

# Opportunities for Income Support for Connecticut Children and Families in the Federal Recovery Act

Presented to the Connecticut Commission on Children

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# Focus on State Options

- Unemployment Insurance Modernization Act
- TANF Emergency Contingency Fund
- Food Stamp Outreach
- Not going to talk about Food Stamp benefit increase, or Child Tax Credit, EITC expansions, Making Work Pay Tax Credit, even though those will provide critical income support.

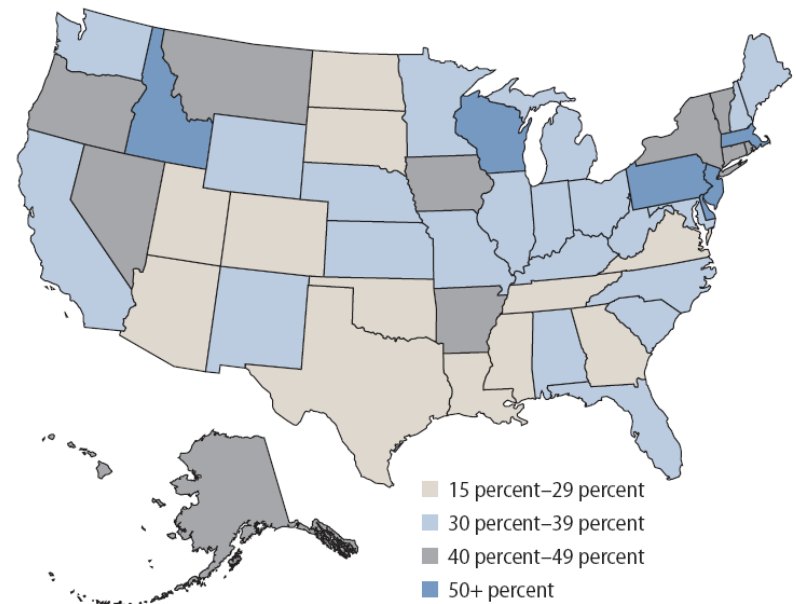
# Unemployment Insurance

45 percent of unemployed in Connecticut receive unemployment benefits.

Connecticut already uses alternative base period, which means that the most recent quarter of work experience is counted.

## Percent of the unemployed collecting jobless benefits

Unemployment insurance data summary, 2nd quarter 2008  
(12 months ending June 2008)



# Unemployment Insurance Modernization Act

- Provides \$7 billion in incentive funding to states that adopt UI reforms.
- 1/3 to states that adopt alternative base period (ABP) – so Connecticut will automatically receive \$29.3 million.
- 2/3 to states that have ABP plus 2 of 4 possible reforms.

# Connecticut is close to receiving additional \$58.5 million

	State must have 2 of these 4 reforms	Connecticut rules
✓	Weekly \$15 allowance per dependent	Weekly \$15 allowance per dependent
	Coverage of workers seeking part-time employment	Workers seeking part-time work only eligible if they have a disability
	Eligibility for workers who leave jobs for 3 compelling family reasons: domestic violence, illness or disability, and spouse relocation	Compelling family reasons law covers only domestic violence and illness or disability
	Extended UI benefits while recipient is in training	

Source: NELP

<http://www.nelp.org/page/-/UI/needed.uima.reforms.by.state.jan.09.pdf>

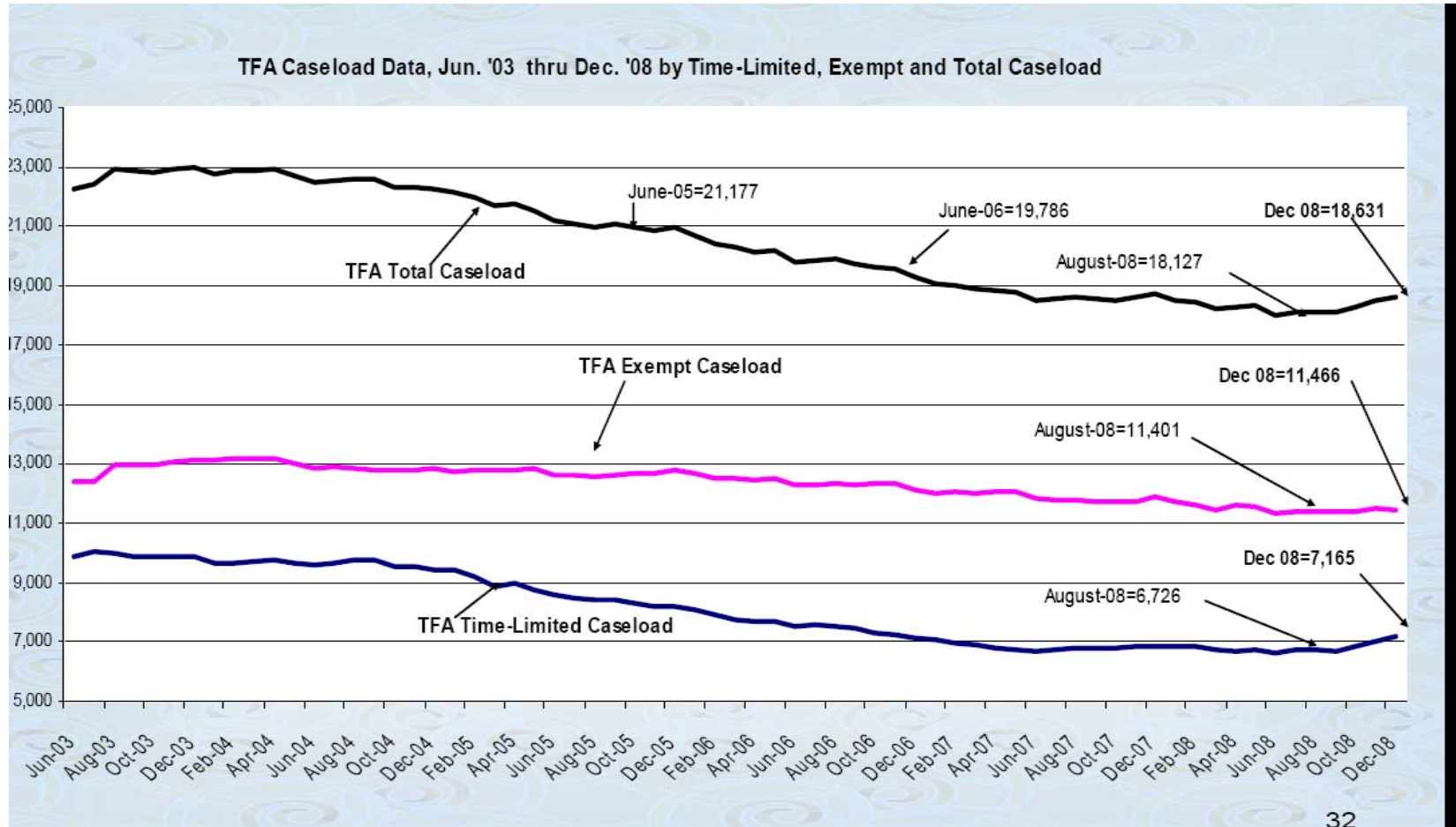
# Unemployment Insurance for Part-Time Workers

- Under current law, can't receive UI benefits if you are not available for full-time work – even if you earned enough working part-time hours to otherwise qualify for benefits.
- Employers still have to pay UI taxes for part-time workers.
- Disproportionately affects women and children.

# TANF Emergency Contingency Fund

- State can receive a maximum of 50% of block grant over two years -- for Connecticut, this is up to \$133.4 million.
- Can receive 80 percent of increases in spending in one or more of three areas:
  - Assistance
  - Non-recurrent, short-term benefits
  - Subsidized employment

# Can only qualify under assistance if caseload has risen vs. 07 or 08





# TANF assistance

- Worrisome that TFA caseloads have not risen more given rising need.
- Should consider outreach to food stamp households that appear to be eligible for TFA, former TFA households – especially those that left due to time limits.
- Assuming Connecticut qualifies based on caseload increases, ECF will pay for 80 percent of COLA for TANF recipients.

# Non-recurrent short-term benefits

- Expansion of energy assistance program.
- Homelessness prevention – first and last month's rent, security deposit, moving costs.
- Could provide short-term housing assistance – let kids finish out the school year.
- Can be to families that are receiving ongoing assistance – could give everyone a back to school clothing allowance.

# Subsidized employment

- Likely to cover supervisory, training costs as well as the wages paid to participants.
- Can be transitional jobs for individuals with barriers to employment.
  - combines real work, skill development, and supportive services, to transition participants rapidly and successfully in the labor market.
  - <http://www.transitionaljobs.net/>
- Broader subsidized jobs in areas of high unemployment

# Subsidized jobs are better than workfare

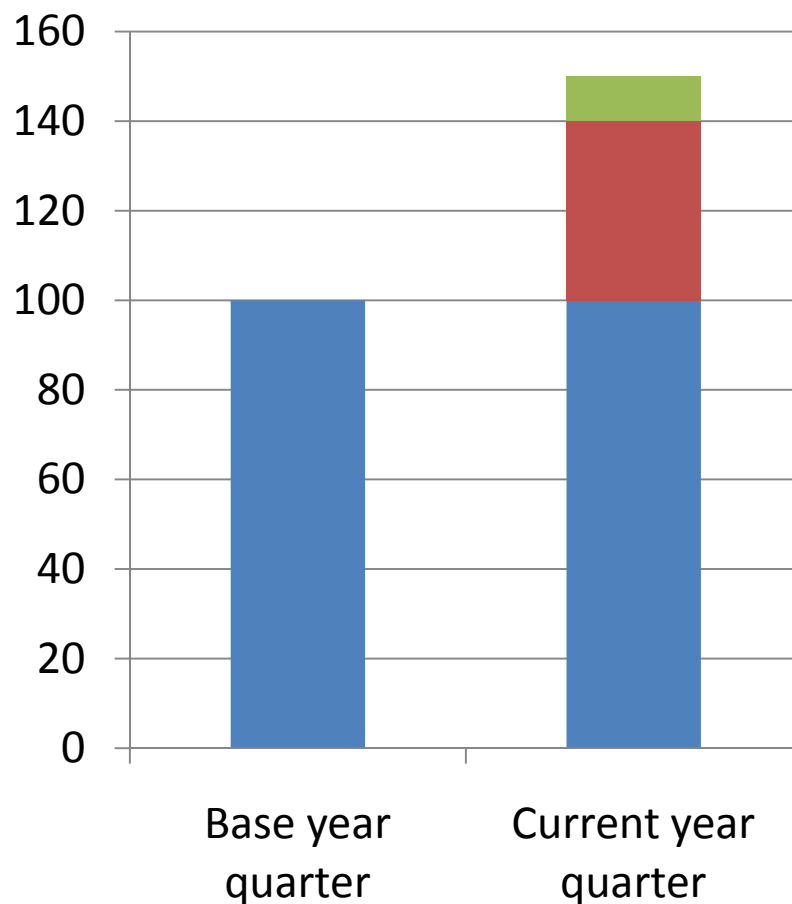
- Can deem hours of participation for 6 months, rather than having to document them every week – less paperwork for states.
- Much better financially for the participant – earnings count towards tax credits.
- Generally, more like real work situations – need to be timely, deal with supervisors and coworkers, can learn skills. Not pushing a broom in the park.

# TANF Work Participation Rates

- Work participation rates only apply to recipients of “assistance.”
- Nonrecurrent short-term benefits and work subsidies are not “assistance.”
- Recovery act included a “hold harmless” – states can use previous caseload reduction credit if caseloads increase.
- Existing regulations allow for “reasonable cause” for failure to meet rates in recession.

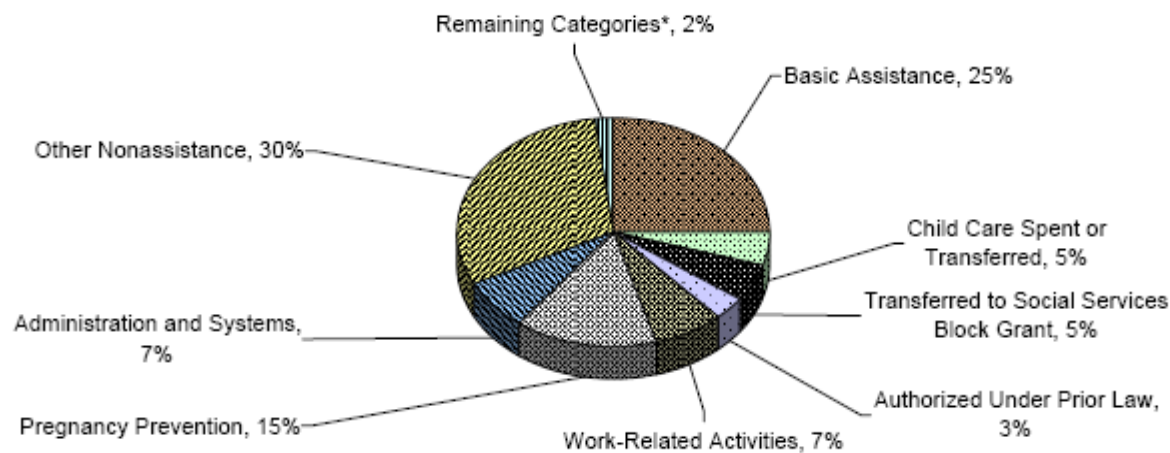
# What counts for ECF reimbursement?

- Combined MOE/TANF spending
- Must be an increase over comparable quarter in FY 07 or 08
- Can be spending from Contingency Fund
- Can be redirected from other TANF categories



# In FY 2006, Connecticut reported 30 percent of TANF/MOE funds as “other nonassistance”

Share of Federal and State Funds Used by Category



Source: <http://clasp.org/WelfarePolicy/pdf/map100907ct.pdf>

# SNAP/Food Stamp Outreach

- Based on 2006 data, only 65 percent of Connecticut families who were eligible for Food Stamps received them.
  - Ranked 31<sup>st</sup> in nation.
- Connecticut families will get approximately \$152 million in additional SNAP benefits over the next few years due to Recovery Act.
- State will get extra \$2.5 million for administration – can be used for outreach.



# Thank you

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Q and As on the TANF Emergency Contingency Fund:  
[http://www.clasp.org/publications/tanf\\_efc\\_qanda030909final.pdf](http://www.clasp.org/publications/tanf_efc_qanda030909final.pdf)

NELP resources on Unemployment Insurance Modernization Act  
[http://www.nelp.org/index.php/site/issues/category/modernizing\\_unemployment\\_insurance](http://www.nelp.org/index.php/site/issues/category/modernizing_unemployment_insurance)