With Child Support Noncompliance Closure"

- In comparison to other applicants who were approved, applicants whose cases were closed due to refusal to cooperate with child support had 16 % lower odds of applying again.
- Model 8, "With Employment Noncompliance Closure"
 - Applicants whose cases were closed due to employment or work participation noncompliance had 50 % higher odds of applying again.

Table 16: Drivers of Closures due to Excess Earnings

	Base (1)	With Caselo ad, and Count y FE (2)	Supportive Services for Barriers				Work Participation Activities		
			Trave l Relat ed (3)	Job Skills, Search, Resour ces, and Experie nce (4)	Child Care (5)	Educa tion (6)	Employ ment (7)	Job Search and Job Readin ess Progra m (8)	Educa tion and Trainin g (9)
Participant Characteristics									
EducationNot Completed School or GED	-.49*** (0.05)	-.49*** (0.05)	-.49*** (0.05)	-.48*** (0.05)	-.49*** (0.05)	-.48*** (0.05)	-.42*** (0.05)	-.50*** (0.05)	-.51*** (0.05)
AgeUpto 30 Years	-.13*** (0.03)	-.13*** (0.03)	-.13*** (0.03)	-.13*** (0.03)	-.13*** (0.03)	-.12*** (0.03)	-.06*** (0.03)	-.13*** (0.03)	-.13*** (0.03)
Marital_StatusMarried	0.10 (0.06)	0.10 (0.06)	0.11 (0.06)	0.11 (0.06)	0.10 (0.06)	0.10 (0.06)	0.11 (0.07)	0.10 (0.06)	0.09 (0.06)
RaceWhite	-0.06 (0.04)	-0.06 (0.04)	-0.06 (0.04)	-0.06 (0.04)	-0.06 (0.04)	-0.06 (0.04)	-0.04 (0.04)	-0.06 (0.04)	-0.06 (0.03)
GenderFemale	0.13* (0.06)	0.13* (0.06)	0.13* (0.06)	0.13* (0.06)	0.13* (0.06)	0.13* (0.06)	0.17*** (0.06)	0.12* (0.06)	0.08 (0.06)
EthnicityHispanic	0.25*** (0.06)	0.24*** (0.06)	0.25*** (0.06)	0.25*** (0.06)	0.25*** (0.06)	0.25*** (0.06)	0.27*** (0.08)	0.23*** (0.06)	0.22*** (0.06)
Adult_to_Child_Ratio_lm	0.14*** (0.03)	0.14*** (0.03)	0.14*** (0.03)	0.14*** (0.03)	0.13*** (0.03)	0.13*** (0.03)	0.15*** (0.03)	0.12*** (0.03)	0.11*** (0.03)
Did_Not_Have_Earned_Income_at_Appli cation	-.62*** (0.03)	-.62*** (0.03)	-.61*** (0.03)	-.62*** (0.03)	-.62*** (0.03)	-.62*** (0.03)	-.22*** (0.04)	-.69*** (0.03)	-.69*** (0.03)
Geography Characteristics									
Distance_Applicant_MWA_miles_lm	0.01 (0.01)	0.02 (0.02)	0.01 (0.01)	0.01 (0.01)	0.01 (0.01)	0.01 (0.01)	0.00 (0.02)	0.01 (0.01)	0.01 (0.02)
Median_Household_Income_lm	0.26*** (0.06)	0.23*** (0.06)	0.26*** (0.06)	0.27*** (0.06)	0.26*** (0.06)	0.26*** (0.06)	0.29*** (0.06)	0.25*** (0.06)	0.24*** (0.06)
Average_Commute_Time_Minutes_lm	-0.15 (0.13)	-0.13 (0.12)	-0.15 (0.13)	-0.16 (0.13)	-0.17 (0.13)	-0.17 (0.13)	-0.21 (0.14)	-0.13 (0.13)	-0.14 (0.13)
Hiring_Rate_before_Closing_lm	0.51*** (0.09)	0.47*** (0.09)	0.52*** (0.09)	0.52*** (0.08)	0.52*** (0.08)	0.52*** (0.08)	0.54*** (0.09)	0.52*** (0.09)	0.53*** (0.09)
Child_Care_Slots_per_1000_Children_lm	0.01 (0.02)	0.00 (0.02)	0.00 (0.02)	0.00 (0.02)	0.01 (0.02)	0.00 (0.02)	0.01 (0.02)	0.01 (0.02)	0.01 (0.02)
Case Characteristics									
Days_in_Program_lm	0.07*** (0.02)	-0.07*** (0.02)	0.07*** (0.02)	-0.07*** (0.02)	-0.07*** (0.02)	-0.07*** (0.02)	-0.16*** (0.02)	-0.09*** (0.02)	-0.11*** (0.02)
Approved_atleast_once_before_Applyin g	0.10*** (0.02)	-0.10*** (0.02)	0.10*** (0.02)	-0.10*** (0.02)	-0.10*** (0.02)	-0.10*** (0.02)	-0.12*** (0.03)	-0.10*** (0.02)	-0.09*** (0.03)
Work_Participation_yn	0.98*** (0.07)	0.98*** (0.07)	1.02*** (0.06)	1.02*** (0.06)	1.15*** (0.05)	1.15*** (0.05)			
Received_Services_For_Barrier	0.33*** (0.03)	0.32*** (0.03)					0.16*** (0.03)	0.56*** (0.03)	0.81*** (0.03)

Table 16 (continued)

	Base (1)	With Caselo ad, and Count y FE (2)	Supportive Services for Barriers				Work Participation Activities		
			Travel Related (3)	Job Skills, Search, Resources, and Experience (4)	Child Care (5)	Educa tion (6)	Employ ment (7)	Job Search and Job Readin ess Progra m (8)	Educa tion and Trainin g (9)
	(0.05)	(0.05) -0.13*** (0.03)					(0.04)	(0.07)	(0.05)
Caseload_DHS_lm									
Travel_Related_Service			0.36*** (0.04)						
Job_Search_Skills_Resources_Experience_Related_Service				0.32*** (0.05)					
Child_Care_Related_Service					0.34** (0.13)				
Education_Related_Service						-0.08 (0.05)			
Employed_in_Path							2.04*** (0.04)		
Work_Part_JSJR_yn								0.60*** (0.06)	
Work_Part_Training_Education_yn									0.40*** (0.05)
Num. obs.	78411	78412	78411	78411	78411	78411	78411	78411	78411
Num. groups: Closing_Year	9	9	9	9	9	9	9	9	9
Num. groups: DHS_Office_Name	95	95	95	95	95	95	95	95	95
Deviance	66551.94	66599.37	66527.38	66548.61	66709.26	66714.62	60267.47	67484.23	67971.58
	-	-	-	-	-	-	-	-	-
Log Likelihood	33275.97	33299.68	33263.69	33274.30	33354.63	33357.31	30133.74	33742.12	33985.79
Pseudo R ²	0.09	0.09	0.09	0.09	0.08	0.08	0.17	0.07	0.07
Num. groups: County_Name		83							

***p < 0.001; **p < 0.01; *p < 0.05

Below is a description of Table 16: Drivers of Closures due to Excess Earnings. Coefficients have been converted from log odds to odds ratios.

- Model 1, "Base"
 - The odds of closures due to excess earnings vary with client characteristics.
 - Clients who had not completed high school or GED had 38 % lower odds.
 - Clients between 18 to 30 years of age had 12 % lower odds.
 - Marital status was not statistically significant.
 - Race was not statistically significant.
 - Female clients had 14 % higher odds.
 - Clients reporting Hispanic ethnicity had 28 % higher odds.
 - Those with a higher ratio of adults to children in the household had 15 % higher odds.
 - Clients who did not have earned income at the time of their application had 46 % lower odds.

- Certain local conditions impacted clients' odds of having a closure due to excess earnings.
 - The client's distance from the MWA office did not statistically impact their odds of a case closure due to earnings.
 - Clients residing in counties with a higher median household income experienced 29 % higher odds.
 - Having a higher average commute time in their county was not statistically significant.
 - Clients living in counties where the hiring rate was higher before the time of case closure had 67 % higher odds.
 - Having more child care slots in their county was not statistically significant.
- Certain case characteristics also impacted their odds of having a case closure due to excess earnings.
 - Having more days in the program decreased the odds by 7%.
 - Having one or more previous applications approved increased the odds by 10%.
 - If a client has work participation activities it increases the odds of closures due to earnings by 166 %.
 - If a client received supportive services for any reported barrier, the odds of case closures due to excess earnings increased by 39 %.
- Model 2, "With Caseload, and County FE"
 - With a percentage increase of caseload, the odds of case closures due to excess earnings decrease by 12 %.
- Model 3, with "Travel Related" Supportive Service
 - Receiving services addressing travel barriers resulted in a 43 % increase.
- Model 4, with "Job Skills, Search, Resources, and Experience" Supportive Service
 - Services for job search, skills, resources, and experience resulted in 38 % higher odds.
- Model 5, with "Child care" Supportive Service
 - Services for child care barriers resulted in 41 % higher odds.
- Model 6, with "Education" Supportive Service
 - Services related to education related barriers do not have a statistically significant impact on earnings closures.
- Model 7, with "Employment" Work Participation Activity
 - Being employed in PATH leads to the highest increase in the odds of getting a successful closure due to excess earnings, with an increased odds of 671 % in comparison to all other approved and closed cases.
- Model 8, with "Job Search and Job Readiness Program" Work Participation Activity
 - Participation in Job Search and Job Readiness Program increases the odds of getting a closure due to excess earnings by 82 %.
- Model 9, with "Education and Training" Work Participation Activity
 - Participation in Education or Training activities resulted in the lowest increase (50 %).

Table 17: Drivers of Applying Again After Case Closure due to Excess Earnings

	Base (1)	With Caseload, and County FE (2)	With Job Search and Job Readiness Work Participation (3)	With Education and Training Work Participation (4)
Client Characteristics				
EducationNot Completed School or GED	0.24*** (0.07)	0.24*** (0.07)	0.24*** (0.07)	0.24*** (0.07)
AgeUpto 30 Years	0.52*** (0.05)	0.52*** (0.05)	0.52*** (0.05)	0.52*** (0.05)
Marital_StatusMarried	-0.05 (0.09)	-0.04 (0.09)	-0.05 (0.09)	-0.05 (0.09)
RaceWhite	-0.51*** (0.05)	-0.50*** (0.05)	-0.51*** (0.05)	-0.51*** (0.05)
GenderFemale	0.42*** (0.08)	0.43*** (0.08)	0.42*** (0.08)	0.42*** (0.08)
EthnicityHispanic	0.01 (0.07)	0.02 (0.07)	0.01 (0.07)	0.00 (0.07)
Number_Children_in_Group	-0.01 (0.02)	-0.01 (0.02)	-0.01 (0.02)	-0.01 (0.02)
Geography Characteristics				
Distance_Applicant_MWA_miles_lm	-0.01 (0.03)	0.00 (0.03)	-0.01 (0.03)	-0.01 (0.03)
Median_Household_Income_lm	-0.62*** (0.10)	-0.51*** (0.08)	-0.62*** (0.10)	-0.62*** (0.11)
Average_Commute_Time_Minutes_lm	0.11 (0.22)	-0.04 (0.21)	0.11 (0.22)	0.10 (0.22)
Child_Care_Slots_per_1000_Children_lm	0.05 (0.04)	0.04 (0.04)	0.05 (0.04)	0.05 (0.04)
Case Characteristics				
Applied_before	0.98*** (0.04)	0.98*** (0.04)	0.98*** (0.04)	0.99*** (0.04)
Proportion_of_Days_Employment_PATH_lm	0.14*** (0.04)	0.14*** (0.04)		
Average_Wages_per_Hour_in_PATH_lm	-0.19** (0.07)	-0.20** (0.07)		
Closing_Quarter	-0.05** (0.02)	-0.05** (0.02)	-0.05** (0.02)	-0.05** (0.02)
Caseload_DHS_lm		-0.10 (0.06)		
Work_Part_JSJR_yn			-0.00 (0.04)	
Work_Part_Training_Education_yn				-0.20*** (0.06)
Num. obs.	15002	15001	15002	15002
Num. groups: Closing_Year	9	9	9	9
Num. groups: DHS_Office_Name	93		93	93
Deviance	18055.90	18066.96	18076.70	18061.04
Log Likelihood	-9027.95	-9033.48	-9038.35	-9030.52
Pseudo R ²	0.10	0.10	0.10	0.10
Num. groups: County_Name		80		

***p < 0.001; **p < 0.01; *p < 0.05

Below is a description of Table 17: Drivers of Applying Again After Case Closure due to Excess Earnings. Coefficients have been converted from log odds to odds ratios.

- Model 1, "Base"
 - The odds of applying again after a closure due to excess earnings vary by client characteristics.
 - Clients with no GED or high school diploma had 27 % higher odds of applying again after a closure due to excess earnings.
 - Clients between 18 to 30 years of age had 68 % higher odds.
 - Marital status was not statistically significant.
 - White clients had 40 % lower odds.
 - Female clients had 52 % higher odds.
 - Ethnicity was not statistically significant.
 - The number of children in the client's group was not statistically significant.
 - Few geographical characteristics statistically impacted the odds of applying again after an excess earnings closure.
 - Clients' distance from the MWA office was not statistically significant.
 - Clients that came from counties with a higher median household income had 46 % lower odds of applying again.
 - Neither living in a county with higher average commute times or more child care slots statistically impacted their odds of applying again after an excess earnings closure.
 - Several case characteristics impacted the odds of reapplying after an excess earnings closure.
 - Having applied before increased the odds of applying again after an excess earnings closure by 166 %.
 - Clients with a higher proportion of days employed in PATH had 15 % higher odds of reapplying after an excess earnings closure.
 - Clients with higher average wages in PATH had 18 % higher odds of reapplying after a closure due to excess earnings.
 - Clients with excess earnings closures in later quarters of the year had 5 % lower odds of applying again.
- Model 2, "With Caseload, and County FE"
 - Clients whose DHHS office had higher caseloads had 10% lower odds of applying again after a closure due to excess earnings.
- Model 3, "With Job Search and Job Readiness Work Participation"
 - Participating in Job Search and Job Readiness activities did not statistically impact clients' odds of applying again after an excess earnings closure.
- Model 4, "With Education and Training Work Participation"
 - Clients who participated in educational or training programs had 18 % lower odds of applying again after successfully closing their case due to excess earnings.

Table 18: Rate of Use for Denial Reasons

Denial Reason	Denial Rate
App Denial: No Eligible Members or Children	57.95%
Person Denial: Failed to Complete Work Participation Program/Orientation	18.90%
App Denial: Failed Income Test	16.30%
App Denial: Failure to provide information	14.73%

Table 18 (continued)

App Denial: Countable Earnings Greater than Application Limit	14.27%
Person Denial: Voluntary Withdrawal	4.19%
Person Denial: Other Non-Cooperation	4.16%
Person Denial: Employment Services or Work Participation Non-Cooperation	2.90%
Person Denial: Time Limit Exceeded	2.45%
Person Denial: Refusal to cooperate with Child Support	1.85%
All Denial Reasons	84.55%

Table 19: Drivers of Being Employed in PATH

	Base (1)	With Caseload, and County FE (2)	With Travel Related Service for Barrier (3)	With Job Search, Skills, Resource Related Service for Barrier (4)	With Child Care Related Service for Barrier (5)
Participant Characteristics					
EducationNot Completed School or GED	-0.32 ^{***} (0.04)	-0.31 ^{***} (0.04)	-0.32 ^{***} (0.04)	-0.31 ^{***} (0.04)	-0.32 ^{***} (0.04)
AgeUp to 30 Years	-0.19 ^{***} (0.04)	-0.18 ^{***} (0.04)	-0.19 ^{***} (0.04)	-0.18 ^{***} (0.04)	-0.18 ^{***} (0.04)
Marital_StatusMarried	0.10 (0.06)	0.09 (0.06)	0.10 (0.06)	0.10 (0.06)	0.09 (0.06)
RaceWhite	-0.18 ^{***} (0.05)	-0.20 ^{***} (0.05)	-0.18 ^{***} (0.05)	-0.19 ^{***} (0.05)	-0.18 ^{***} (0.05)
GenderFemale	-0.02 (0.08)	-0.01 (0.08)	-0.02 (0.08)	-0.02 (0.08)	-0.01 (0.08)
EthnicityHispanic	0.12 (0.08)	0.12 (0.08)	0.12 (0.08)	0.12 (0.08)	0.13 (0.08)
Did_Not_Have_Earned_Income_at_Application	-1.85 ^{***} (0.07)	-1.85 ^{***} (0.07)	-1.85 ^{***} (0.07)	-1.85 ^{***} (0.07)	-1.85 ^{***} (0.07)
Geography Characteristics					
Distance_Applicant_MWA_miles_lm	0.02 (0.02)	0.04 ⁺ (0.02)	0.02 (0.02)	0.02 (0.02)	0.02 (0.02)
Median_Household_Income_lm	0.04 (0.09)	-0.15 (0.10)	0.04 (0.09)	0.05 (0.09)	0.04 (0.09)
Average_Commute_Time_Minutes	0.00 (0.01)	0.01 (0.01)	0.00 (0.01)	0.00 (0.01)	0.00 (0.01)
Child_Care_Slots_per_1000_Children_lm	0.02 (0.03)	0.03 (0.03)	0.01 (0.03)	0.02 (0.03)	0.01 (0.03)
Separation_Rate_before_Application	-0.03 ⁺ (0.01)	-0.03 ⁺ (0.01)	-0.03 ⁺ (0.01)	-0.03 ⁺ (0.01)	-0.03 ⁺ (0.01)
Case Characteristics					
Received_Services_For_Barrier	0.05 (0.04)	0.05 (0.04)			
Total_Work_Part_Days_lm	1.60 ^{***} (0.04)	1.60 ^{***} (0.04)	1.60 ^{***} (0.04)	1.60 ^{***} (0.04)	1.60 ^{***} (0.04)
Average_Monthly_Benefit_lm	-0.01 (0.00)	-0.01 (0.00)	-0.01 (0.00)	-0.01 (0.00)	-0.01 (0.00)
Caseload_DHS_lm		-0.11 ⁺ (0.05)			
Travel_Related_Service			0.11 ⁺ (0.05)		
Job_Search_Skills_Resources_Experience_Related_Service				0.15 ^{***} (0.04)	
Child_Care_Related_Service					-0.16

Table 19 (continued)

	Base (1)	With Caseload, and County FE (2)	With Travel Related Service for Barrier (3)	With Job Search, Skills, Resource Related Service for Barrier (4)	With Child Care Related Service for Barrier (5)
					(0.14)
Num. obs.	37050	37050	37050	37050	37050
Num. groups: Closing_Year	9	9	9	9	9
Num. groups: DHS_Office_Name	95		95	95	95
Deviance	36195.72	36261.59	36186.52	36174.09	36196.35
Log Likelihood	-18097.86	-18130.79	-18093.26	-18087.05	-18098.17
Pseudo R ²	0.29	0.29	0.29	0.29	0.29
Num. groups: County_Name		82			

***p < 0.001; **p < 0.01; *p < 0.05

Below is a description of Table 19: Drivers of Being Employed in PATH. Coefficients have been converted from log odds to odds ratios.

- Model 1, "Base"
 - Some client characteristics impacted their odds of employment in PATH.
 - Clients who did not complete high school or receive a GED experienced 27% lower odds of becoming employed in PATH.
 - Clients 18 to 30 years of age had 17% lower odds of becoming employed in PATH.
 - Marital status did not statistically impact the odds.
 - White participants had 17% lower odds.
 - Gender and ethnicity did not statistically impact clients' odds of employment in PATH.
 - Clients with no earned income at the time of application had 84% lower odds of employment in the PATH program.
 - Certain local economic conditions influenced the odds of being employed in PATH.
 - Whether clients lived further from the MWA or in counties with higher median incomes, higher average commute times, or more child care slots had no statistical impact on their odds of employment in PATH.
 - Clients from counties where the separation rate (i.e. the rate at which employers separate from employees either through lay-offs or resignations) was higher had 3% lower odds of gaining employment in PATH.
 - Various characteristics related to their current time in the program impacted their odds of PATH employment.
 - Receiving supportive services for any reported barrier did not statistically significant impact their odds.
 - Spending more days in work participation activities led to 396% higher odds of gaining employment in PATH.
 - Clients' average monthly benefits did not impact their employment in the PATH program.
- Model 2, "With Caseload, and County FE"

- With a percentage increase in caseload in the DHS office, the odds of gaining employment in PATH decreased by 10%.
- Model 3, "With Travel Related Service for Barrier"
 - Receiving services to address travel barriers increased clients' odds of becoming employed in PATH by 12%.
- Model 4, "With Job Search, Skills, Resource Related Service for Barrier"
 - Receiving job search, skills, and resource-related services for a barrier increased clients odds of PATH employment by 16%.
- Model 5, "With Child care Related Service for Barrier"
 - Services related to child care barriers do not have a statistically significant impact on employment in PATH.

Table 20: Drivers of Employment in PATH After JSJR Program

	Base (1)	With Caseload, and County FE (2)	With Travel Related Services for Barrier (3)	With Child Care Related Services for Barrier (4)
Participant Characteristics				
EducationNot Completed School or GED	-0.29*** (0.04)	-0.28*** (0.04)	-0.28*** (0.04)	-0.29*** (0.04)
AgeUpto 30 Years	-0.16*** (0.04)	-0.16*** (0.04)	-0.16*** (0.04)	-0.16*** (0.04)
Marital_StatusMarried	0.07 (0.06)	0.06 (0.06)	0.07 (0.06)	0.07 (0.06)
RaceWhite	-0.14** (0.05)	-0.15** (0.05)	-0.14** (0.05)	-0.14** (0.05)
GenderFemale	0.00 (0.07)	0.01 (0.07)	0.00 (0.07)	0.00 (0.07)
EthnicityHispanic	0.09 (0.08)	0.09 (0.07)	0.08 (0.07)	0.09 (0.07)
Did_Not_Have_Earned_Income_at_Application	-1.10*** (0.10)	-1.10*** (0.10)	-1.10*** (0.10)	-1.10*** (0.10)
Approved_atleast_once_before_Applying	0.08 ⁺ (0.04)	0.08 ⁺ (0.04)	0.08 ⁺ (0.04)	0.08 ⁺ (0.04)
Geography Characteristics				
Median_Household_Income_lm	0.15 ⁺ (0.07)	0.04 (0.08)	0.16 ⁺ (0.07)	0.16 ⁺ (0.07)
Average_Commute_Time_Minutes	-0.00 (0.01)	-0.00 (0.01)	-0.00 (0.01)	-0.00 (0.01)
Child_Care_Slots_per_1000_Children_lm	0.01 (0.03)	0.02 (0.03)	0.01 (0.03)	0.01 (0.03)
Separation_Rate_before_Application	-0.02 (0.01)	-0.02 (0.01)		
Case Characteristics				
Received_Services_For_Barrier	0.05 (0.04)	0.05 (0.04)		
Total_Work_Part_Days_lm	1.64*** (0.04)	1.63*** (0.03)	1.64*** (0.04)	1.64*** (0.04)
Average_Monthly_Benefit_lm	-0.00 (0.01)	-0.00 (0.01)	-0.00 (0.01)	-0.00 (0.01)
Caseload_DHS_lm		-0.10 ⁺ (0.05)		
Travel_Related_Service			0.13** (0.04)	
Child_Care_Related_Service				-0.04 (0.15)
Num. obs.	33305	33304	33307	33307

Table 20 (continued)

	Base (1)	With Caseload, and County FE (2)	With Travel Related Services for Barrier (3)	With Child Care Related Services for Barrier (4)
Num. groups: Closing_Year	9	9	9	9
Num. groups: DHS_Office_Name	95		95	95
Deviance	33208.75	33276.24	33200.81	33216.44
Log Likelihood	-	-16638.12	-16600.40	-16608.22
Pseudo R ²	0.27	0.27	0.27	0.27
Num. groups: County_Name		82		

***p < 0.001; **p < 0.01; *p < 0.05

Below is a description of Table 20: Drivers of Employment in PATH After JSJR Program. Coefficients have been converted from log odds to odds ratios.

- Model 1, "Base"
 - The odds of employment in PATH after participating in the JSJR (Job Search and Job Readiness) program vary with client characteristics.
 - Clients who have not completed high school or received a GED had 25% lower odds.
 - Clients between 18 and 30 years of age had 15 % lower odds.
 - Marital status did not statistically impact clients' odds.
 - White participants had 13 % lower odds compared to non-white clients.
 - Gender and ethnicity did not statistically impact clients' odds of employment in PATH after the JSJR program.
 - Clients reporting no earned income at the time of application had 67 % lower odds.
 - Clients who had one or more previous applications approved had 9 % higher odds.
 - Geographical characteristics had some impact on clients' odds of being employed in PATH after the JSJR program.
 - Clients from a county with a greater median household income had 16 % higher odds of gaining employment in PATH after JSJR.
 - Living in a county with a higher average commute time, more child care slots, and a higher separation rate did not statistically impact their odds.
 - Clients' current and experience in the program had some impact on their odds of PATH employment.
 - Receiving a supportive service for barriers did not statistically impact the odds of getting employed in PATH after the JSJR program.
 - Spending more days in work participation activities led to 414 % higher odds.
 - Having a higher average monthly benefit was not statistically significant.
- Model 2, "With Caseload, and County FE"
 - With a percentage increase in caseload on the DHS office, the odds of getting employed in PATH after participating in the JSJR Program decreased by 10 %.
- Model 3, "With Travel Related Services for Barrier"
 - Receiving services addressing travel barriers specifically increased the odds of employment in PATH after the JSJR program by 14 %.

- Model 4, “With Child care Related Services for Barrier”
 - Receiving supportive services for child care barriers did not have a statistically significant impact on PATH employment after participating in the JSJR program.

Table 21: Drivers of Having a Barrier Identified

	Base (1)	With Caseload, and County FE (2)
Participant Characteristics		
EducationNot Completed High School or GED	-0.21 ^{***} (0.03)	-0.21 ^{***} (0.03)
AgeUp to 30 Years	-0.01 (0.03)	-0.02 (0.03)
Marital_StatusNot Currently Married	-0.22 ^{***} (0.04)	-0.23 ^{***} (0.04)
RaceNon-White	-0.08 [*] (0.04)	-0.11 ^{**} (0.04)
GenderFemale	-0.04 (0.04)	-0.04 (0.04)
EthnicityHispanic	-0.05 (0.06)	-0.04 (0.06)
Number_Adults_in_Group	-1.72 ^{***} (0.06)	-1.72 ^{***} (0.06)
Number_Children_in_Group	-0.03 ^{**} (0.01)	-0.03 ^{***} (0.01)
Did_Not_Have_Earned_Income_at_Application	-0.56 ^{***} (0.04)	-0.56 ^{***} (0.04)
Case Characteristics		
Days_in_Program	-0.00 ^{***} (0.00)	-0.00 ^{***} (0.00)
Applied_Before	0.40 ^{***} (0.04)	0.40 ^{***} (0.04)
Approved_atleast_once_before_Applying	-0.26 ^{**} (0.09)	-0.26 ^{**} (0.08)
Geography Characteristics		
Average_Commute_Time_Minutes_lm	-0.15 (0.09)	-0.32 [*] (0.12)
Distance_Applicant_MWA_miles_lm	0.00 (0.01)	
Separation_Rate_before_Application_lm	-0.85 ^{***} (0.12)	-0.78 ^{***} (0.12)
Child_Care_Slots_per_1000_Children_lm	-0.01 (0.02)	-0.04 [*] (0.02)
Caseload_DHS_lm		-0.20 ^{***} (0.05)
Num. obs.	68394	68396
Num. groups: DHS_Office_Name	96	
Num. groups: Application_Year	8	8
Deviance	78261.18	78450.21
Log Likelihood	-39130.59	-39225.11
Pseudo R ²	0.13	0.13
Num. groups: County_Name		83

^{***}p < 0.001; ^{**}p < 0.01; ^{*}p < 0.05

Below is a description of Table 21: Drivers of Having a Barrier Identified. Coefficients have been converted from log odds to odds ratios.

- Model 1, "Base"
 - Some applicant characteristics impacted their odds of having a barrier identified.
 - Applicants who had not completed high school or received their GED had 19 % lower odds of having a barrier identified.
 - Age did not statistically impact applicants' odds.
 - Applicants who were not currently married had 20 % lower odds.
 - Non-white applicants had 7 % lower odds.
 - Gender and ethnicity did not have a statistical impact on having a barrier identified.
 - For each additional adult in their group, applicants had 82 % lower odds of having a barrier identified.
 - Each additional child in their group resulted in 3 % lower odds.
 - Clients who reported no earned income at the time of their application had 43 % lower odds compared to clients with earned income.
 - Familiarity with the program impacted applicants' odds of having a barrier identified.
 - Applicants who had applied one or more times had 49 % higher odds of having a barrier identified.
 - Applicants who had spent more days in the program had decreased odds (0.02%) of having a barrier identified.
 - Having at least one previous application approved decreased their odds by 23 %.
 - Few characteristics of applicants' counties impacted their odds of having a barrier identified.
 - The average commute time in an applicant's county and their distance from the MWA office did not statistically impact their odds.
 - For each percentage increase in the separation rate in an applicant's county before their application, their odds of having a barrier identified decreased by 57 %.
 - The number of child care slots in an applicants' county did not statistically impact their odds of having a barrier identified.
- Model 2, "With Caseload, and County FE"
 - Applicants whose MDHHS offices had higher caseloads had 18 % lower odds of having a barrier identified.

Table 22: Proportion of Unique Barriers for Approved Applicants

Number of Unique Barriers	Proportion
1	7.68
2	6.2
3	5.64
4	4.21
5 or more	12.25
Total	35.98

Table 23: Proportion of Services Provided when Barrier Identified

Service Category	Number of Applicants	Proportion
Other Supportive Services	78000	24.47
No Services Provided When Barrier Reported	45019	14.12
JSJR	44878	14.08
Auto Purchase, Repair, Insurance or Auto Other	27729	8.7
Clothing	27410	8.6
Private Vehicle Mileage Reimbursement	26470	8.3
Public Transportation	22186	6.96
Job Skills or Job Training	20940	6.57
Education	13050	4.09
Barrier Removal	3141	0.99
Subsidized or Unsubsidized Employment	3135	0.98
Substance Use, Mental Health, Rehab	2856	0.9
Deferral	2849	0.89
Child Care Services	955	0.3
Triage	159	0.05

Table 24: Drivers of the Most Frequently Identified Barriers

	Travel or Relocation (1)	Job-Related (2)	Credentials, Skills, or Work Experience (3)	Child Care (4)
Participant Characteristics				
EducationNot Completed High School or GED	-0.16*** (0.03)	-0.15*** (0.03)	0.74*** (0.05)	-0.13*** (0.03)
AgeUp to 30 Years	0.03 (0.03)	-0.06 (0.04)	0.29*** (0.04)	0.15*** (0.04)
Marital_StatusNot Currently Married	-0.14** (0.05)	-0.12** (0.05)	-0.19*** (0.04)	0.03 (0.06)
RaceNon-White	0.02 (0.03)	-0.06 (0.04)	-0.06 (0.04)	0.05 (0.03)
GenderFemale	-0.09 (0.04)	-0.03 (0.05)	0.13 (0.06)	0.25*** (0.06)
EthnicityHispanic	0.03 (0.06)	0.02 (0.08)	-0.09 (0.07)	0.06 (0.07)
Number_Adults_in_Group	-1.59*** (0.07)	-1.57*** (0.08)	-1.48*** (0.09)	-1.50*** (0.08)
Number_Children_in_Group	-0.03** (0.01)	-0.02 (0.01)	-0.00 (0.01)	0.03 (0.01)
Did_Not_Have_Earned_Income_at_Application	-0.48*** (0.04)	-0.44*** (0.05)	-0.37*** (0.04)	-0.12** (0.04)
Case Characteristics				
Days_in_Program	-0.00*** (0.00)	-0.00*** (0.00)	-0.00*** (0.00)	-0.00*** (0.00)
Applied_Before	0.45*** (0.04)	0.37*** (0.04)	0.40*** (0.04)	0.40*** (0.03)
Approved_atleast_once_before_Applying	-0.24** (0.09)	-0.27*** (0.08)	-0.25 (0.10)	-0.20 (0.09)
Geography Characteristics				

Table 24 (continued)

	Travel or Relocation (1)	Job-Related (2)	Credentials, Skills, or Work Experience (3)	Child Care (4)
Average_Commute_Time_Minutes_lm	-0.08 (0.13)	-0.20 (0.14)	-0.14 (0.14)	0.02 (0.18)
Distance_Applicant_MWA_miles_lm	0.00 (0.01)	-0.01 (0.01)	0.00 (0.02)	
Separation_Rate_before_Application_lm	-0.61*** (0.12)	-0.68*** (0.13)	-0.50*** (0.10)	
Child_Care_Slots_per_1000_Children_lm	-0.02 (0.02)	0.01 (0.03)		-0.04 (0.03)
Median_Household_Income_lm			0.07 (0.10)	0.10 (0.10)
Num. obs.	68394	68392	68313	68261
Num. groups: DHS_Office_Name	96	95	92	93
Num. groups: Application_Year	8	8	8	8
Deviance	67732.36	62480.94	47378.06	44300.85
Log Likelihood	-33866.18	-31240.47	-23689.03	-22150.42
Pseudo R ²	0.14	0.13	0.14	0.08

***p < 0.001; **p < 0.01; *p < 0.05

Below is a description of Table 24: Drivers of the Most Frequently Identified Barriers. Coefficients have been converted from log odds to odds ratios.

- Model 1, "Travel or Relocation"
 - Certain applicant demographic characteristics decreased odds of having a travel or relocation barrier identified.
 - Applicants who did not have a high school diploma or GED had 15 % lower odds of having a travel or relocation barrier identified.
 - Age did not statistically impact applicants' odds.
 - Applicants who were not currently married had 13 % lower odds of having a travel or relocation barrier identified.
 - Race was not statistically significant.
 - Female applicants had 9 % lower odds.
 - Ethnicity did not statistically impact applicants' odds.
 - For each additional adult in their group, applicants had 80% lower odds of having a travel or relocation barrier identified.
 - Each additional child in their group decreased their odds by 3 %.
 - Not having earned income at the time of their current application decreased the odds of having a travel or relocation barrier identified by 38 %.
 - Experience with the program had various impacts on having a travel or relocation barrier identified.
 - Applicants who had applied one or more times before their current application had 56 % higher odds of having a travel or relocation barrier identified.
 - Spending more days in the program decreased the odds by 0.02 %.
 - Having at least one previous application approved decreased their odds by 21 %.

- Geographical characteristics had some impact on having a travel or relocation barrier identified.
 - The average commute time for the county where the applicant lived was not found to be statistically significant in having a travel or relocation barrier identified, nor was their distance to their local MWA office.
 - Each percentage increase in the separation rate in their county before their application decreased their odds by 46 %.
 - Having more child care slots in the applicant's county was not statistically impactful.
- Model 2, "Job-Related" (i.e. barriers related to job search skills and job-related tools and resources)
 - Some applicant characteristics impacted the odds of a job-related barrier being identified.
 - Applicants who hadn't completed high school or received a GED had 14 % lower odds of having a job-related barrier identified.
 - Age was not statistically significant.
 - Applicants who were not currently married had 11 % lower odds.
 - Race, gender, and ethnicity did not statistically impact the odds of having a job-related barrier identified.
 - For each additional adult in their group, applicant's odds of having a job-related barrier identified decreased by 79 %.
 - Having more children in their group was not statistically impactful.
 - Applicants with no earned income at the time of their current application had 35 % higher odds of having a job-related barrier identified.
 - Applicant's experiences with the program impacted their odds of having a job-related barrier identified.
 - Spending more days in the program decreased their odds by 0.01 %.
 - Applicants who applied one or more times before their current application had 44 % higher odds of having a job-related barrier identified.
 - Those whose applications had been approved one or more times had 24 % lower odds.
 - Few geographic or economic attributes were statistically significant in having a job-related barrier identified.
 - Living in a county with a higher average commute time or further from the local MWA office did not have a statistical impact.
 - Applicants living in counties with a percentage increase in the separation rate before their application had 49 % lower odds.
 - Neither the number of child care slots per 1000 children nor the median income in an applicant's county statistically impacted their odds of having a job-related barrier identified.
- Model 3, "Credentials, Skills, or Work Experience Needed"
 - Certain applicant characteristics increased the odds of identifying a barrier related to credential, skill, or work experience needs.

- Applicants who had not completed high school or received a GED had a 109 % increase.
 - Those between 18 and 30 years of age had 34 % increased odds.
 - Race was not statistically significant.
 - Applicants who were not currently married had 17 % lower odds.
 - Female applicants had 13 % higher odds.
 - Ethnicity was not statistically significant in identifying a credential, skill, or work experience barrier.
 - For each additional adult in the applicant's group, the odds decreased by 77 %.
 - Having more children in their group did not statistically impact their odds.
 - Not having earned income at the time of the current application decreased the odds by 31 %.
- The applicants' current and past experiences with the program impacted their odds of having a credential, skill, or work experience barrier identified.
 - Spending more days in the program decreased their odds by 0.01%.
 - Applicants who had applied previously had 49 % higher odd.
 - Having one or more previous applications approved resulted in a 22 % decrease in the odds of having this barrier identified.
- Only one geographical characteristic statistically impacted their odds of having a credential, skill, or work experience barrier identified.
 - The average county commute time for the applicant's county and distance from the MWA office were not statistically significant.
 - Living in a county with a percentage increase in the separation rate before the current application resulted in 39 % lower odds.
 - The applicant's county's median household income did not have a statistical impact on identification of this barrier.
- Model 4, "Lack of Child care"
 - Some applicant attributes impacted the odds of lack of child care being identified as a barrier.
 - Not having a high school diploma or GED decreased the odds by 12 %.
 - Applicants between 18 and 30 years of age had 17 % higher odds compared with older applicants.
 - Marital status and race were not statistically significant.
 - Female clients had 28 % higher odds.
 - Ethnicity was not statistically significant.
 - For each additional adult in the applicant's group, their odds of having a child care barrier identified decreased by 78 %.
 - Having more children in their group was not statistically significant.
 - Not having earned income at the time of their current application resulted in 11 % lower odds of having a child care barrier identified.
 - Experience in the program impacted applicants' odds of having a child care barrier identified.
 - Spending more days in the program resulted in 0.01% lower odds.

- Applicants who had applied one or more times before had 50 % higher odds of having lack of child care identified as a barrier.
- Having one or more previous applications approved decreased their odds by 18 %.
- Geographical economic conditions were not found to statistically impact odds of having a child care barrier identified.
 - Living in a county with a higher average commute time was not statistically significant.
 - Having a higher number of child care slots in their county was not statistically significant in having lack of child care identified as a barrier.
 - Living in a county with a higher median income was not statistically significant.

Table 25: Proportion of Applicants with a Barrier Identified

Barrier	Proportion of Applicants with any Barrier
Travel or Relocation Limitations	73.118618
Lack of Job-related Tools/Resources	38.216854
Lack of Job Search Skills	37.057306
Lack of Child Care	31.410539
Other	27.919314
Educational/Vocational Credentials	26.88977
Skill or Work Experience Deficiency	18.942777
Crises Event/Domestic Violence/Homeless/Family Issues	13.711182
Mental Health/Substance Abuse	9.943176
Pregnant/Parenting	9.760752
Attitude/Behavioral/Communication/Motivational Issues	7.07471
Financial, Budget or Credit Concerns	7.047451
Lack of Health Care/Food	5.265144
Offender/Ex-Offender	4.252375
Legal Issues	3.405255
Language Issues	2.939758

There can be multiple barriers identified for the same applicants, hence the proportions do not add up to 100 %.

Table 26: Services Provided for Travel or Relocation Barrier

Service	Number of Applicants	Proportion
Private Vehicle Mileage Reimbursement	26301	26.73
Auto Purchase, Repair, Insurance or Auto Other	25066	25.48
Public Transportation	22109	22.47
No Services Provided When Barrier Reported	10273	10.44
Other Supportive Services	10022	10.19
JSJR	3962	4.03

Table 27: Closure Reason Use for All Applications from 2015 to 2022

Closure Type	Closure Reason	Number of Cases	Proportion of Use
Case Closure	No Eligible Members or Children	57206	64.18986
Person Closure	Employment Services or Work Participation non-cooperation	23851	26.76279
Case Closure	Countable Earnings Exceed Application Income Limit	14761	16.56306
Person Closure	Refusal to cooperate with Child Support	10038	11.26346

Table 27 (continued)

Case Closure	Failure to provide information	9414	10.56329
Case Closure	Voluntary Withdrawal	7865	8.82518
Case Closure	Income Exceeds Budgetary Needs Test	6189	6.944569
Case Closure	Certification not completed or Expired	5866	6.582136
Case Closure	Other Non-Cooperation	4118	4.620736
Person Closure	Time Limit Exceeded	2731	3.064408
Case Closure	Other	1432	1.606822
Person Closure	Failed Residency, Citizenship, Alien Requirement	847	0.950404
Case Closure	Failed Child Support Income Test	565	0.633977
Person Closure	Does not Meet Eligibility Requirements	558	0.626122
Case Closure	Not Attending School	380	0.426391
Case Closure	Group not Eligible	377	0.423025
Case Closure	Failed Asset Test	51	0.057226
Person Closure	Receiving other Benefits	42	0.047127

Table 28: Drivers of Closure due to Employment or Work Participation Noncompliance

	Base (1)	With Caseload, and County FE (2)	With Job Related Barrier (3)	With Travel Related Barrier (4)	With Child Care Related Barrier (5)	With Mental Health or Crisis Event Barrier (6)
Participant Characteristics						
EducationNot Completed School or GED	0.06 ^{***} (0.02)	0.06 ^{***} (0.02)	0.05 ^{***} (0.02)	0.05 ^{***} (0.02)	0.04 ^{***} (0.02)	0.04 ^{***} (0.02)
AgeUpto 30 Years	0.45 ^{***} (0.02)	0.45 ^{***} (0.02)	0.45 ^{***} (0.02)	0.45 ^{***} (0.02)	0.45 ^{***} (0.02)	0.46 ^{***} (0.02)
Marital_StatusNot Currently Married	0.25 ^{***} (0.04)	0.26 ^{***} (0.04)	0.26 ^{***} (0.04)	0.25 ^{***} (0.04)	0.26 ^{***} (0.04)	0.26 ^{***} (0.04)
RaceNon-White	0.06 ^{***} (0.03)	0.06 ^{***} (0.04)	0.06 ^{***} (0.03)	0.05 ^{***} (0.03)	0.06 ^{***} (0.03)	0.07 ^{***} (0.03)
GenderFemale	0.19 ^{***} (0.05)	0.19 ^{***} (0.05)	0.20 ^{***} (0.05)	0.21 ^{***} (0.05)	0.20 ^{***} (0.05)	0.21 ^{***} (0.05)
EthnicityHispanic	-0.05 ^{***} (0.05)	-0.06 ^{***} (0.06)	-0.05 ^{***} (0.06)	-0.05 ^{***} (0.06)	-0.05 ^{***} (0.06)	-0.04 ^{***} (0.05)
Number_Children_in_Group	-0.03 ^{***} (0.01)	-0.03 ^{***} (0.01)	-0.03 ^{***} (0.01)	-0.03 ^{***} (0.01)	-0.04 ^{***} (0.01)	-0.03 ^{***} (0.01)
Case Characteristics						
Approved_atleast_once_before_Applying	-0.29 ^{***} (0.03)	-0.28 ^{***} (0.03)	-0.29 ^{***} (0.03)	-0.29 ^{***} (0.03)	-0.29 ^{***} (0.03)	-0.29 ^{***} (0.03)
Had_EmploymentNoncompliance_Closure_Before	0.64 ^{***} (0.03)	0.64 ^{***} (0.03)	0.68 ^{***} (0.03)	0.67 ^{***} (0.03)	0.69 ^{***} (0.03)	0.70 ^{***} (0.03)
Barrier_Recorded	0.53 ^{***} (0.04)	0.53 ^{***} (0.04)				
Days_bw_Application_Closure	-0.00 ^{***} (0.00)	-0.00 ^{***} (0.00)	-0.00 ^{***} (0.00)	-0.00 ^{***} (0.00)	-0.00 ^{***} (0.00)	-0.00 ^{***} (0.00)
Did_Not_Have_Earned_Income_at_Application	0.27 ^{***} (0.04)	0.27 ^{***} (0.04)	0.23 ^{***} (0.03)	0.24 ^{***} (0.04)	0.21 ^{***} (0.03)	0.20 ^{***} (0.03)
Geography Characteristics						
Distance_Applicant_MWA_miles_lm	-0.03 ^{***} (0.01)	-0.02 ^{***} (0.01)	-0.03 ^{***} (0.01)	-0.03 ^{***} (0.01)	-0.03 ^{***} (0.01)	-0.03 ^{***} (0.01)
Median_Household_Income_lm	-0.01 ^{***} (0.05)	0.03 ^{***} (0.05)	0.00 ^{***} (0.05)	0.00 ^{***} (0.05)	0.00 ^{***} (0.05)	0.00 ^{***} (0.05)
Hiring_Rate_before_Closing_lm	0.28 ^{***} (0.09)	0.32 ^{***} (0.09)	0.32 ^{***} (0.09)	0.33 ^{***} (0.09)	0.32 ^{***} (0.09)	0.34 ^{***} (0.09)
Percent_with_Cash_Assistance_lm	0.04 ^{***} (0.03)	0.04 ^{***} (0.03)	0.04 ^{***} (0.03)	0.03 ^{***} (0.03)	0.04 ^{***} (0.03)	0.03 ^{***} (0.03)
Average_Commute_Time_Minutes_lm	0.23 ^{***} (0.08)	0.28 ^{***} (0.08)	0.22 ^{***} (0.07)	0.21 ^{***} (0.08)	0.19 ^{***} (0.08)	0.19 ^{***} (0.07)

Table 28 (continued)

	Base (1)	With Caseload, and County FE (2)	With Job Related Barrier (3)	With Travel Related Barrier (4)	With Child Care Related Barrier (5)	With Mental Health or Crisis Event Barrier (6)
Child_Care_Slots_per_1000_Children_lm	-0.03 (0.02)	-0.01 (0.02)	-0.03 (0.02)	-0.03 (0.02)	-0.03 (0.02)	-0.03 (0.02)
Caseload_DHS_lm		0.11*** (0.02)				
With Barrier						
Job_Related_Barrier_Reported			0.40*** (0.03)			
Travel_Related_Barrier				0.42*** (0.03)		
Child_Care_Related_Barrier					0.40*** (0.03)	
Mental_Health_Crisis_Event_Barrier						0.40*** (0.03)
Num. obs.	88572	88573	88572	88572	88572	88572
Num. groups: Application_Year	8	8	8	8	8	8
Num. groups: DHS_Office_Name	95		95	95	95	95
Deviance	99438.82	99477.33	99995.95	99900.50	100144.91	100253.03
Log Likelihood	-49719.41	-49738.66	-49997.98	-49950.25	-50072.46	-50126.51
Pseudo R ²	0.04	0.04	0.04	0.04	0.04	0.04
Num. groups: County_Name		82				

***p < 0.001; **p < 0.01; *p < 0.05

Below is a description of Table 28: Drivers of Closure due to Employment or Work Participation . Coefficients have been converted from log odds to odds ratios.

- Model 1, "Base"
 - Client characteristics impact their odds of a closure due to employment or work participation noncompliance.
 - Clients who had not completed high school or a GED program had 6 % higher odds.
 - Clients 18 to 30 years of age had 57 % higher odds in comparison to older clients.
 - Clients who are not married at the time of application had 29 % higher odds in comparison to married clients.
 - Race was not statistically significant.
 - Female clients had 21 % higher odds.
 - Ethnicity was not statistically significant.
 - For each additional child in their group, clients' odds of a closure due to employment or work participation noncompliance decreased by 3 %.
- Current and past experience with the job market and case may also impact clients' odds of receiving this closure.
 - Clients who had one or more previous applications approved had 25 % lower odds of getting a closure due to employment or work participation noncompliance.
 - If a client had this closure previously, they had 89 % higher odds of receiving this closure again.

- Clients who had a barrier identified during their current time in the program had 70 % higher odds of this closure.
- Clients who had more days in the program before their case was closed had 0.2 % lower odds of receiving this closure.
- Clients who reported no earned income at the time of their current application had 30 % higher odds of a work participation or orientation noncompliance closure.
- The local economic conditions also impacted client's odds of closure due to noncompliance with employment and work participation guidelines.
 - Clients' distance from the local MWA office decreased their odds of this closure by 3 %.
 - Living in a county with a higher median household income did not statistically impact clients' odds of having this closure.
 - Having a percentage increase in the hiring rate in their county increased clients' odds of a work participation or orientation noncompliance closure by 32 %.
 - The percent of people with cash assistance in their county did not statistically impact clients' odds of this closure.
 - Clients coming from counties where the average commute time for a resident is higher had 25 % higher odds of having this closure.
 - Living in a county with more child care slots was not statistically significant.
- Model 2, "With Caseload and County FE"
 - With a percentage increase in caseload in DHS offices, clients have 12 % higher odds of closure due to employment or work participation noncompliance.
- Model 3, "With Job Related Barrier"
 - Clients with job-related barriers had 49 % higher odds of receiving an employment or work participation noncompliance closure compared to clients with other closure reasons.
- Model 4, "With Travel Related Barrier"
 - Those with travel related barriers had 52 % higher odds.
- Model 5, "With Child Care Related Barrier"
 - Clients with child care related barriers had 50 % higher odds of having a closure due to employment or work participation noncompliance.
- Model 6, "With Mental Health or Crises Event Barrier"
 - Clients with a mental health or crisis event barrier had 49 % higher odds of having a closure due to employment or work participation noncompliance.

Table 29: Drivers of Closures due to Child Support Noncompliance

Child Support Noncompliance Closure	
Participant Characteristics	
EducationNot Completed School or GED	0.11*** (0.03)
AgeUpto 30 Years	0.54*** (0.03)
Marital_StatusNot Currently Married	-0.02

Table 29 (continued)

	Child Support Noncompliance Closure
	(0.04)
RaceNon-White	0.30***
	(0.04)
GenderFemale	0.54***
	(0.07)
EthnicityHispanic	0.20***
	(0.04)
Number_Children_in_Group	-0.02
	(0.01)
Case Characteristics	
Approved_atleast_once_before_Applying	-0.60***
	(0.03)
Had_ChildSupport_Closure_Before	0.57***
	(0.03)
Days_bw_Application_Closure	-0.01***
	(0.00)
Did_Not_Have_Earned_Income_at_Application	0.29***
	(0.05)
Received_Services_For_Barrier	-0.68***
	(0.04)
Geography Characteristics	
Distance_Applicant_MWA_miles_lm	0.01
	(0.01)
Median_Household_Income_lm	-0.14
	(0.07)
Separation_Rate_before_Application_lm	-0.10
	(0.12)
Percent_with_Cash_Assistance_lm	0.03
	(0.05)
Average_Commute_Time_Minutes_lm	-0.11
	(0.13)
Child_Care_Slots_per_1000_Children_lm	-0.01
	(0.02)
Num. obs.	88572
Num. groups: Application_Year	8
Num. groups: DHS_Office_Name	95
Deviance	61174.19
Log Likelihood	-30587.10
Pseudo R ²	0.10

***p < 0.001; **p < 0.01; *p < 0.05

Below is a description of Table 29: Drivers of Closures due to Child Support . Coefficients have been converted from log odds to odds ratios.

- The odds of closures due to child support noncompliance vary with client characteristics.
 - Clients who have not completed high school or received a GED had 12 % higher odds.
 - Those 18 and 30 years of age had 72 % higher odds in comparison to older clients.
 - Marital status was not statistically significant.
 - Non-white clients had 35 % higher odds when compared to white clients.
 - Female clients had 71 % higher odds.
 - Clients reporting Hispanic ethnicity had 22 % higher odds.

- Having more children in their group did not statistically impact clients' odds of having a closure due to child support noncompliance.
- Case characteristics impacted clients' odds of having this closure.
 - If a client had a previously approved application, then they had 45 % lower odds of getting this closure reason.
 - Clients who had a closure due child support noncompliance before had 78 % higher odds of having the same closure again.
 - Having more days between submitting their application and having their case closed decreased the odds of a child support noncompliance closure by 0.6 %.
 - Having no earned income at the time of their application increased clients' odds of this closure by 33 %.
 - Clients who received services for barriers identified during the program had 49 % lower odds of getting this closure.
- The local factors in this regression model were not found to statistically impact their odds of receiving a child support noncompliance closure, including: The clients' distance from their local MWA office, median household income in their county of residence, separation rate in their county before their application, the percent of people in their county with cash assistance, the average commute time of people living in their county, and the number of child care slots in their county.

Table 30: Drivers of Denials due to Failure to Provide Information

	Model 1
Participant Characteristics	
EducationNot Completed School or GED	0.19*** (0.02)
AgeUpto 30 Years	0.16*** (0.01)
Marital_StatusNot Currently Married	0.28*** (0.02)
RaceNon-White	-0.07*** (0.01)
GenderFemale	0.21*** (0.03)
EthnicityHispanic	0.04 (0.02)
Number_Case_Members	0.07*** (0.00)
Case Characteristics	
Applied_before	-0.34*** (0.02)
Had_Information_Denial_Before	0.56*** (0.02)
Approved_atleast_once_before_Applying	-0.22*** (0.02)
Days_bw_Application_EligibilityDecision	0.03*** (0.00)
Geography Characteristics	
Distance_Applicant_MWA_miles_lm	0.01 (0.01)

Table 30 (continued)

	Model 1
Median_Household_Income_lm	-0.10 ^{***} (0.03)
Separation_Rate_before_Application_lm	-0.15 [*] (0.07)
Percent_with_Cash_Assistance_lm	-0.03 (0.02)
Average_Commute_Time_Minutes_lm	-0.01 (0.06)
Child_Care_Slots_per_1000_Children_lm	-0.02 (0.01)
Num. obs.	396961
Num. groups: Application_Year	8
Num. groups: DHS_Office_Name	96
Deviance	334353.12
Log Likelihood	-167176.56
Pseudo R ²	0.05

^{***} p < 0.001; ^{**} p < 0.01; ^{*} p < 0.05

Below is a description of Table 30: Drivers of Denials due to Failure to Provide Information. Coefficients have been converted from log odds to odds ratios.

- The odds of denials due to failure to provide information vary with applicant characteristics.
 - Clients who have not completed high school or received a GED had 21 % higher odds.
 - Younger applicants (between 18 to 30 years of age) had 18 % higher odds.
 - Married applicants had 32 % higher odds.
 - Non-white applicants had 7 % lower odds.
 - Female applicants had 23 % higher odds.
 - Ethnicity did not statistically impact applicants' odds of having a denial due to information noncompliance.
 - Those with a higher number of members in the household had 7 % higher odds.
- Experience with current and past applications impact their odds of having a denial due to failure to provide information.
- Among all applicants, those who had applied before had 29 % lower odds.
- Having an information denial before led to 76 % higher odds of getting an information denial again.
- Applicants that were approved at least once before the current application had 20 % lower odds.
- Having more days between their application submission and the time their application status was determined (either approved or denied) increased applicants odds of closure due to information noncompliance by 3 %.
- The local economic conditions played a role in the odds of getting this denial.
 - The applicant's distance from their local MWA office was not statistically significant.
 - Applicants from counties with a higher median household income have 10 % lower odds of getting an information noncompliance denial.

- If an applicant lived in a county where the separation rate (i.e. the rate at which employers and employees separate due to either layoffs or resignations) was higher, their odds of getting this denial reason was 14 % lower.
- Living in a county with a higher percentage of people receiving cash assistance, a higher average commute time, and more child care slots did not statistically impact applicant's odds of receiving an information noncompliance denial.

Table 31: Drivers of Denials due to Work Participation and Orientation Noncompliance

Model 1	
Participant Characteristics	
EducationNot Completed School or GED	0.14*** (0.03)
AgeUpto 30 Years	0.45*** (0.02)
Marital_StatusNot Currently Married	0.28*** (0.03)
RaceNon-White	0.06** (0.02)
GenderFemale	0.64*** (0.05)
EthnicityHispanic	-0.08* (0.04)
Number_Case_Members	-0.01 (0.01)
Case Characteristics	
Applied_before	0.06* (0.03)
Had_Orientation_Denial_Before	1.70*** (0.03)
Approved_atleast_once_before_Applying	-0.18*** (0.02)
Days_bw_Application_EligibilityDecision	0.04*** (0.00)
Geography Characteristics	
Distance_Applicant_MWA_miles_lm	-0.01 (0.01)
Median_Household_Income_lm	-0.12 (0.07)
Separation_Rate_before_Application_lm	-1.08*** (0.11)
Percent_with_Cash_Assistance_lm	0.01 (0.04)
Average_Commute_Time_Minutes_lm	0.12 (0.12)
Child_Care_Slots_per_1000_Children_lm	0.02 (0.02)
Num. obs.	396961
Num. groups: Application_Year	8
Num. groups: DHS_Office_Name	96
Deviance	181653.47
Log Likelihood	-90826.74

Table 31 (continued)

Model 1	
Pseudo R ²	0.19

***p < 0.001; **p < 0.01; *p < 0.05

Below is a description of Table 31: Drivers of Denials due to Work Participation and Orientation . Coefficients have been converted from log odds to odds ratios.

- The odds of denials due to noncompliance on orientation and work participation vary with applicant characteristics.
 - Applicants who have not completed high school or received their GED had 15% higher odds of receiving a work participation or orientation noncompliance denial.
 - Younger applicants (between 18 to 30 years of age) had 57 % higher odds.
 - Married clients had 32 % higher odds.
 - Non-white clients had 6 % lower odds.
 - Female clients had 89 % higher odds.
 - Hispanic clients had 8 % lower odds.
 - The number of members in an applicants' group was not statistically significant.
- Case characteristics also impacted applicants' odds of being denied due to orientation or work participation noncompliance.
 - Among all applicants, those who had applied before had 7 % higher odds.
 - Having had an orientation or work participation denial before led to 448 % higher odds of getting an orientation or work participation denial again.
 - Applicants that were approved at least once before the application had 16 % lower odds.
 - Having more days between their application submission and the time their application status was determined (either approved or denied) increased applicants odds of this closure by 5 %.
- Some local economic conditions played a role in the odds of being approved rather than denied due to work participation or orientation noncompliance.
 - Neither living farther from their local MWA office nor residing in a county with a higher median household income impacted applicants' odds of being denied due to work participation or orientation noncompliance.
 - If an applicant lived in a county where the separation rate (i.e. the rate at which employers and employees separate due to either layoffs or resignations) was higher, the odds of getting this denial reason was 66 % lower.
 - Living in a county with a higher percentage of persons receiving cash assistance, a longer average commute time, and more child care slots did not impact applicants' odds of having a denial due to work participation or orientation noncompliance.

Table 32: Drivers of Approvals

	Base (1)	With Caselo ad, and County FE (2)	With Denials Before			With Approvals and Closures Before			
			With A Denial Before (3)	With an Informat ion Denial Before (4)	With an Orientat ion Denial (5)	With an Appro val Before (6)	With a Child Support Noncompli ance Closure Before (7)	With an Employme nt Noncompli ance Closure Before (8)	
Case Characteristics									
Applied_before	0.58*** (0.02)	0.59*** (0.02)							
Denied_atleast_once_before_Applying									-0.88*** (0.03)
Had_Information_Denial_Before									0.26*** (0.02)
Had_Orientation_Denial_Before									0.12*** (0.02)
Approved_atleast_once_before_Applying						0.64*** (0.02)			
Had_ChildSupport_Closure_Before						-0.11*** (0.02)			
Had_EmploymentNoncompliance_Closure_Before							-0.36*** (0.02)		
Caseload_DHS_lm		0.26*** (0.03)							
Days_bw_Application_EligibilityDecision	0.04*** (0.00)	0.04*** (0.00)	0.03*** (0.00)	0.03*** (0.00)	0.03*** (0.00)	0.03*** (0.00)	0.02*** (0.00)	0.02*** (0.00)	
Participant Characteristics									
EducationNot Completed School or GED	0.18*** (0.02)	0.18*** (0.02)	0.14*** (0.02)	0.09*** (0.02)	0.10*** (0.02)	0.12*** (0.02)	0.17*** (0.03)	0.17*** (0.02)	
AgeUpto 30 Years	-0.43*** (0.02)	-0.42*** (0.02)	-0.31*** (0.01)	-0.29*** (0.01)	-0.29*** (0.01)	-0.30*** (0.01)	-0.30*** (0.02)	-0.28*** (0.02)	
Marital_StatusMarried	-0.07* (0.04)	-0.07* (0.04)	-0.12*** (0.03)	-0.10** (0.03)	-0.11** (0.03)	-0.07* (0.03)	-0.13*** (0.03)	-0.15*** (0.03)	
RaceNon-White	0.40*** (0.03)	0.38*** (0.03)	0.36*** (0.03)	0.39*** (0.03)	0.39*** (0.03)	0.28*** (0.03)	0.14*** (0.03)	0.15*** (0.02)	
GenderFemale	0.90*** (0.05)	0.90*** (0.05)	0.67*** (0.06)	0.75*** (0.07)	0.75*** (0.06)	0.57*** (0.05)	-0.05 (0.04)	-0.03 (0.04)	
EthnicityHispanic	0.07 (0.04)	0.08 (0.04)	0.07 (0.04)	0.08* (0.04)	0.09* (0.04)	0.06 (0.04)	0.01 (0.05)	0.00 (0.05)	
Number_Case_Members	0.09*** (0.01)	0.09*** (0.01)	0.03*** (0.01)	0.02** (0.01)	0.03*** (0.01)	0.01 (0.01)	-0.02* (0.01)	-0.02** (0.01)	
Geography Characteristics									
Distance_Applicant_MWA_miles_lm	0.00 (0.01)	0.00 (0.01)	0.00 (0.01)	0.00 (0.01)	-0.00 (0.01)	0.00 (0.01)	0.00 (0.01)	0.00 (0.01)	
Median_Household_Income_lm	-0.29*** (0.03)	-0.26*** (0.03)	-0.27*** (0.03)	-0.26*** (0.04)	-0.26*** (0.04)	-0.21*** (0.03)	-0.14*** (0.04)	-0.15** (0.05)	
Separation_Rate_before_Application_lm	0.99*** (0.10)	0.88*** (0.10)	1.21*** (0.12)	1.30*** (0.12)	1.29*** (0.12)	1.23*** (0.13)	1.44*** (0.13)	1.45*** (0.13)	
Percent_with_Cash_Assistance_lm	0.09*** (0.01)	0.07** (0.01)	0.06* (0.01)	0.06* (0.01)	0.06* (0.01)	0.07** (0.01)	0.04 (0.01)	0.04 (0.01)	

Table 32 (continued)

	Base (1)	With Caselo ad, and County FE (2)	With Denials Before			With Approvals and Closures Before		
			With A Denial Before (3)	With an Informat ion Denial Before (4)	With an Orientat ion Denial (5)	With an Appro val Before (6)	With a Child Support Noncompli ance Closure Before (7)	With an Employe ment Noncompli ance Closure Before (8)
Average_Commute_Time_Minutes_lm	(0.02) -0.22***	(0.02) -0.23***	(0.02) -0.20***	(0.03) -0.22***	(0.03) -0.22***	(0.02) -0.17**	(0.03) -0.08	(0.03) -0.08
Child_Care_Slots_per_1000_Children_lm	(0.06) 0.01	(0.06) -0.00	(0.06) 0.02	(0.06) 0.02	(0.06) 0.02	(0.06) 0.02	(0.07) 0.02	(0.07) 0.02
	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)	(0.02)
Num. obs.	705647	705648	343409	314050	314050	343409	126686	126686
Num. groups: Application_Year	8	8	8	8	8	8	8	8
Num. groups: DHS_Office_Name	96		96	96	96	96	95	95
Deviance	544521.63	543834.89	325600.27	286178.70	286694.20	324912.17	146599.94	145965.58
Log Likelihood	-272260.82	-271917.45	-162800.13	-143089.35	-143347.10	-162456.09	-73299.97	-72982.79
Pseudo R2	0.12	0.12	0.08	0.08	0.08	0.09	0.04	0.04
Num. groups: County_Name		83						

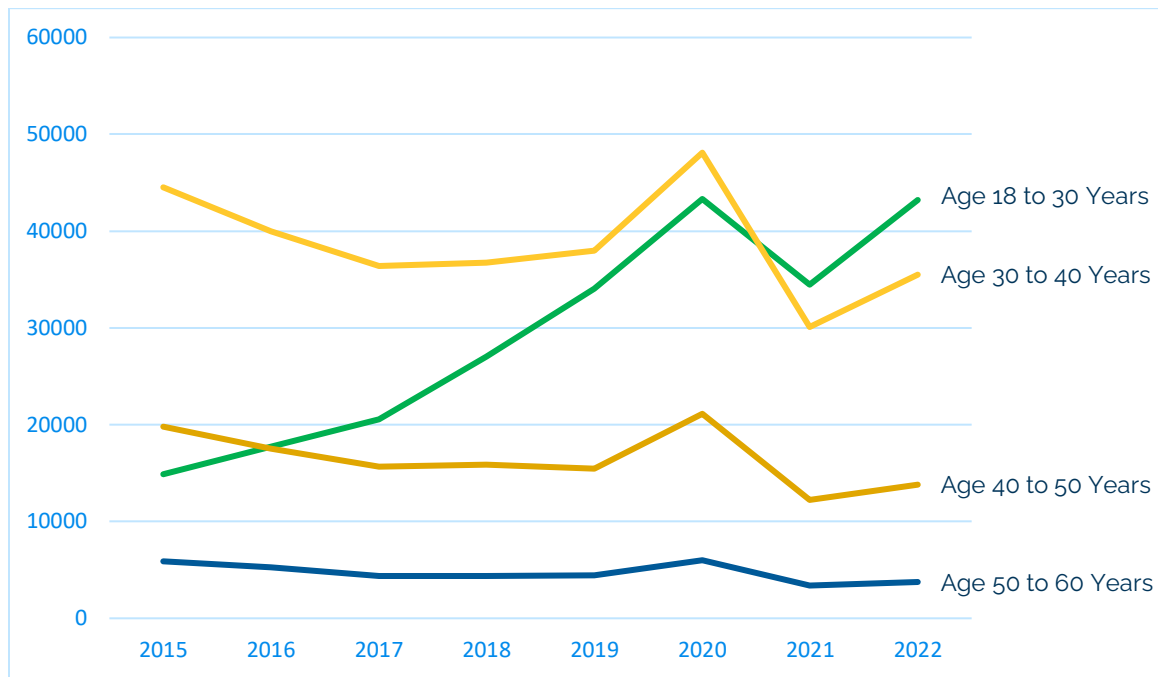
*** p < 0.001; ** p < 0.01; * p < 0.05

Below is a description of Table 32: Drivers of Approvals. Coefficients have been converted from log odds to odds ratios.

- Model 1, "Base"
 - Case characteristics impacted the odds of approval.
 - Among all applicants, those who had applied at least once before had 81 % higher odds of approval.
 - Having more days between their application submission and the time their application status was determined (either approved or denied) increased applicants odds of closure due to information noncompliance by 4 %.
 - The odds of approval vary with applicant characteristics.
 - Applicants who have not completed high school or a GED program had 20 % higher odds of approval.
 - Younger applicants (between 18 to 30 years of age) had 34 % lower odds.
 - Married applicants had 7 % lower odds.
 - Non-white applicants had 49 % higher odds.
 - Female applicants had 147 % higher odds.
 - Ethnicity was not statistically significant.
 - Those with a higher number of members in the household had 9 % higher odds.
 - Some local economic conditions played a role in the odds of approval.
 - Applicants' distance from their local MWA office was not statistically significant.

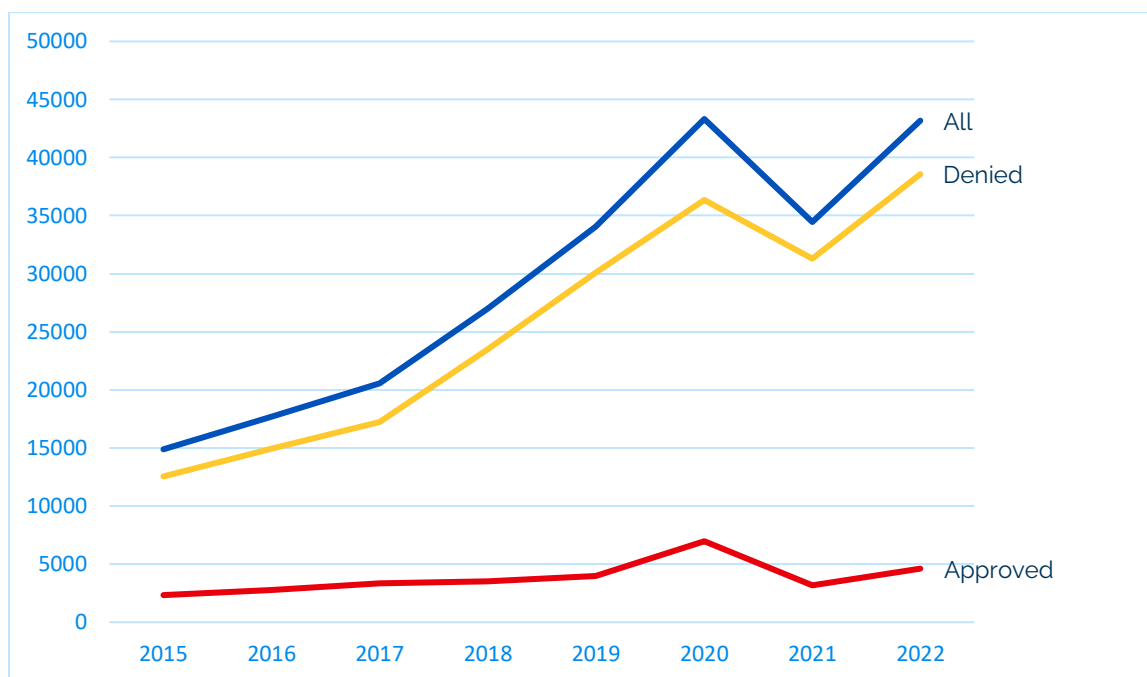
- Applicants residing in counties with a higher median household income had 26 % lower odds of approval.
- Those who lived in a county where the separation rate (i.e. the rate at which employers and employees separate due to lay-offs or resignations) was higher in the quarter before the application had 89 % higher odds.
- Applicants who lived in counties where the proportion of applicants on cash assistance was higher had 8 % higher odds of approval.
- Those living in counties with higher average commute times had 19 % lower odds of getting approved.
- The number of child care slots in their county did not impact applicants' odds of approval.
- Model 2, "With Caseload, and County FE"
 - With a percentage increase in caseload, approval rate increases by 30 %.
- Model 3, "With a Denial Before"
 - Among those that had applied before, those that had been denied before had 59 % lower odds of having their current application approved.
- Model 4, "With an Information Denial Before"
 - Those that had been denied due to failure to provide information had 31 % higher odds of getting approved.
- Model 5, "With an Orientation Denial"
 - Applicants who had been denied due to orientation noncompliance had 13 % higher odds of approval.
- Model 6, "With an Approval Before"
 - Among those that had applied before, those that had been approved before had 91 % higher odds of getting approved.
- Model 7, "With a Child Support Noncompliance Closure Before"
 - However, among those that had been approved before, those that had their case closed due to child support noncompliance had 11 % lower odds of their current application being approved.
- Model 8, "With an Employment Noncompliance Closure Before"
 - Those who had been approved before and had their case closed due to employment noncompliance had 31 % lower odds of approval.

Table 33: Applications over the Years by Age Group



Age	2015	2016	2017	2018	2019	2020	2021	2022
18 to 30 Years	14884	17719	20551	26997	34080	43319	34477	43188
30 to 40 Years	44551	39995	36409	36748	38005	48103	30096	35503
40 to 50 Years	19821	17525	15671	15901	15445	21125	12230	13809
50 to 60 Years	5897	5287	4401	4381	4458	5999	3386	3762

Table 34: Approval and Denial of Applications by 18 to 30 Years



Type	2015	2016	2017	2018	2019	2020	2021	2022
------	------	------	------	------	------	------	------	------

All	14,884	17,719	20,551	26,997	34,080	43,319	34,477	43,188
AP = Approved	2,334	2,793	3,330	3,518	4,001	6,972	3,183	4,621
DN = Denied	12,550	14,926	17,221	23,479	30,079	36,347	31,294	38,567

Table 35: Applications Over Years by Education

Application Year	12th Grade/GED and Above	Not Completed School or GED	Proportion of Applicants who have not completed GED or High School
2015	79385	17967	18.46
2016	73821	17187	18.89
2017	69982	16016	18.62
2018	76282	16302	17.61
2019	81729	17826	17.91
2020	105163	21079	16.7
2021	69836	15183	17.86
2022	82590	17945	17.85
2023	23563	5272	18.28

Table 36: Number of Applications and Percent Change Over Years

Year	Number of Applications	Percent Change	Overall Percent Change, 2015-2022
2015	85177	NA	13.06
2016	80545	-5.44	
2017	77043	-4.35	
2018	84037	9.08	
2019	91995	9.47	
2020	118555	28.87	
2021	80200	-32.35	
2022	96305	20.08	

Table 37: Services Provided for Barriers Related to Mental Health, Substance Use or Crisis Events

Service for Barrier	Proportion
Other Supportive Services	38.77
No Services Provided When Barrier Reported	25.07
Substance Use, Mental Health, Rehab	20.68
JSJR	6.57
Deferral	5.83
Barrier Removal	2.58
Job Skills or Job Training	0.38
Education	0.03
Private Vehicle Mileage Reimbursement	0.03
Public Transportation	0.02
Triage	0.02

Table 38: Experiences of Homelessness Occurring After an Application

Application Year	Number Experienced Homelessness After Application	Proportion Experienced Homelessness After Application	Number Experienced Homelessness	Proportion Experienced Homelessness
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Table 38 (continued)

			Within 1 Year After Application	Within 1 Year After Application
2015	16933	17.28	6525	6.66
2016	15100	16.49	6543	7.14
2017	13967	16.16	6280	7.26
2018	13138	14.09	6277	6.73
2019	13127	13.05	6702	6.66
2020	11917	9.32	7640	5.98
2021	6593	7.69	5037	5.87
2022	4557	4.48	4524	4.45
2015-2022	95332	12.14	49528	6.31

Table 39: Time to Next Experience of Homelessness After Application

Time Period	Number	Proportion	Cumulative Number	Cumulative Proportion
Within 1 Week After Application	3140	3.23	3140	3.23
1 Week to 1 Month After Application	6544	6.73	9684	9.96
1 Month to 3 Months After Application	10296	10.59	19980	20.55
3 Months to 6 Months After Application	10178	10.47	30158	31.02
6 Months to 1 Year After Application	14764	15.18	44922	46.2
More than 1 Year After Application	52316	53.8	97238	100

Table 40: Experiences of Homelessness After Denial or Closure

Denial/Closure	Number Experienced Homelessness After	Proportion Experienced Homelessness After	Number Experienced Homelessness Within 1 Year After	Proportion Experienced Homelessness Within 1 Year After
Denial	76663	80.42	40144	42.11
Closure	14127	14.82	7081	7.43
Excess Earnings Closure	1981	2.08	1037	1.09

Table 41: Denial Reason if Experienced Homelessness After Denial

Denial Reason	Proportion Experienced Homelessness After Denial	Proportion Experienced Homelessness Within 1 Year After Denial
No Eligible Members or Children	56.41	57.91
Failure to provide information	18.69	19.1
Failed to Complete Work Participation Program/Orientation	17.59	17
Failed Income Test	11.54	10.63
Countable Earnings Greater than Application Limit	9.47	9.13
Other Non-Cooperation	4.95	4.84
Voluntary Withdrawal	3.48	3.57
Employment Services or Work Participation Non-Cooperation	3.38	3.33

Table 41 (continued)

Refusal to cooperate with Child Support	1.93	1.83
Other	1.36	1.46
Not Attending School	1.17	1.18
Failed Asset Test	0.12	0.05
Certification not completed or expired	0.02	0.01
Group not Eligible	0.01	0.01
Failed Child Support Income Test	0	0

Table 42: Closure Reason if Experienced Homelessness After Closure

Closure Reason	Proportion Experienced Homelessness After Closure	Proportion Experienced Homelessness Within 1 Year After Closure
No Eligible Members or Children	65.84	65.53
Employment Services or Work Participation non-cooperation	27.86	28.5
Countable Earnings Exceed Application Income Limit	14.02	14.64
Failure to provide information	12.52	12.58
Refusal to cooperate with Child Support	11.65	11.17
Voluntary Withdrawal	7.58	7.32
Certification not completed or Expired	5.8	5.72
Income Exceeds Budgetary Needs Test	5.12	5.68
Other Non-Cooperation	4.01	3.62
Other	2.28	2.58
Group not Eligible	0.66	0.69
Failed Child Support Income Test	0.47	0.38
Not Attending School	0.46	0.4
Failed Asset Test	0.02	0.03

Table 43: Barrier Identified if Experienced Homelessness After Approved Application

Barrier	Proportion with Barrier Identified if Experienced Homelessness After Application	Proportion with Barrier Identified if Experienced Homelessness Within 1 Year After Application
Any Barrier	41.19	42.96
Travel or Relocation Limitations	31.97	33.19
Lack of Job Search Skills	16.87	18.98
Lack of Job-related Tools/Resources	16.01	17.15
Lack of Child Care	12.46	13.51
Educational/Vocational Credentials	12.41	12.61
Other	11.09	11.37
Crises Event/Domestic Violence/Homeless/Family Issues	8.59	11.92
Skill or Work Experience Deficiency	8.15	8.27
Pregnant/Parenting	4.78	4.55
Mental Health/Substance Abuse	4.65	5.09

Table 43 (continued)

Attitude/Behavioral/Communication/Motivational Issues	3.61	3.85
Financial, Budget or Credit Concerns	3.02	3.5
Offender/Ex-Offender	2.58	2.77
Lack of Health Care/Food	1.84	1.88
Legal Issues	1.48	1.68
Language Issues	0.19	0.25

Appendix A. Data Sources

Quantitative Data sources

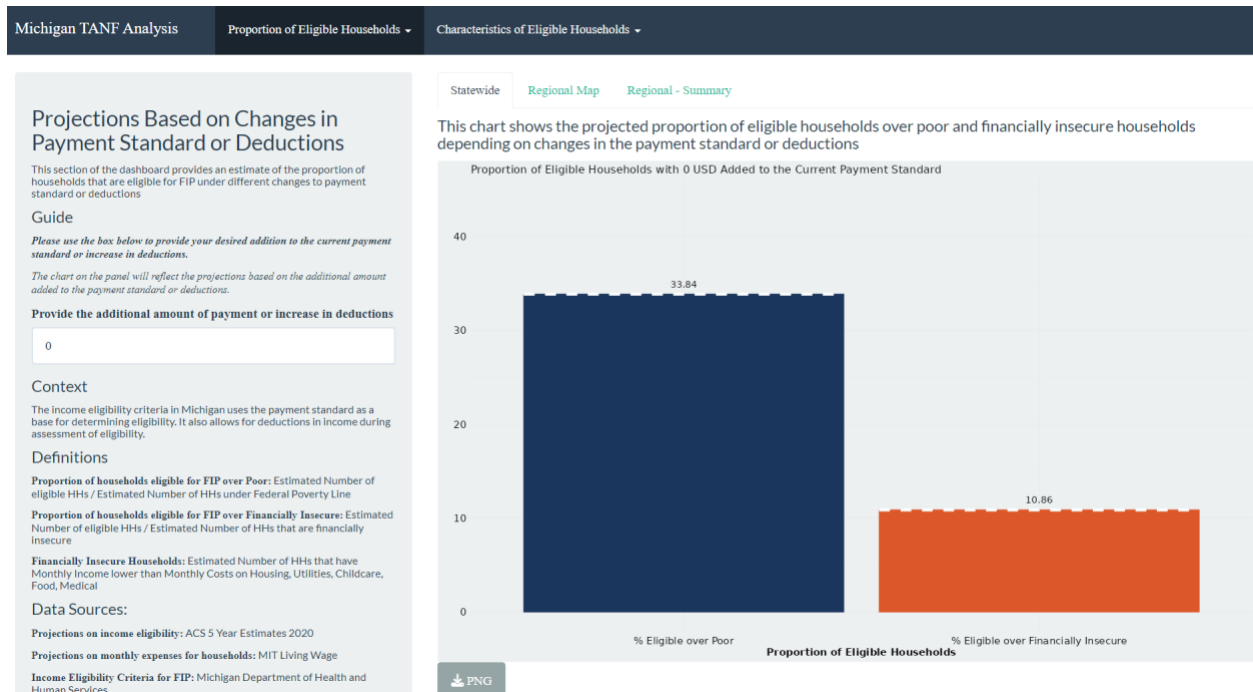
Data	Data Source	Scope	Notes
Administrative Data on Applications, Denials, and Closures	Bridges	2015 to 2023	
Administrative Data on Cases Referred, Work Participation, Barriers	OSMIS	2015 to 2023	
Entries into HMIS System for TANF Applicants	HMIS	All FIP Applicants in Bridges Data	
Number of Staff in MDHHS and MWA Offices	Program Staff	2023	For regression analysis it was assumed that total staff numbers in each office did not change over years
Public Transit Stops by Zip Code (2016-2018)	National Neighborhood Data Archive (NaNDA)	2016 to 2018	Projection analysis was employed to estimate the numbers for the latest years
Licensed Child Care Centers, Homes and Group Homes in Michigan	Great Start to Quality	All	
Number of Children per County	Vital Stats Michigan	2015 to 2023	
Rural Urban Classification	HRSA	Snapshot	For regression analysis it was assumed that rural-urban classification did not change over years
Hiring and Separation Rate	Census: LED Extraction Tool	2015 to 2021	Projection analysis was employed to estimate the numbers for the latest years
Number of Businesses and Average Wages for the County	BLS	2015 to 2022	Projection analysis was employed to estimate the numbers for the latest years
Unemployment Rate, Commuting Behavior, Median Household Income	Census Data	2015 to 2021	Projection analysis was employed to estimate the numbers for the latest years
Monthly Expenses in Housing, Utilities, Child Care, Food, Transportation	ALICE	2021-2022	Only conducted analysis for 2022

Policy and Spending Analysis Sources

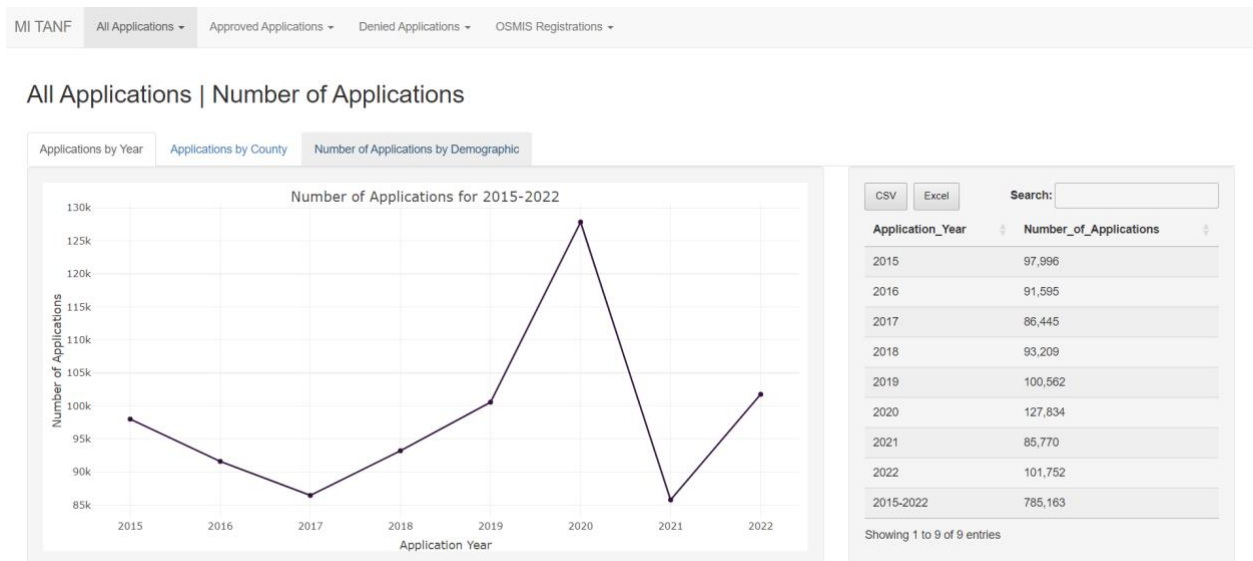
Resources/Data sources	Source	Notes
2023 TANF state plan and feedback	MDHHS state plans Feedback: MDHHS policy team	The goal was to align TANF-funded programs with goals and income thresholds of populations served to help define effectiveness.
Expenditure data from Administration for Children and Families (ACF) TANF Financial Data Tables, Fiscal Years 2010-2022 as reported in ACF196R	Office of Family Assistance Expenditure Data	Federal TANF and state MOE expenditure data and transfers enabled US and regional comparisons; historical trends.
FY 2021 SBO TANF Spending and Budget History (balance sheet) FY12-21 MDHHS TANF SBO Appropriations Matrix	MDHHS Budget Office and MDHHS policy team	Allowed for a crosswalk between federal spending categories and state spending records
Title IV, Part A of the Social Security Act Section 401	Title IV, Part A of the Social Security Act Section 401	Federal spending requirements and flexibilities
Federal regulations on TANF cash assistance program and work program requirements	National Archives Code of Federal Regulations	Federal regulations and flexibility
Michigan State Law	Social Welfare Act 280 of 1939	Historical context on state statutory guidance on policy and budgeting
Congressional research	Congressional Research Service	Historical context on federal funding requirements and US trends
Bridges: Cash, Child Care, Medical, Food and Emergency Relief Assistance	MDHHS Current Policy Manuals	Process and policy insights
PATH Program Manual: Targeted Services Division, (version May 19, 2022; version November 2, 2023)	LEO Workforce Development Policy and Program Guidance File	Process and policy insights
Child welfare goals and outcomes data	Child & Family Services State Plan (CFSP) - Annual Progress and Services Report - 2023	
TANF spending data on SSBG	Intended Use Plan and Pre-Expenditure Report	Federal funds and blended, foster care, prevention
Treasury Department Tuition assistance impact/outcomes data	Student Scholarships, Grants and Outreach 2021-2022 Annual Report	

Appendix B. Data Dashboards

Eligibility Analysis Dashboard



Administrative Data Dashboard with Bridges and OSMIS data



Appendix C. Qualitative Focus Group Semi-Structured Protocol

Michigan TANF Frontline Worker Semi-Structured Protocol

1. Describe your role within the Michigan TANF program and the region in which you work.
2. Can you describe a typical day working with clients?
3. What types of challenges do you experience most often when working with clients seeking TANF benefits?
4. What parts of your job are the most burdensome? What aspects of your job bring you the most joy?
5. Can you describe your program/organization's goals?
6. Can you explain how well you think the program/organization's goals match the needs of the individuals you serve?
7. What does client success look like to you? How do you know you've done a good job?
8. What kinds of circumstances prevent success?
9. What is your experience communicating with other departments and programs within MDHHS/LEO?
10. What do you wish others better understood about you as a frontline worker in the Michigan TANF program?
11. What else do you think we should be asking?

Michigan TANF Individuals with Lived Experience Semi-Structured Protocol

1. Where in Michigan do you reside? What kinds of resources do you have access to in your community (i.e., transportation, grocery stores, child care, etc.)?
2. Describe a typical day in your life.
3. Describe your experiences seeking TANF benefits in Michigan.
4. If you qualify for benefits but have not applied, why?
5. If you have applied and did not qualify, what were the reasons?
6. If you qualified for assistance, what were your experiences with maintaining those benefits?
7. If you participated in a work program, what were your experiences?
8. What were your experiences with case workers, program workers, etc.?
9. In what ways did staff understand you? What did staff seem to misunderstand about you? What kinds of assumptions were made about you?
10. What kinds of help do you need most? Did the help offered meet your needs? What kinds of help would have been more useful?
11. What does "success" look like/mean to you? What would you need in order to be successful in life? What barriers are in the way? What do you wish others better understood about you?
12. What else should we be asking about?

Appendix D. Focus Group Codes and Definitions

The following tables demonstrate the different code structures resulting from lived expertise and frontline staff data. Names and definitions of codes are provided, along with descriptions of key differences or similarities related to each construct.

Table A1. ILE codes and definitions

ILE Code	Definition
Demographics	This is a primary code referring to the set of demographic codes that follow.
County/location	Secondary code that describes the county of residence.
Language/culture/immigrant/refugee	Secondary code used when individuals with lived expertise discussed immigrant or refugee status, or language and/or cultural barriers.
Child or self-disability	Secondary code used when a participant describes either having a disability themselves or having a child with a disability. This code is specifically used to identify this characteristic demographically.
Benefit status	Secondary code applied when a participant discussed their past or current benefit status related to TANF or other benefits.
Employment or schooling status	Secondary code used when participants talked about their past, current, or future employment or schooling status. It was also applied when referring to unpaid volunteer work.
Parenting status	Secondary code used when a participant discussed their parenting status, for example, single parent, stepparent, co-parent, or kinship caregiving.
Age	Used when participants discussed their age.
Age of children	Secondary code used when discussing the ages of dependent children.
Children span more than one home	Secondary code used when participants discussed co-parenting or shared parenting (either formal or informal). This code was relevant when considering how benefits were dispersed across houses, or

Table A1 (continued)

	challenges related to affording basic needs when children crossed multiple homes.
PATH vs MDHHS	Primary code applied when participants described experiences with MDHHS and PATH, compared experiences across different offices, or experienced case workers from both offices.
Experiences with staff	Primary code used when participants discussed their experiences with staff, including communication, letters or correspondence, phone interactions, or received support.
Participation, compliance, and access barriers	This is a primary code used to describe barriers related to participation in required program activities, barriers to complying with requirements, and/or difficulty accessing supports, services, or benefits. The following secondary codes were nested within this primary code:
Child welfare/CPS	Secondary code applied when participants described the involvement of child welfare or CPS with their children, either through investigations, hotlines, or child removals.
High caseloads/lacking capacity/ staff turnover	Secondary code used when participants described the barrier of MDHHS or PATH high caseloads, lack of capacity to fully support customers, or implications of staff turnover. Applied specifically in instances in which this topic was described as an access barrier.
Child support	Secondary code used to describe the barrier of child support for accessing services, supports, or benefits.
Jumping through hoops	Secondary code used to describe difficulty related to adhering to program or benefits requirements or prerequisites. This code encapsulated difficulty related to adhering to procedures or maintaining compliance.
Scheduling challenges	Secondary code applied when talking about managing one's schedule, family demands, and participation requirements.
Disability	Secondary code applied when talking about disability (either self, child, or family member) as a compliance or access barrier.

Table A1 (continued)

Child care	Secondary code applied when participants expressed barriers to obtaining child care, limitations of child care, or issues with adhering to program requirements because of a child care gap.
Transportation	Secondary code applied when participants described a lack of transportation needed for participation or adhering to program requirements, challenges related to receiving supports related to transportation, or limitations of transportation accommodations.
Paperwork	Secondary code applied when participants discussed paperwork as a barrier to participation or access.
Policies and procedures	Secondary code applied when participants described policy or procedure as a participation or access barrier.
Application process	Primary code used when participants described the application process in general, or any specific details related to the application process.
Denial reasons	Secondary code used when participants referred to reasons they were denied for benefits.
Basic Needs	Primary code used to describe basic needs/concrete supports, lack of basic needs, attempts to get basic needs met, or lacking basic needs.
Clothing	Secondary code used when participants discussed clothing as a basic need, such as clothing required for work.
Hygiene items, toiletries, diapers, wipes	Secondary code used when participants discussed needing or lacking hygiene items, diapers, wipes, or other kinds of resources needed for public health.
Health care	Secondary code applied when participants discussed health care, gaps in health care, or lack of access to physical or mental health care. This code was also applied when participants discussed receiving benefits related to health care.
Transportation	Secondary code applied when participants described transportation in the context of a

Table A1 (continued)

	basic need, as opposed to an access barrier.
Food	Secondary code used when participants discussed food as a basic need, food insecurity, or experience with receiving food benefits.
Utilities	Secondary code used when participants discussed utilities as a basic need, the inability to afford utilities, or experiences with getting supports to pay for utilities.
Housing	Secondary code used when participants discussed housing as a basic need, the inability to secure stable housing, or experiences with receiving supports for securing and maintaining housing.
Successes	Primary code used when participants described what success looked like, what success meant to them, or how they imagined success to look like. Success specifically related to achieving wellbeing, independence, and autonomy.

Table A2. SFG codes and definitions

SFG Codes	Definition
Demographics	This is a primary code referring to the set of demographic codes that follow.
Role	Secondary code used to describe the role that was filled by the staff member, either within MDHHS or PATH.
Region	Secondary code used to describe the region that the staff member operated within. This code was also applied when counties were referred to by staff members.
Differences between offices	Secondary code applied when staff described key differences between the operations of various offices, when comparisons were made between offices about processes and procedures, or when there was a discussion about unique location factors that influenced approaches to the work.
PATH versus MDHHS	Primary code applied when participants described MDHHS and PATH, compared

Table A2 (continued)

	experiences across different offices, or different approaches offices might take depending on the application stage.
Challenges impacting the work	Primary code applied when staff members described challenges, barriers, or hinderances associated with their work with MDHHS or PATH.
Staff-client relationship, communication, and interaction	Secondary code used to describe the relationship staff have with customers, issues impacting client relations, or communications with customers.
Capacity/Caseload/Turnover	Secondary code applied when staff describe challenges related to capacity strains, high caseloads, or staff turnover.
Timeline/Processing time/Time limits	Secondary code used when staff described timelines for processing applications, the amounts of time taken to accomplish tasks, or time limits related to completion of tasks, turnaround, or application processing.
Process/Policy/Procedure	Secondary code used when staff described challenges with or implications of specific processes, policies, or procedures.
Program compliance/Noncompliance	Secondary code used when staff described program compliance or noncompliance, which included perceptions of client success, challenges related to customer compliance or adherence to program requirements, or issues that led to application denials.
CPS/Child welfare involvement	Secondary code used when staff described instances of CPS or child welfare involvement as a barrier for, issue related to the receipt of benefits, or complication during the processing of an application.
Domestic violence	Secondary code applied when staff described instances of domestic violence as a barrier or issue related to the receipt of benefits, or complication during the processing of an application.
Child support	Secondary code applied when staff described child support as a barrier to program compliance, issue related to meeting program requirements, or complication when processing an application.

Table A2 (continued)

Disability	Secondary code applied when staff referred to customer disability (or child disability) as an issue related to meeting program requirements, barrier to program compliance, or complication when processing an application.
Generational poverty	Secondary code applied when staff described generational poverty as a challenge for customers or a challenge to the process of processing applications or ensuring program compliance.
Transportation	Secondary code applied when staff referred to transportation barriers for customers, attempts to address transportation gaps, or barrier for customers to meet program compliance.
Transience	Secondary code used when staff discussed issues related to housing instability or moving residences. This code was also applied when describing issues related to customers changing regions and offices during an open application.
Child care	Secondary code applied when staff referred to child care barriers for customers, attempts to address child care gaps, or barrier for customers to meet program compliance.
Technology	Secondary code applied when staff described computer programs used for processing applications, discrepancies between PATH and MDHHS computer systems, or technological barriers faced by customers.
Language/culture/refugee/immigrant	Secondary code used when staff discussed immigrant or refugee status, or language and/or cultural barriers.
Motivation/follow through	Secondary code applied when staff described issues with client/customer motivation to meet program requirements or inability to maintain compliance.
Maturity level/age of client	Secondary code applied when staff described the age of the client as a challenge, particularly related to maturity level, or comparing customer success by age group.

Table A2 (continued)

Hard to find employment	Secondary code applied when staff described difficulty related to helping customers find employment, difficulty related to obtaining or maintaining employment, or challenges related to documentation of employment.
Staff members perceptions of....	Primary code applied when staff members gave values-based opinions about clients/customers.
Solutions	Primary code applied when staff participants identified and described potential solutions to challenges related to the work or for clients.
Success looks like	Primary code applied when staff described what the ideal success looked like, required behaviors that led to success, or described definitions and examples of success. The following secondary themes were encapsulated within this primary theme:
Taking advantage of the opportunities provided	Secondary code used when staff identified that using the help provided by MDHHS/PATH led to success, or that success was determined by the degree to which a client used the assistance offered (e.g., help securing transportation, education/technical skills, etc.)
Mindset shift or motivation	Secondary code used when staff mentioned that a customer's perspective was related to success, when staff described instances in which customers experienced mindset shift, or connected the level of motivation to successful outcomes for the customer.
Employment as a path to self-sufficiency	Secondary code used when staff described that employment was the means by which self-sufficiency could be achieved, or when staff described the connection between success and employment.
Success behaviors	Secondary code applied when staff mentioned any other behavior indicative of success, or behaviors exhibited by clients that helped promote a successful outcome.

Appendix E. Summary of Michigan's State Plan, 2023

Every three years, states are required to gather public feedback on plans to support four broad purposes: 1) provide assistance to needy families so that children can be cared for in their own homes or in the homes of relatives; 2) end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage; 3) prevent and reduce the incidence of out-of-wedlock pregnancies; and 4) encourage the formation and maintenance of two-parent families (Falk, 2023b). Michigan's TANF state plan outlines how these goals are served through brief descriptions of over 20 other TANF-funded programs organized under each of the four TANF purposes below. The state plan does not reference funding allocations. Of note, most programs are funded through a variety of funding sources and do not, as a practice, provide direct links between TANF or state MOE funding and families served or outcomes.

TANF purposes 1 and 2: Cash assistance for needy families and self-sufficiency

FIP serves as Michigan's cash assistance program under TANF purpose one and two, and the Partnership. Accountability. Training. Hope (PATH) program, administered by the Workforce Development Agency and MichiganWorks! Association (MWA), fulfills TANF's cash assistance work program requirements. FIP's payment standards limit FIP and PATH to serving families in deep poverty (under 50% of the federal poverty guidelines).

The following MDHHS programs also serve TANF purpose one and two, and families are eligible for these programs if they are eligible for FIP, Medicaid, the Food Assistance Program, Child Development and Care, or if their household income no more than 200% of the poverty level.

- Child Development and Care Services,
- disaster relief program,
- direct support services,
- emergency relief,
- support for children in foster care,
- emergency shelter,
- Food & Nutrition hunger relief, and information and referral services.

The following programs also serve purposes one and two and have different income limits:

- Adoption Assistance (500% FPL),
- Northeast Michigan Community Service Agency, Inc., School Success Partnership Program (185% FPL),
- the Michigan Earned Income Tax Credit (based on federal EITC eligibility),
- Diaper Assistance (none listed), and
- the Family Support Subsidy (financial assistance to families that include a child with severe developmental disabilities; income must be no greater than \$60,000 annually of Michigan taxable income).

TANF purposes 3 and 4: prevent out of wedlock pregnancies and encourage two-parent families.

TANF goals three and four in Michigan have *no income limit unless a program or service is funded with state MOE funds*, in which case state statute requires that a participant's household income must be under 200% of FPL, "unless otherwise specified for the program" (State of Michigan Department of Health and Human Services, 2023).

The programs under TANF purpose three include:

- capacity building for Michigan's Early Education and Care System,
- programs targeted toward "At-Risk" youth (after school or summer programs),
- Real Alternatives (pregnancy and parent support services),
- scholarships used to fund post-secondary education,
- school readiness programs (300% of poverty),
- "various" foundation grants to support health, human service and education organizations,
- "various" United Way programs that support early childhood education or at-risk programming.

TANF purpose four includes:

- Domestic Violence Comprehensive Services,
- Employment Services for Non-Custodial Parents,
- Subsidized Employment Program for PATH participants (200% FPL income limit),
- Family Preservation and Family Support Programs, and
- Post-Adoption Services.

Appendix F. Federal Expenditure Categories & Definitions

ACF's Federal Fiscal Reports (FFR) expenditure data provided the team with high-level categories from which to view spending trends over time for a more detailed understanding of state spending priorities. Every year, states are required to report how they distribute federal TANF funds and state Maintenance of Effort (MOE) funds in predefined, high-level categories such as *basic assistance*, *program management*, and *child care*. States are also required to report unobligated funds and transfers to the Child Care and Development Fund (CCDF), Social Services and Block Grant (SSBG). The Administration for Children & Families (ACF) publishes this data each year along with a brief assessment of year-to-year national trends and state comparisons. Given the nature of TANF block grants, there is wide variation across states in how funds are distributed. Expenditure data, however, provides valuable information on state spending trends overtime, outliers, and a high-level starting point to begin a more detailed review of US trends and Michigan.

The *Administration for Children and Families Reader's Guide to Federal Temporary Assistance for Needy Families (TANF) and State Maintenance-of-Effort (MOE) Financial Data* provides definitions of each category to help states with reporting. The categories have remained largely consistent since 2015, when several categories were added to reflect expanded and changing spending by states.

ACF tasks states to group expenditures into 20 main categories, as defined below. KU-CPPR grouped these into broader categories to align with federal approaches to analysis (see Table 2). For more information about the expenditure categories and the financial reporting form ACF-196-R states use, see the [Instructions for Completion of State Financial Report Forms: ACF-196R and ACF-196](#).

Core TANF programs and services: Direct work support for low-income families.

KU-CPPR's analysis grouped the following federal spending categories under core services for review:

1. **Basic Assistance:** ACF defines basic assistance as, "cash, payments, vouchers, and other forms of benefits designed to meet a family's ongoing basic needs (i.e., for food, clothing, shelter, utilities, household goods, personal care items, and general incidental expenses)." ACF divides basic assistance into two spending categories:
 - a. **Basic Assistance (excluding Payments for Relative Foster Care, and Adoption and Guardianship Subsidies):** refers to what is commonly referred to as cash assistance and "includes payments on behalf of children for whom the child welfare agency does not have legal care and responsibility who are living with caretaker relatives and child support pass-through payments."
 - b. **Relative Foster Care Maintenance Payments and Adoption and Guardianship Subsidies:** Michigan is one of 13 states that reports spending under this category. This category refers to basic assistance "provided on behalf of a child or children for whom the child welfare agency has legal placement and care responsibility and is living with a caretaker relative, or child or children living with legal guardians; ongoing adoption subsidies; and expenditures for payments made to foster parents standing in loco parentis, if

state law provides" It is important to note, that this category includes all expenditures for cases that are not eligible for IV-E foster care assistance or subsidies, usually based on income eligibility.

2. **Work, Education, and Training Activities:** two subcategories.
 - a. **Subsidized Employment:** payments to employers or third parties to help cover the costs of employee wages, benefits, supervision, or training; costs for subsidizing a portion of the participant's wage to compensate an employer for training costs; and expenditures for subsidized employment targeted for youth. Does not include expenditures related to payments to or on behalf of participants in community service and work experience activities that are within the definition of assistance.
 - b. **Education and Training:** education and training activities, including secondary education (including alternative programs); adult education, high school diploma-equivalent (such as GED) and ESL classes; education directly related to employment; job skills training; education provided as vocational educational training or career and technical education; and post-secondary education. Does not include costs of early care and education or after-school or summer enrichment programs for children and youth in elementary, middle school, or high school.
 - c. **Additional Work Activities:** work activities that have not been reported in employment subsidies or education and training. Includes costs related to providing work experience and community service activities, job search assistance and job readiness, related services (such as employment counseling, coaching, job development, information and referral, and outreach to business and non-profit community groups).
3. **Work Supports:** are defined as "assistance and non-assistance transportation benefits, such as the value of allowances, bus tokens, car payments, auto repair, auto insurance reimbursement, and van services provided to help families obtain, retain, or advance in employment, participate in other work activities, or as a non-recurrent, short-term benefit." Work supports can also include tools, uniforms, fees to obtain special licenses, as well as bonuses, incentives, and work support allowances and other expenses to help get or maintain work. MWAs track and report these expenses in subcategories transportation and non-transportation when reporting to MDHHS.

The PATH manual lists **transportation work supports are allowable under FIP/PATH:** public transportation, Uber, Lyft, or private automobile mileage reimbursement; auto repairs up to \$2,000 a year; automobile purchase limited to once in a client's lifetime (effective May 1, 2022) and up to \$5,000; and vehicle insurance assistance is limited to a \$2,000 maximum lifetime cap (effective January 2020) (Michigan Department of Labor and Economic Opportunity Workforce Development, 2022). Clothing allowance: up to \$500 a year (Michigan Department of Labor and Economic Opportunity Workforce Development, 2022).

4. **Supportive Services:** include services such as "domestic violence services, and health, mental health, substance abuse and disability services, housing counseling services, and other family supports", but a state may not use federal TANF funds on medical services.

5. **Child Care Assistance:** ACF combines **Early Care and Education: Child Care (assistance and non-assistance)** with CCDF transfers in reporting and state comparisons to represent child care more directly related and supportive of cash assistance and work programming.
- a. **Child Care (Assistance and Non-Assistance):** falls under the primary federal spending category child care expenditures for families that need child care to work, participate in work activities (such as job search, community service, education, or training), or for respite purposes. Includes child care provided to families who receive child care during a temporary period of unemployment. Does not include funds transferred to the CCDF (Discretionary Fund - reported on the ACF-696) or the SSBG programs.
 - b. **Transferred to CCDF Discretionary:** CCDF funds child care assistance, safety and quality improvements efforts, child care capacity building efforts, and professional development. A state can transfer up to 30% of its block grant to CCDF. In Michigan, Office of Child Development and Care (CDC) administers CCDF and the state's child care subsidy program, Quality Rating and Improvement System (QRIS), and the state's early childhood professional registry and scholarship program.

Refundable Tax Credits

Refundable tax credits stand alone as a category for analysis due to their well-established role as an anti-poverty strategy.

- 6. **Refundable Earned Income Tax Credits:** Refundable portions of state or local earned income tax credits (EITC) paid to families. If the state is using an intercept to recoup a debt owed to the state, only the portion of the refundable EITC that is actually received by the family may be considered a federal TANF or MOE expenditure.
- 7. **Non-EITC Refundable State Tax Credits:** Michigan does not spend funds in this category.

Program Management

- 8. **Program Management**
 - a. **Administrative Costs:** subject to a 15% cap.
 - b. **Assessment/Service Provision:** costs associated with screening and assessment (including substance abuse screening), SSI/SSDI application services, case planning and management, and direct service provision such as case management for a TANF recipient related to the provision of an array of services.
 - c. **Systems:** costs related to monitoring and tracking under the program.

Other Programs and Activities

- 9. **Assistance Authorized Solely Under Prior Law:** refers to "activities that are not otherwise consistent with the purposes of TANF and/or with the prohibitions in section 408 but are allowable expenditures of federal TANF funds as activities that were in effect on September 30, 1995, or (at the option of the state) August 21, 1996." Note: states may not report MOE expenditures in this category; all state MOE expenditures must be consistent with the purposes of TANF.)

- a. **Foster Care Payments:** foster care assistance on behalf of children, authorized solely under section 404(a)(2) of the Act and referenced in a state's former AFDC or Emergency Assistance plan.
- b. **Juvenile Justice Payments:** assistance payments on behalf of children in the state's juvenile justice system, authorized solely under section 404(a)(2) of the Act and referenced in a state's former AFDC or Emergency Assistance plan. Michigan does not customarily report spending in this subcategory.
- c. **Emergency Assistance Authorized Solely Under Prior Law:** other benefits authorized solely under section 404(a)(2) of the Act and referenced in a state's former AFDC or Emergency Assistance plan.

10. Non-Assistance Authorized Solely Under Prior Law: Activities that are not otherwise consistent with the purposes of TANF and/or with the prohibitions in section 408 but are allowable expenditures of federal TANF funds as activities that were in effect on September 30, 1995, or (at the option of the state) August 21, 1996. Note: states may not report MOE expenditures in this category; all state MOE expenditures must be consistent with the purposes of TANF.

- a. **Child Welfare or Foster Care Services:** services provided to children and their families involved in the state's child welfare system, authorized solely under section 404(a)(2) of the Act, and referenced in a state's former AFDC or Emergency Assistance plan.
- b. **Juvenile Justice Services:** juvenile justice services provided to children, youth, and families, authorized solely under section 404(a)(2) of the Act and referenced in a state's former AFDC or Emergency Assistance plan.
- c. **Emergency Services Authorized Solely Under Prior Law:** other services, authorized solely under section 404(a)(2) of the Act and referenced in a state's former AFDC or Emergency Assistance plan.

11. Early Care and Education

- a. **Pre-Kindergarten/Head Start:** pre-kindergarten or kindergarten education programs (allowable if they do not meet the definition of a "general state expense"), expansion of Head Start programs, or other school readiness programs.

12. Financial Education and Asset Development: Programs and initiatives designed to support the development and protection of assets including contributions to Individual Development Accounts (IDAs) and related operational costs (that fall outside the definition of administrative costs), financial education services, tax credit outreach campaigns and tax filing assistance programs, initiatives to support access to mainstream banking, and credit and debt management counseling. KU-CPFR
Note: Michigan does not spend funds in the category.

13. Non-Recurrent Short-Term Benefits: Short-term benefits to families in the form of cash, vouchers, subsidies, or similar form of payment to deal with a specific crisis situation or episode of need and excluded from the definition of assistance on that basis. Includes expenditures such as emergency assistance and diversion payments, emergency housing and short-term homelessness assistance, emergency food aid, short-term utilities payments, burial assistance, clothing allowances, and back-to-school payments.

14. Services for Children and Youth: refer to programs designed to “support and enrich the development and improve the life-skills and educational attainment of children and youth”, such as after-school programs and mentoring or tutoring programs.

15. Prevention of Out-of-Wedlock Pregnancies: include “programs that provide sex education or abstinence education and family planning services to individuals, couples, and families in an effort to reduce out-of-wedlock pregnancies”. Michigan does not spend funds in this category.

16. Fatherhood and Two-Parent Family Formation and Maintenance Programs: Programs that aim to promote responsible fatherhood and/or encourage the formation and maintenance of two-parent families. For example, activities within these programs may include marriage education, marriage and relationship skills, fatherhood skills programs; parent skills workshops; public advertising campaigns on the value of marriage and responsible fatherhood; education regarding how to control aggressive behavior; financial planning seminars; and divorce education and reduction programs.

17. Child Welfare Services

- a. Family Support/Family Preservation/Reunification Services:** community-based services, provided to families involved in the child welfare system that are designed to increase the strength and stability of families so children may remain in or return to their homes. These services may include respite care for parents and relative caregivers; individual, group, and family counseling; parenting skills classes; case management; etc.
- b. Adoption Services:** services and activities designed to promote and support successful adoptions. Services may include pre- and post-adoptive services to support adoptive families, as well as adoptive parent training and recruitment.
- c. Additional Child Welfare Services:** other services provided to children and families at risk of being in the child welfare system, or who are involved in the child welfare system. This may include independent living services, service coordination costs, legal action, developing case plans, assessment/evaluation of family circumstances, and transportation to or from any of the services or activities described above.

18. Home Visiting Programs: Michigan does not spend funds in this category.

19. Other: Non-assistance activities that were not included in any of the above categories. Note: Michigan does not spend funds in the official federal “Other” category.

20. Transferred to Social Services Block Grant (SSBG): Funds the state transferred to the SSBG during the fiscal year. All funds transferred to the SSBG program are subject to the statute and regulations of the SSBG program in place for the fiscal year at the time when the transfer occurs and shall be used only for programs and services to children or their families whose income is less than 200% of the income official poverty line (as defined by the Office of Management and Budget). A state can transfer up to 10% of its TANF block grant to the Social Services Block Grant.