

# CASELOAD EXITS AT THE LOCAL LEVEL: OCTOBER 2007 – SEPTEMBER 2008

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## EXECUTIVE SUMMARY

Access to empirical information about the characteristics and circumstances of welfare recipients and leavers has assisted Maryland policymakers, program managers, and local caseworkers with the management of welfare caseloads and the implementation of policies and programs designed to assist in the journey to self-sufficiency for these vulnerable families. The ability to turn data on welfare caseloads into information has proved useful in determining the direction of Maryland's Temporary Cash Assistance (TCA) program. Hence, the long-standing relationship between the Maryland Department of Human Resources (DHR) and the University of Maryland, School of Social Work has been a beneficial partnership in providing the transformation of data into knowledge. The most recognized outcome of this partnership is the annual *Life after Welfare* series that documents the outcomes of a sample of welfare leavers since the beginning of welfare reform. Additionally, there is another annual series, *Life on Welfare*, which documents the cases that are receiving TCA at a particular point in time. This current report is a part of another series – *Caseload Exits at the Local Level*. This series documents all welfare leavers in a particular year and provides information on the circumstances of their exit at the state and jurisdictional level.

While the *Life after Welfare* series provides follow-up information on employment, recidivism, and use of additional work supports in the transition from welfare to work, the *Caseload Exits* series examine the full population of leavers in a particular year. This series examines the welfare case closing trends at the state and jurisdictional level, the characteristics of closing cases, and the reasons for these closures. In addition to reviewing this information at the state and jurisdictional level, this report also examines case closures by core caseload designation which determines a case's

requirement or exemption to work related activities.

As with our last release of this series, we present this report as a trilogy that documents the cases that exited Maryland's welfare program during the two years of the Great Recession and the first follow-up year to the recession. Our previous release documented the three years leading up to the Great Recession and provides the necessary context to understand the effect of the economy on the welfare population. Furthermore, coupled with the Great Recession are the effects of the Deficit Reduction Act of 2005 (DRA) which decreased states' flexibility in meeting the federal work participation rates and forced states to increase the use of their tools to encourage compliance with work requirements. The pressures of the policy environment as well as the weak economy are sure to have an impact on the welfare caseload and we use this series as one source of information on the outcomes of these macro-level events. Below are our key findings:

- Between October 2007 and September 2008, there were a total of 20,142 unique cases closed. This is an increase of 1.1% (226 cases) from the previous study period. While this is a very small change, it is the first time since welfare reform that the number of case closures was higher than the previous year. This increase in case closures also coincides with the first increase in the number of active cases since welfare reform.
- Nearly half (47.9%) of all closed cases were a part of the core caseload who are required to participate in a work-related activity, yet core cases only made up 30.0% of the October 2008 active caseload. Another two in 10 (21.3%) closed cases were child-only cases which typically close due to the emancipation of minor children. On the other hand, child-only cases make up

nearly four in 10 (38.3%) of the active cases in October 2008.

- As in previous years, Baltimore City (48.0%), Prince George's County (11.3%), and Baltimore County (9.9%) accounted for seven of every 10 case closures in Maryland. Not surprisingly, Baltimore City accounted for just under half (48.0%) of all case closures. All other jurisdictions were below five percent of closures.
- The profile of the typical payee on a closing case has not changed from previous study periods. Specifically, the typical payee is an African American (78.0%) female (94.8%) about 34 years old. Compared to the active caseload in October 2008, we find the only difference is in the age of the payee. Payees on the closed case were younger by three years (37.27 vs. 33.91).
- Consistent with the previous study period, the typical closing case has one adult (75.6%) and one child (48.2%) with the youngest child about five years old (5.55). The active caseload had more child-only cases where there is no adult on the case (38.2% vs. 21.5%) and the youngest child was slightly older (6.40 vs. 5.55).
- Since this series has documented the differences among the 24 jurisdictions in Maryland, we continue that tradition by reviewing the payee and case characteristics by jurisdiction. Generally, the profile of the exiting payee and case are similar across jurisdictions, such as the fact that nine in 10 payees are female whose average age ranges from 33 to 35 years in most jurisdictions. However, there are a few distinctions among the jurisdictions in reference to the race of the payee, the percent of child-only cases, and the age of the youngest child.
- While the typical payee is African American at the state level, 22 of the 24 jurisdictions fall below the statewide average of 78.0%. In fact, less than half of the caseload is African American in nine jurisdictions and instead the typical payee is Caucasian. The statewide average is heavily influenced by two jurisdictions with the largest caseload – Baltimore City and Prince George's County – where 93% of all exiting caseheads are African American.
- While child-only cases make up two in every 10 closed case at the state level, child-only cases made up more than one-third of closing cases in five jurisdictions – Talbot (50.0%), Worcester (48.5%), Kent (38.5%), Charles (35.7%), and Washington (34.8%). Three jurisdictions had a child-only population below the statewide average – Baltimore City (17.0%), Queen Anne's (18.6%), and Howard (18.0%).
- The average age of the youngest child ranges from 4.4 years in Washington and Garrett counties to 7.3 years in Talbot County while the statewide average is 5.55 years. Washington and Garrett counties also have the largest percentage of cases with a child under the age of three (58.2% and 59.7%, respectively) compared to the statewide average of 45.5%.
- The top three administrative closing codes during this study period accounted for nearly two-thirds (63.0%) of all closures: work sanctions (24.1%), eligibility and verification information not provided (19.7%), and income above limit (19.2%). These are the same top three closure codes from the previous study period, however the order was different in the previous study: eligibility and verification information not provided (22.3%), work sanctions (20.2%), and income above limit (18.9%).

- While income above limit was only the third highest case closing reason statewide, it was within the top three closing codes for most (22 of 24) of the jurisdictions and the premier reason for closure in 12 jurisdictions. Therefore, at jurisdiction level, income above limit was more common than work sanction (17 of 24), no recertification/no redetermination (13 of 24), and eligibility/verification information not provided (11 of 24). Income above limit is the most frequently employed case closing reason at the jurisdictional level, but only third statewide, simply because the two jurisdictions without income above limit as a top three case closure reason – Baltimore City and Prince Georges County – make up every six in 10 (59.3%) closures at the state level.
- Work sanction was only reported in six of the 11 core caseload group's top three reasons. Instead, eligibility and verification information not provided was a top three closing reason for nine of the 11 core caseload groups.
- Nearly three in every ten (28.2%) case closures were due to a full-family sanction from either non-compliance with work requirements (24.1%) or child support requirements (4.1%). Two-thirds of jurisdictions (16 of 24) had a work sanction below the state average of 24.1%. Work sanctions ranged from 1.5% in St. Mary's County and 34.1% in Dorchester County. Dorchester County had the highest percent of work sanctions among exiting cases in the previous two study periods as well.
- Child support sanctions are utilized much less frequently likely due to the simple requirements to meet compliance. Three jurisdictions (Kent, Allegany, and Somerset) had no child support sanctions and four jurisdictions

had less than one percent (Carroll, Cecil, Howard, and St. Mary's). One in ten (10.8%) cases in Anne Arundel County was closed due to a child support sanction.

- By core caseload designation, we find that child support sanctions are used most frequently with child under one cases (10.8%) which could be due to the lack of established paternity with these younger children.

This report provides further detail about the findings listed above for the case closures between October 2007 and September 2008. In comparison to the previous study period, the year leading up to the Great Recession, we find the work sanctions have increased slightly indicating that clients may have found it more difficult to locate employment or participate in a work-related activity. Furthermore, this is the first year in welfare reform history, that the number of case closures has been larger than the previous study year. Again, this increase coincides with the first ever increase in the active caseload, all pointing to the effects of the recession on the welfare population. While at the release of this report, the Great Recession was officially over for nearly two years, we know that families experiencing a need for this last resort safety net of cash assistance will find it more difficult to recover. As has been long recognized, welfare caseloads are a leading indicator of recession and a lagging indicator of recovery.

The two companion reports released with this *Caseload Exits* report will continue to document the effects of the recession on exiting families. We are confident that the information provided within this trilogy of reports will provide policymakers and program managers with the information to consider how to best meet the needs of the welfare population now and under future circumstances that may arise.

## INTRODUCTION

Now more than fifteen years ago, the country's welfare system was drastically overhauled with the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), which created the Temporary Assistance to Needy Families (TANF) block grant. The main goal of TANF has been to encourage independence by helping families make the transition from welfare to the workplace. While the goal has remained the same, the program rules were altered under the Deficit Reduction Act (DRA) in 2005, reducing states' flexibility in meeting federal work participation requirements resulting in the need for greater reliance on available tools to encourage compliance such as full-family sanctions.

The University of Maryland's School of Social Work, through our long-standing partnership with the Maryland Department of Human Resources (DHR) has provided numerous reports documenting the implementation, operation, and outcomes of welfare reform, in turn, helping the state respond to policy changes. This report is one of three annual series updates. The first, our *Life after Welfare* series is a longitudinal study documenting the short-, mid-, and long-term outcomes for Maryland families once they leave cash assistance. In the *Life on Welfare* series, we investigate the current Temporary Cash Assistance (TCA) caseload in Maryland.

In this report, part of the *Caseload Exits at the Local Level* series, we seek to describe Maryland's population of welfare leavers, at both the state and jurisdictional levels. While the *Life after Welfare* series also documents welfare leavers, it provides follow-up data on a randomly selected sample of leavers; the *Caseload Exits* series provides a summary of all exiting cases within a particular year, illustrating exits by jurisdiction and by closure reason.

Previous *Caseload Exits* reports have focused on differences between traditional and child-only cases, and while that comparison has yielded some important and relevant analyses, changes in the policy and economic environment call for a more comprehensive analysis of the types of case closures. Specifically, in this installment, we provide, when appropriate, a comparison of closing cases according to the core caseload designation at the time of closure. The categories describe case types according to the work readiness of the adults in the case. That is, there are core cases in which the adults are deemed able and expected to work, and several categories of non-core cases, in which the adults are not expected to be working for good cause, such as a disability or a domestic violence situation. Child-only cases are also included as a core caseload category, and are therefore still included in our analyses.

The timeframe for today's study takes place during a spell of drastic economic struggles. Our study period is the yearlong period from October 2007 through September 2008. It was at the beginning of our study period, in December 2007, that the United States was officially declared to be in a recession. The certain impact that this has had on Maryland's welfare caseload is an important effect to keep in mind while reading, and is the reason we have included, when appropriate, comparisons between case closures and active TCA cases (using the population of active cases in Maryland's TCA caseload in October 2008). This allows us the opportunity to identify whether, in this difficult economy, the profile of case closures is different from that of cases remaining on assistance.



Additionally, the last release of the *Caseload Exits* series included three reports documenting the three years prior to the Great Recession. Following in that tradition, this report, accounting for the first year of the Great Recession, will also be released with two companion reports. The following two reports will document the remaining portion of the Great Recession (October 2008 to September 2009) and then a full follow-up year after the official end of the recession (October 2009 to September 2010). As the last *Caseload Exits* series documented case closures leading up to the Great Recession, this release will provide a picture of how many cases exited during and immediately after the recession and why these cases closed. We anticipate that the information presented in this trilogy will be useful to policymakers and program managers in considering the responsiveness of the TCA program to weak economic times and potential changes that can address areas of weakness.

Overall, today's report is based on the 20,142 separate cases that closed at least once between October 2007 and September 2008 and answers the following questions:

1. What are the welfare case closing trends, statewide and at the jurisdictional level?
2. What are the characteristics of closing cases and their payees?
3. What are the most frequently recorded case closure reasons and what proportion of cases left welfare due to a full-family sanction for non-compliance with work requirements or non-cooperation with child support enforcement?

## METHODS

This study is the 14<sup>th</sup> in the *Caseload Exits at the Local Level* series. As such, the description of the sample and data sources used is similar to that of previous reports, reflecting minor changes when necessary. One major change to note is that in contrast to previous reports in this series, we did not study the differences between child-only and traditional cases. Instead, in some sections we made comparisons of closed cases by core caseload designation as well as comparisons with data from our *Life on Welfare* series, which contains a sample from all of the cases receiving TANF in a single month during the study period.

### Sample

The sample used for this report includes every TANF case that closed in Maryland in the period of the 12<sup>th</sup> year after the implementation of the Personal Responsibility and Work Opportunity Act (PRWORA). This covers the time from October 2007 through September 2008. If an assistance unit stopped receiving Temporary Cash Assistance (TCA, Maryland's TANF program) for at least one month during that year, then it is considered a case closure. An assistance unit was only included in the sample once, even if their case may have closed on more than one occasion. By randomly choosing one closing record per case, we ensure no systematic effect of removing duplicates on the number of closings by month. It may be noted that the total number of closures

reported here (n=20,142) may be slightly different from the total number of closures reported by the Family Investment Administration (FIA) of the Maryland Department of Human Resources (DHR) for the same period; this is due in large part to our counting each case only once during the 12 month study period.

Data reflecting the active TCA caseload in Maryland come from the universe of cases receiving TCA in October 2008 (n=21,553), originally drawn for our *Life on Welfare* series.

### Data Sources

#### CARES

The data used for this report come from monthly case closing files extracted from the Client Automated Resources and Eligibility System (CARES). CARES is the official statewide automated data system for the Department of Human Resources and contains all customer participation data for Temporary Cash Assistance, Food Stamps, and Medical Assistance. Demographic data are provided as well as information about the type of program, application and disposition (denial or closure), date for each service episode, and codes indicating the relationship of each individual to the head of the assistance unit.

### Analyses

Throughout this report, descriptive analyses are used to provide an overall picture of our study sample.

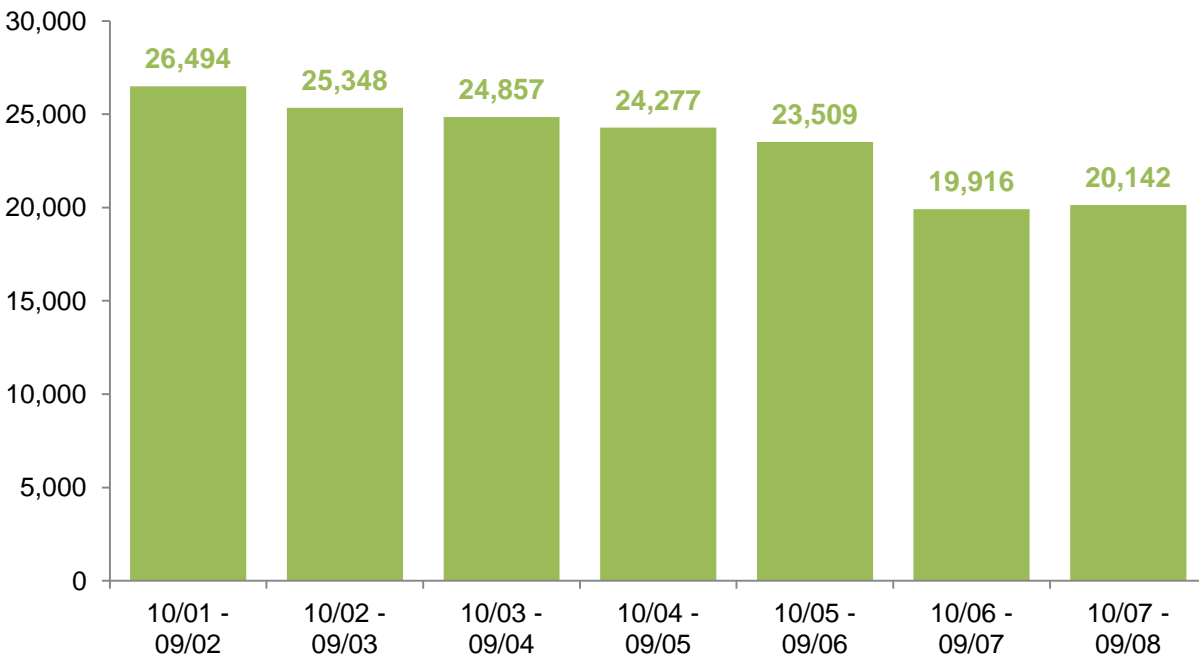
## FINDINGS: OVERVIEW OF CASE CLOSURES

The first *Caseload Exits* report documented the welfare exits between October 1996 and September 1997, the first year after welfare reform. In that year, 41,212 cases exited the welfare caseload and that figure has decreased in each subsequent year, mainly due to the consistent decrease in the active welfare population thereby resulting in a smaller number of cases to actually exit from the program. However, just as we saw a slight uptick in the active caseload in Maryland between October 2007 and October 2008 (Williamson, Logan, Roll, & Saunders, 2011), this is the first *Caseload Exits* report with a higher number of total case closures from the previous year. Figure 1, below, provides the number of case closures from the study period October 2001 to September 2002 to this current study period, October 2007 to September 2008. While each year illustrated here shows a decrease from the previous year,

the most recent study period shows an increase of 226 exiting cases. This is a small increase of only 1.1%; however, this may mark the beginning of a new trend to be investigated, and likely a reflection of the economy which has generated a larger active caseload, thereby increasing the opportunity for more case closures.

This finding provides a unique lens that has yet to be examined in the history of welfare reform. This is certainly an important discussion for this report especially if the exiting caseload continues to rise with the long-lasting effects of the Great Recession, thereby shifting from the trend we have seen in more than a decade. Are the exiting cases different than earlier exiting cases? Are jurisdictions affected differently? Do cases exit for different reasons? Since this is the first year of a documented increase in the exiting caseload, we may not yet be able to answer these questions; however, if this trend continues, these should certainly be questions for future reports.

**Figure 1. Statewide Case Closings by Year**



In our first findings chapter, we present an overview of case closures by providing information about the number and percent of welfare leavers through various lenses. First, we examine how many cases closed in each month of our study period followed by the number of closures by core caseload type. Finally, we review the number of closures by jurisdiction and how that compares to the overall caseload size within each jurisdiction. When applicable, we compare the cases closed to a recent sample of active cases.

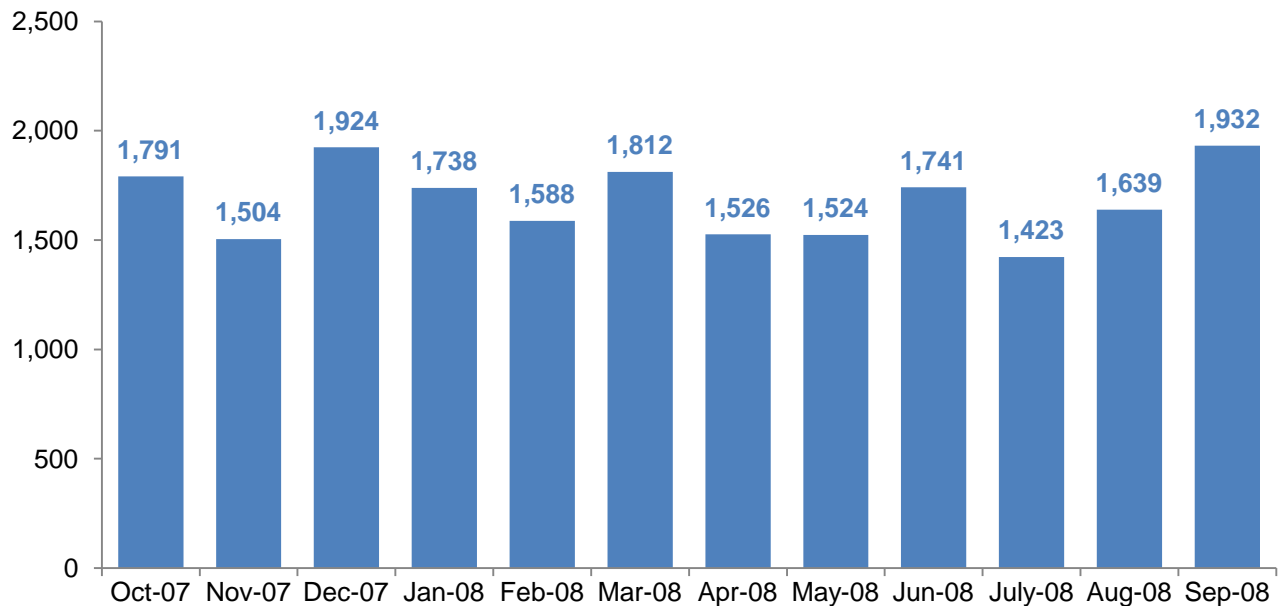
### Case Closings by Month

Figure 2, following, displays the number of closings statewide in each month, from October 2007 through September 2008. As mentioned earlier, for a case with multiple closings throughout the year, a random record was chosen so that only one exit is included in this sample. This reduces bias in our findings because otherwise cases with multiple closings would be over-represented in our study when discussing the characteristics of closing cases. That is, to the extent that cases with multiple spells

(and therefore multiple closings) within a one-year time period are different from cases with single spells (and therefore single closings), our report of average characteristics of closing cases would be skewed towards the cases with multiple spells. However, this methodology of selecting only one closing instance per case also means that our monthly count of case closings will not line up with (i.e., they will be less than) the figures reported in monthly statistical reports of the Family Investment Administration (FIA), as those figures include all closings per case.

Keeping that caveat in mind, our study sample included a distribution of closing cases from each month within the study period, with a low of 1,423 closures in July 2008 and a high of 1,932 closures in September 2008. Overall, we find an average of 1,679 closings per month, which is ever so slightly higher than the average number of monthly closings reported in the previous installment of this report series, for the period from October 2006 through September 2007 (1,659).

**Figure 2. Statewide Case Closings by Month**



## Case Closings by Core Caseload

Classifying cases into groups is important to the functionality of a reformed welfare program that focuses on self-sufficiency. Since one of the major objectives of the Maryland TANF program is to improve or eliminate barriers that stand in the way of a client's quest towards self-sufficiency, classification is an important way of identifying the clients that may have a more difficult time fulfilling that journey. Therefore, the core caseload designation is used to identify the cases subject to work requirements and the subgroups of non-core cases that require different case management strategies. The categorization is based on a number of different case and payee characteristics available in the administrative data, and there is a hierarchy that guides which category is the most appropriate in the event that a case meets the criteria for more than one category.

Not only is the core caseload designation important for identifying cases with barriers to employment, but it is also necessary for the determination of the federal work participation rate as certain designations are a part of the work-mandatory caseload and are required to participate in a work-related activity for a specified number of hours. Every work-mandatory case then has implications for Maryland's ability to meet the federal work participation rate and avoid potential penalties if the rate is not achieved. When TANF was reauthorized through the Deficit Reduction Act (DRA) of 2005, the new regulations included stricter criteria for states in terms of defining work activities and determining which types of cases should be included in the calculation of the work participation rate (WPR), and updated the baseline for caseload reduction credits. The bottom line result is that states are presented with a renewed challenge to increase work participation among active TANF recipients, which in turn requires states to use available tools that encourage compliance such as work sanctions. This next analysis provides a snapshot of the

core caseload designation of the exiting population during our study period and provides a better sense of the cases that were required to participate in a work-related activity prior to exit.

In Table 1, the closed cases from October 2007 to September 2008 are compared with a sample of the active TCA (Temporary Cash Assistance) cases in October 2008. There were a number of noticeable differences in caseload designation between the closed and active cases. For example, there is a considerable difference with the two largest designations – core caseload and child-only cases. Just under half (47.9%) of the case closures fell into the core caseload group, which is a work-mandatory group that is used in the calculation for the federal work participation rate; on the other hand, only three out of 10 (30.0%) active cases were also designated as a part of the core caseload. Nearly four in 10 (38.3%) active cases were child-only cases where the adult is not calculated in the cash benefit amount and thereby not required to participate in a work-related activity. Among case closures, however, only two in 10 (21.3%) were child-only cases.

The differences in core caseload classification between the closed cases and the active cases seem quite intuitive on closer examination. For instance, cases that are less likely to be closed, such as child-only cases, cases with caseheads who have disabilities, cases caring for a disabled family member or relative child, and cases with very young children are more common among the active caseload. Conversely, cases with caseheads who are more likely to be working – two-parent households, earnings cases, and the core caseload – are more common among closed cases who are required to work and more likely to be closed due to income eligibility from earnings or due to a work sanction. There are, however, some differences that are less intuitive. For instance, the rate of legal immigrants is essentially the same for both

closed and active cases. This may just be because the total number of cases in this category is low across the caseload, or it may be an indication that immigrant status effectively has very little impact on whether a case is likely to close or not.

Finally, the rate of cases with a domestic violence exemption is slightly higher among closed cases than active cases. This is somewhat concerning, as, at least in theory, one would expect cases to remain in the

active caseload and continue receiving cash assistance while the casehead was exempt from work requirements in order to address domestic violence issues. In fact, it is the hope that these cases will remain connected with DHR so that they can continue to have access to help if they need it. It is possible that these cases are closing due to employment and/or relocation away from danger, but further investigation into these outcomes is needed.

**Table 1. Case Closures by Core Caseload Designation**

	<b>Cases Closed 10/07 – 9/08 (n=20,142)</b>	<b>Active Cases 10/08 (n=21,553)</b>
<b>Core Caseload</b>	47.9% (9,626)	30.0% (6,450)
<b>Non-Core Caseload</b>		
Two-parent household	2.0% (404)	1.2% (259)
Earnings	7.3% (1,463)	3.1% (662)
Child-only	21.3% (4,274)	38.3% (8,228)
Child under one	9.5% (1,914)	11.7% (2,517)
Long-term disabled	6.8% (1,370)	9.0% (1,935)
Short-term disabled	1.1% (224)	1.6% (336)
Caring for a disabled household member	1.2% (240)	1.8% (381)
Paid relative caretaker	1.4% (278)	2.4% (507)
Domestic violence	1.0% (209)	0.6% (128)
Legal immigrant	0.5% (94)	0.4% (76)

**Note:** Due to some instances of missing data, cell counts may not sum to column totals. Valid percentages reported.

## Case Closings by Jurisdiction

Previously, we looked at the month in which cases closed and the core caseload designation of closed cases compared to the active caseload. In this next section, we present a closer look at where the case closures occur within the state. Maryland being a very diverse state, bordering four states (West Virginia, Virginia, Pennsylvania, and Delaware) and the District of Columbia, has varying economies, culture, and demographics by region. Since this diversity is recognized in DHR's welfare-to-work strategy, it is important to examine case closures at the local level in order to understand the welfare exit patterns across the state.

We begin by reviewing the jurisdictional distribution of case closures provided in Table 2. As in previous years, Baltimore City, Prince George's County, and Baltimore County accounted for seven of every 10 case closures in Maryland, while the remaining 21 jurisdictions account for three of every 10 closures. Not surprisingly, Baltimore City accounted for just under half (48.0%) of all case closures. In order, the next four jurisdictions with the greatest proportion of all closures were Prince George's (11.3%), Baltimore County (9.9%), Anne Arundel (6.2%) and Montgomery (3.6%). No other jurisdiction accounted for more than 2.4% of Maryland's case closures. Kent, Talbot, Worcester, and Garrett counties had the least amount of closures (all about 0.3%).

We would expect a large number of closures to occur in Baltimore City simply for the fact that there is a large active caseload in Baltimore City, while we would expect a smaller number of case closures in Garrett County where there is a small active caseload. However, it is also valuable to understand whether Baltimore City's proportion of closures is reasonable considering its proportion of the state's

active caseload. Therefore, for comparative purposes, we also present in Table 2 the proportion of active cases within each jurisdiction relative to each jurisdiction's share of case closures. In general, we expect that these proportions should be equal. That is, if five percent of active cases are within a particular jurisdiction, we also expect five percent of case closures to occur within that jurisdiction. To the extent that these proportions are not equal in some localities, we can get a sense of where case closures are happening at a higher-than-expected rate or a lower-than-expected rate.

Therefore, the next portion of information in Table 2 is the average caseload size for each jurisdiction over our twelve month study period, or rather the percent of the total caseload by jurisdiction. The percent of total caseload observations look quite similar to the number of cases closed in each jurisdiction as they did in the previous study period. In fact, 19 of the 24 jurisdictions were within 0.2 percentage points between the case closure and active case ratios. The largest differences often occurred in the jurisdictions with the largest number of case closures. Anne Arundel (+0.8) and Baltimore City (+0.6) had a higher closing ratio than active cases meaning that these jurisdictions' proportion of all closed cases was higher than their proportion of all active cases. In contrast, Prince George's (-1.4) was found to have a slightly lesser ratio. Of the smaller jurisdictions, St. Mary's (-0.3) and Dorchester (+0.4) were the only jurisdictions to have an absolute difference of more than 0.2 percentage points. Even with the differences pointed out here, the variation between the proportion of closures and active cases is minimal and no cause for concern that a jurisdiction may be closing cases at faster than expected rate or vice-versa.

**Table 2. Percent of Closings and Average Caseload by Jurisdiction**

<b>Jurisdiction</b>	<b>Percent of Total Closings (n=20,142)</b>	<b>Percent of Total Caseload (n=21,981)</b>	<b>Percentage Point Difference</b>
Allegany	1.2% (245)	1.3% (286)	0.1
Anne Arundel	6.2% (1,250)	5.4% (1,190)	0.8
Baltimore County	9.9% (1,985)	9.9% (2,183)	0.0
Calvert	0.8% (166)	0.7% (164)	0.1
Caroline	0.5% (104)	0.6% (128)	-0.1
Carroll	1.0% (211)	1.0% (209)	0.0
Cecil	2.0% (406)	1.8% (403)	0.2
Charles	0.8% (168)	1.0% (229)	-0.2
Dorchester	1.5% (299)	1.1% (248)	0.4
Frederick	1.6% (320)	1.5% (320)	0.1
Garrett	0.3% (70)	0.3% (58)	0.0
Harford	2.4% (491)	2.6% (579)	-0.2
Howard	1.9% (389)	1.8% (394)	0.1
Kent	0.3% (52)	0.2% (51)	0.1
Montgomery	3.6% (735)	3.7% (804)	-0.1
Prince George's	11.3% (2,276)	12.7% (2,797)	-1.4
Queen Anne's	0.4% (86)	0.4% (85)	0.0
Somerset	0.6% (111)	0.6% (133)	0.0
St. Mary's	1.3% (259)	1.6% (358)	-0.3
Talbot	0.3% (54)	0.3% (63)	0.0
Washington	1.7% (333)	1.6% (343)	0.1
Wicomico	1.9% (391)	2.1% (462)	-0.2
Worcester	0.3% (68)	0.4% (84)	-0.1
Baltimore City	48.0% (9,673)	47.4% (10,414)	0.6

Note: "Percent of Total Caseload" is derived from a monthly average number of paid TCA cases between October 2007 and September 2008, according to FIA Monthly Statistical Reports, available online:

<http://www.dhr.state.md.us/fia/statistics.php>



## FINDINGS: CHARACTERISTICS OF EXITING CASES AND PAYEES

This next chapter explores demographic information about the case closures during our study period. It is important to remember that when we discuss case closures that we are referring to families with children. These families reached out to the safety net likely as a last resort to ensure the family would maintain a roof over their heads and food on the table. However, these families have recently exited from the program and we are interested in who they are and whether there have been any changes to the profile of a closed case. Therefore, we examine case level characteristics such as number of months of TCA and size of the assistance unit as well as casehead characteristics such as gender, race, and age. Recent *Life on Welfare* (Williamson et al., 2011) analyses have found a slight change in the demographics of the active cases, such as more adults in the assistance unit and younger caseheads who are less likely to reside in Baltimore City. These demographic changes are likely due to the increasing active caseload, and since we saw a slight increase in the number of closures (Figure 1) during this study period, we will explore whether similar changes exist upon comparison with previous *Caseload Exits* reports.

Additionally in this chapter, we compare the characteristics of the closed cases to the active caseload in October 2008. We make this comparison in order to determine if there is a different case profile that is able to exit the program or exits due to a work sanction than those that remain on assistance. Lastly, due to the diversity in the welfare caseload throughout Maryland's 24 jurisdictions, the final analysis will compare the characteristics of each jurisdiction.

### Characteristics of Exiting Cases and Payees: Statewide

Following this discussion, in Table 3, we present the case and payee characteristics for the population of case closures during our study period. The typical payee for a closing case was an African American (78.0%) female (94.8%) of about 34 years of age (33.91). The cases tended to have one adult (75.6%) and one child (48.2%) for a total of two people in the assistance unit (38.1%) and usually had about eight months (7.52), on average, of TCA receipt in the 12 months prior to closing. This profile has not changed much from the previous study year where the typical closing case had an African American (79.2%) female (95.0%) casehead with an average age of 34 and two people in the assistance unit.

When compared to the October 2008 active cases, however, some differences can be observed. Closed cases received slightly less TCA in the previous 12 months compared to the active cases (7.52 vs. 8.02). While the difference in the number of children was similar among closed and active cases, there was a considerable difference in the number of adults. This results from the larger number of child-only cases on the active caseload (21.5% vs. 38.2%) as we found with the discussion on the core caseload designation. Therefore, we also find a difference in the overall size of the assistance units which were larger among the closed cases. Less than one out of five (17.8%) closed cases had an assistance unit size of one, while over a quarter (26.4%) of active cases were found to have the same assistance unit size. Closing cases had a higher proportion in every other family size.

Another variation between the closed and active cases was found between the ages of case members. Cases that closed in our study period were headed by payees that were, on average, about three years younger than payees on active cases (33.91

vs. 37.27). In addition, the youngest child was about one year younger (5.55 vs. 6.40) in the closed cases. Thus, closed cases tended to have a somewhat greater chance of including a child under the age of three (45.5% vs. 39.4%).

**Table 3. Closing Case and Payee Characteristics: Statewide**

	<b>Cases Closed 10/07 – 9/08 (n=20,142)</b>	<b>Active Cases 10/08 (n=21,553)</b>
<b>Months of TCA Receipt in the Previous 12 Months<sup>1</sup></b>		
Mean	7.52	8.02
Median	8.00	10.00
<b>Payee Characteristics</b>		
% African American	78.0%	76.7%
% Female	94.8%	94.5%
Mean Age	33.91	37.27
<b>Case Characteristics</b>		
Number of Adults		
0 (Child-only)	21.5%	38.2%
1	75.6%	59.8%
2	2.9%	2.0%
Number of Children		
0	3.6%	3.3%
1	48.2%	49.9%
2	27.1%	26.5%
3 or more	21.0%	20.3%
Assistance Unit Size		
1	17.8%	26.4%
2	38.1%	36.1%
3	23.9%	20.0%
4 or more	20.3%	17.5%
Age of Youngest Child		
Mean	5.55	6.40
Median	3.57	4.81
Range	<1 – 18	<1 – 18
% of cases with a child under 3	45.5%	39.4%

<sup>1</sup> For the closed cases, this is the 12 months prior to case closure; for the active cases, this is the 12 months prior to October 2008.

## Characteristics of Exiting Cases and Payees by Jurisdiction

This section reviews the case and payee characteristics of all 24 jurisdictions in order to better understand the profile of an exiting case across the state. The diversity of the welfare population throughout Maryland has been frequently documented especially in the *Caseload Exits* series, and we continue in this tradition in order to highlight this diversity as well as how trends affect jurisdictions differently due to the economies and culture within the jurisdiction.

Characteristics such as race of the exiting welfare population point to the need to review information by jurisdiction, because while the typical exiting payee at the state level is African American, 22 of the 24 jurisdictions fall below the statewide average of 78.0%. In fact, less than half of the exiting welfare population in nine jurisdictions is African American. The wide variation in the African American welfare population is heavily influenced by the large welfare caseloads in Baltimore City (9,673 exiting cases) and Prince George's County (2,276 exiting cases) where approximately 93 percent of all exiting caseheads are African American. The next two jurisdictions with the largest exiting population – Baltimore County (1,985 exiting cases) and Anne Arundel County (1,250 exiting cases) – have a different profile from the two largest jurisdictions. The African American population is 67.0% and 54.8%, respectively, while the Caucasian population is 29.8% and 42.8% of the exiting welfare population, respectively.

On the other hand, there is little variation in the fact that most caseheads are female and about 34 years old. Approximately nine in 10 caseheads are female in all jurisdictions, and the average payee age ranges from 33 to 35 years in 18

jurisdictions; five jurisdictions had payees with an average age in their late 30's (Kent, Somerset, Talbot, Worcester, and Carroll).

At the state level, two in ten cases were child-only cases, however exiting child-only cases ranged from 17.0% in Baltimore City to 50.0% in Talbot County. Child-only cases made up more than one-third of the exiting population in five jurisdictions (Talbot-50%, Worcester-48.5%, Kent-38.5%, Charles-35.7%, and Washington-34.8%), while the child-only population was below 20 percent in only three jurisdictions (Baltimore City-17%, Queen Anne's-18.6%, and Howard-18.0%). Jurisdictions with a higher percent of child-only cases also tend to be the jurisdictions with an older payee (Kent, Talbot, Worcester) likely due to the fact that many child-only cases are headed by a relative adult such as a grandparent (Hetling, Saunders, Born, 2005; Colosi, Dunifon, and Lee, 2003).

In all jurisdictions, there are a greater proportion of cases with only one child on the case, ranging from 42.3% in Somerset County to 59.3% in Talbot County. About one-quarter to one-third of each jurisdiction's caseload has two children on the case, and a quarter of the cases in Somerset (26.1%) and Wicomico (25.3%) have three or more children on the case. The average age of the youngest child ranges from 4.4 years in Washington and Garrett Counties to 7.3 years in Talbot County. Washington and Garrett Counties also have the largest percentage of cases with a child under the age of three (58.2% and 59.7%, respectively).

Lastly, the statewide average of TCA receipt in the 12 months prior to exit is 7.52 months. At the jurisdictional level, average TCA receipt in the prior 12 months before exit varied by two months from 5.86 months in Queen Anne's County to 7.88 months in Baltimore City and Prince George's County.

**Table 4. Closing Case and Payee Characteristics by Jurisdiction**

	<b>Allegany</b>	<b>Anne Arundel</b>	<b>Baltimore County</b>	<b>Calvert</b>	<b>Caroline</b>	<b>Carroll</b>	<b>Cecil</b>	<b>Charles</b>
<b>Number of Unique Case Closings</b>	245	1,250	1,985	166	104	211	406	168
<b>TCA Use</b>								
Mean Months of Receipt in 12 Months before Exit [Median]	6.98 [7.00]	6.38 [6.00]	7.49 [8.00]	7.19 [6.50]	6.89 [7.00]	7.10 [7.00]	6.64 [6.50]	6.85 [6.00]
<b>Payee Characteristics</b>								
% Caucasian	89.7%	42.8%	29.8%	49.1%	50.5%	84.5%	79.4%	21.3%
% African American	9.9%	54.8%	67.0%	47.8%	44.4%	12.1%	17.8%	77.5%
% Female	91.4%	94.1%	93.8%	92.8%	93.3%	91.9%	93.3%	95.8%
Mean Age [Median]	33.9 [32.0]	34.1 [31.2]	34.6 [31.4]	34.7 [33.2]	35.2 [32.7]	36.2 [35.8]	34.0 [31.5]	33.9 [31.3]
<b>Case Characteristics</b>								
<b>Number of Adults</b>								
0 (Child-only)	27.3%	21.4%	27.8%	25.3%	29.8%	25.6%	20.4%	35.7%
1	67.3%	75.4%	69.9%	63.3%	67.3%	67.8%	74.4%	63.1%
2	5.3%	3.2%	2.3%	11.4%	2.9%	6.6%	5.2%	1.2%
<b>Number of Children</b>								
0	2.0%	4.6%	2.6%	0.6%	2.9%	3.3%	2.5%	0.6%
1	55.1%	47.6%	50.6%	48.2%	51.9%	53.1%	45.6%	57.1%
2	26.5%	27.7%	28.4%	31.9%	25.0%	31.3%	30.0%	25.0%
3 or more	16.3%	20.2%	18.4%	19.3%	20.2%	12.3%	21.9%	17.3%
Mean Size of Assistance Unit [Median]	2.4 [2.0]	2.6 [2.0]	2.5 [2.0]	2.7 [2.0]	2.4 [2.0]	2.4 [2.0]	2.7 [2.0]	2.4 [2.0]
Mean Age of Youngest Child [Median]	5.7 [3.6]	5.5 [3.7]	5.7 [3.5]	5.7 [3.7]	6.2 [4.2]	6.2 [4.6]	5.5 [3.5]	5.5 [3.4]
% of cases with a child under 3	45.6%	45.7%	46.4%	44.8%	41.8%	43.0%	46.3%	43.9%

**Table 8. Closing Case and Payee Characteristics by Jurisdiction (Continued)**

	Dorchester	Frederick	Garrett	Harford	Howard	Kent	Montgomery	Prince George's
<b>Number of Unique Case Closings</b>	299	320	70	491	389	52	735	2,276
<b>TCA Use</b>								
Mean Months of Receipt in 12 Months before Exit [Median]	6.63 [6.00]	6.26 [6.00]	6.49 [5.00]	7.58 [8.00]	7.82 [9.00]	7.19 [8.00]	6.46 [6.00]	7.88 [9.00]
<b>Payee Characteristics</b>								
% Caucasian	23.2%	43.9%	100.0%	42.3%	19.7%	32.7%	12.6%	2.9%
% African American	72.1%	50.0%	0.0%	53.8%	75.5%	65.3%	75.0%	92.8%
% Female	95.3%	93.1%	88.6%	94.3%	96.4%	94.2%	95.2%	95.3%
Mean Age [Median]	32.4 [28.3]	33.8 [29.8]	33.0 [28.9]	33.4 [28.8]	34.0 [32.2]	36.0 [32.9]	35.0 [32.6]	35.2 [31.4]
<b>Case Characteristics</b>								
<b>Number of Adults</b>								
0 (Child-only)	24.7%	20.3%	20.0%	27.3%	18.0%	38.5%	23.5%	25.7%
1	69.9%	75.3%	58.6%	68.6%	77.4%	57.7%	71.4%	72.4%
2	5.4%	4.4%	21.4%	4.1%	4.6%	3.8%	5.0%	1.8%
<b>Number of Children</b>								
0	5.7%	3.1%	1.4%	2.0%	3.3%	0.0%	1.8%	4.8%
1	45.5%	47.5%	50.0%	48.1%	44.0%	53.8%	49.9%	48.3%
2	26.4%	27.8%	32.9%	30.3%	33.9%	26.9%	25.4%	24.7%
3 or more	22.4%	21.6%	15.7%	19.6%	18.8%	19.2%	22.9%	22.2%
Mean Size of Assistance Unit [Median]	2.6 [2.0]	2.7 [2.0]	2.7 [3.0]	2.6 [2.0]	2.7 [3.0]	2.4 [2.0]	2.7 [2.0]	2.5 [2.0]
Mean Age of Youngest Child [Median]	4.9 [2.5]	4.8 [3.0]	4.4 [1.8]	4.7 [2.9]	6.4 [4.8]	5.4 [4.4]	5.4 [3.6]	5.8 [3.7]
% of cases with a child under 3	53.8%	50.3%	59.7%	51.4%	38.7%	45.8%	45.1%	44.7%

**Table 8. Closing Case and Payee Characteristics by Jurisdiction (Continued)**

	Queen Anne's	St. Mary's	Somerset	Talbot	Washington	Wicomico	Worcester	Baltimore City
<b>Number of Unique Case Closings</b>	86	259	111	54	333	391	68	9,673
<b>TCA Use</b>								
Mean Months of Receipt in 12 Months before Exit [Median]	5.86 [5.00]	7.80 [9.00]	6.95 [7.00]	7.09 [7.00]	6.85 [6.00]	7.11 [7.00]	7.19 [7.50]	7.88 [9.00]
<b>Payee Characteristics</b>								
% Caucasian	52.9%	41.8%	33.3%	47.2%	67.7%	30.7%	45.5%	6.0%
% African American	42.4%	55.4%	64.0%	49.1%	29.2%	66.1%	51.5%	93.2%
% Female	94.2%	92.7%	95.5%	94.4%	92.8%	93.6%	94.1%	95.5%
Mean Age [Median]	34.1 [31.7]	34.1 [31.4]	37.4 [35.2]	39.2 [38.6]	34.7 [30.0]	33.8 [29.8]	39.8 [38.1]	33.2 [29.7]
<b>Case Characteristics</b>								
Number of Adults								
0 (Child-only)	18.6%	28.2%	32.4%	50.0%	34.8%	25.3%	48.5%	17.0%
1	74.4%	62.5%	64.0%	46.3%	63.1%	68.8%	50.0%	81.1%
2	7.0%	9.3%	3.6%	3.7%	2.1%	5.9%	1.5%	1.9%
Number of Children								
0	3.5%	2.3%	1.8%	3.7%	0.9%	2.0%	1.5%	4.1%
1	54.7%	47.9%	42.3%	59.3%	52.3%	46.8%	55.9%	47.3%
2	23.3%	28.2%	29.7%	24.1%	28.8%	25.8%	25.0%	26.8%
3 or more	18.6%	21.6%	26.1%	13.0%	18.0%	25.3%	17.6%	21.7%
Mean Size of Assistance Unit [Median]	2.5 [2.0]	2.6 [2.0]	2.6 [2.0]	2.0 [2.0]	2.4 [2.0]	2.7 [2.0]	2.2 [2.0]	2.6 [2.0]
Mean Age of Youngest Child [Median]	5.4 [3.9]	5.5 [3.6]	5.5 [3.6]	7.3 [7.4]	4.4 [1.6]	4.8 [2.8]	6.1 [4.4]	5.6 [3.6]
% of cases with a child under 3	39.5%	46.6%	44.3%	32.1%	58.2%	51.7%	41.3%	44.5%

## FINDINGS: REASONS FOR CASE CLOSURE

The previous chapter discussed the types of cases that closed during our study period of October 2007 to September 2008. However, we now turn our focus to answering why these cases closed. While there can be any number of reasons for a case to close, the only information we have about these reasons is from a code recorded in the administrative information system and chosen by the caseworker from a list of pre-determined case closure codes.

Unfortunately, in some cases these codes may not fully capture the full nature or reasons for the welfare exit/case closure; in particular, the true number of work-related exits may be understated. For example, some 'no recertification' closures are actually due to the client finding employment, but not notifying the agency of this fact. Since there is no notification of the employment and the client does not return for a redetermination appointment, the closure code entered into the system is "no recertification".

Some time ago, in fact, we compared UI wage data with TCA case closing reasons and found that the true rate of employment among exiting adults was at least 25 percent higher than was reflected in the administrative case closing codes. Despite the inherent limitations of case closing code data, we have found that these codes do correlate with post-exit outcomes and are the best measure for evaluating full-family sanction rates which have a clear purpose of denying a case benefits in order to encourage compliance with work or child support requirements (Ovwigbo, Tracy, & Born, 2004).

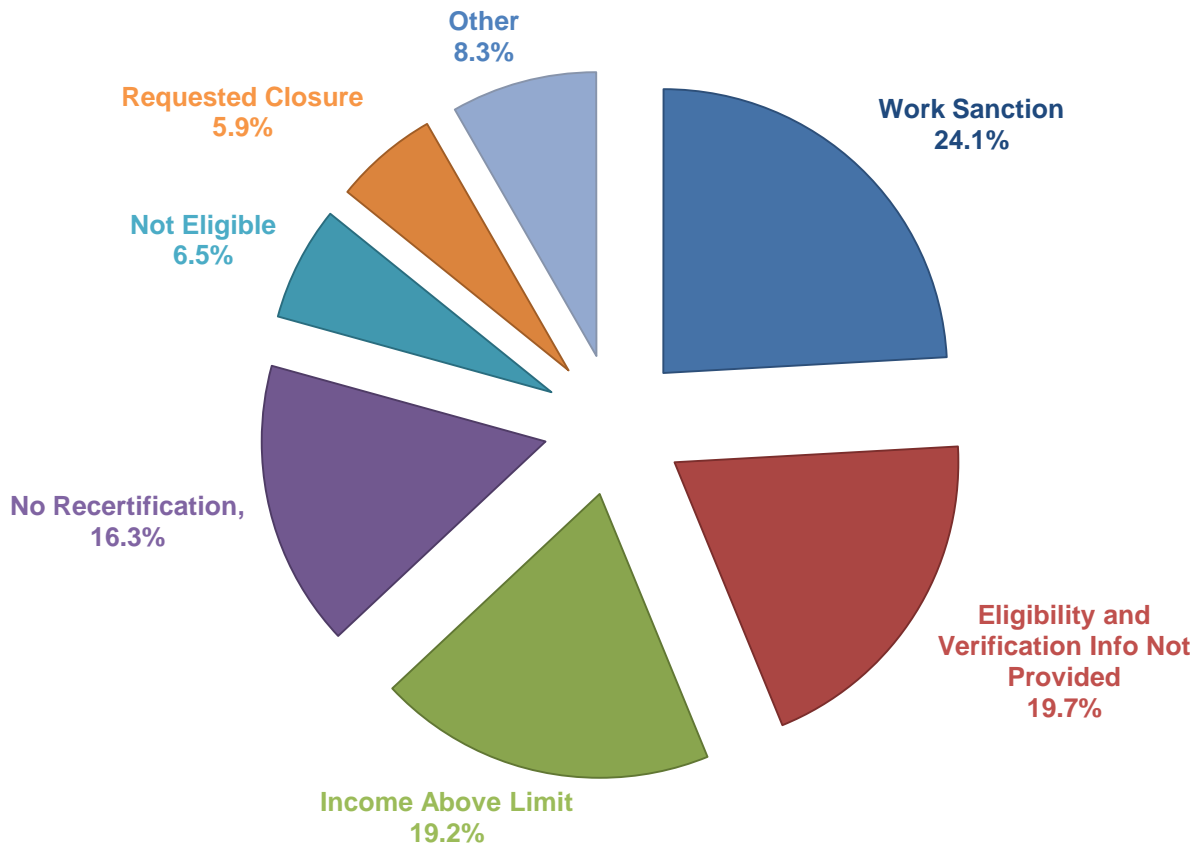
In this findings section, we first investigate the frequency of closure codes at the state level and then the top three closing codes by jurisdiction. We also investigate whether closing codes vary by core caseload designation especially since certain designations are work-mandatory cases. Lastly, we narrow our investigation to focus on only full-family sanctions at the statewide level, by jurisdiction, and by core caseload designation.

### **Case Closure Reasons: Statewide**

Figure 3, following, provides the top six case closing reasons for Maryland closures between October 2007 and September 2008. About one quarter (24.1%) of the cases in Maryland closed due to a work sanction. Roughly one in five (19.7%) cases closed due to eligibility and verification information not being provided; nearly the same amount closed because their income was above the limit (19.2%). These are the same top three closing reasons from the previous study period; however, work sanctions (20.2%) are more common in this study period while eligibility and verification information not provided (22.3%) is less common. Case closure due to income above limit (18.9%) has remained stable from the previous study period.

While not a substantial increase, the increase in the work sanctions may be indication of the recession and that caseheads are finding it more difficult to locate employment or to participate in work-related activities to avoid sanctioning. We will discuss work sanctions in more detail later within this chapter.

**Figure 3. Top Case Closing Reasons: Statewide**



**Case Closure Reasons by Jurisdiction**

While a statewide overview of case closing reasons provides information on the circumstances in which all cases are closed, it is affected by the closing reasons in the larger jurisdictions. Since we know that demographics and case characteristics differ among the various jurisdictions, we will also examine how the case closing reasons may also differ by jurisdiction. Table 5 presents each of the 24 jurisdictions with their top three case closing reasons. The findings indicate a solid amount of consistency with reasons at the state level. With the exception of Worcester County (residency – 13.2%), each jurisdiction’s top three case closing reasons were among the top six closing reasons statewide. Also of interest, is the fact that while income above limit was only the

third highest case closing reason statewide, it was within the top three closing codes for most (22 of 24) of the jurisdictions and the premier reason for closure in 12 jurisdictions. Therefore, income above limit was more common than work sanction (17 of 24), no recertification/no redetermination (13 of 24), and eligibility/verification information not provided (11 of 24) among the jurisdictions. Income above limit is the most frequently employed case closing reason at the jurisdictional level, but only third statewide, simply because the two jurisdictions without income above limit as a top three case closure reason – Baltimore City and Prince Georges County – make up every six in 10 (59.3%) closures at the state level. Again, this reiterates the importance of examining data at the jurisdictional level to provide



meaningful information for local staff who may find state level analyses contradictory to the reality within their own offices.

In comparison to the previous study period, we find some interesting, but subtle changes in how work sanctions are becoming more prevalent. While income above limit was represented in 22 of the 24 jurisdiction, just as in this study year, it was the top reason in 18 jurisdictions compared to only 12 jurisdictions in this study year. Work sanction was a part of the top three closing reasons in 12 jurisdictions and the top reason in 2 jurisdictions in the last study; however, work sanction was found in 17 jurisdictions this year with it as the top reason in 7 jurisdictions. The number of jurisdictions with eligibility and verification information not provided (16 vs. 11 jurisdictions) and no recertification/no redetermination (14 vs. 13 jurisdictions) also decreased in this study period allowing for the transition to more work sanctions.

The use of work sanctions ranged from 9.6% in Kent County to 34.1% in Dorchester County at the jurisdiction level excluding the seven jurisdictions without work sanction as a top three reason. Between one-quarter and one-third of all case closures were due to a work sanction in eight jurisdictions. The use of income above limit ranged from 16.2% in Somerset County to 34.9% in Queen Anne's County. Eligibility and verification information not provided was used most often in Frederick County (26.3%) while no recertification/no redetermination was most represented in St. Mary's County (36.7%). As

stated previously, these case closure reasons could signify that the closures are actually due to the client finding employment, but not notifying the agency of this fact; therefore, with sufficient information, we could find that income above limit is much more common than portrayed here.

It seems that the ability to secure employment with earnings above the eligibility threshold is common among the smaller jurisdictions, however where there is a larger vulnerable population – Baltimore City and Prince Georges County – either self-sufficiency is more difficult to obtain or improved documentation is necessary on why cases do not provide eligibility information or do not return for recertification. Furthermore, the trend of increased work sanctions among these jurisdictions may be the first indicator of the difficulty of a work-first welfare program during a significant recession. Under federal requirements, states are still held to an inflexible work participation rate which must be met to avoid financial penalties regardless of macro-economic factors. In order to encourage compliance with work participation requirements, Maryland implements a full-family sanction. Previous research on sanctions and recidivism find that sanctioned families are likely to come into compliance with program requirements and come back onto assistance, thereby reinforcing the effectiveness of full-family sanctions for non-compliance. A fuller discussion on sanctions will occur in a later analysis.

**Table 5. Top 3 Case Closing Reasons by Jurisdiction**

<b>Jurisdiction</b>	<b>Case Closure Reason</b>	
Allegany (n=245)	Work sanction	22.0%
	Income above limit	19.6%
	Requested closure	14.7%
Anne Arundel (n=1,250)	Eligibility/verification info not provided	25.8%
	Income above limit	20.7%
	Work sanction	17.9%
Baltimore County (n=1,985)	Work sanction	26.7%
	Income above limit	21.6%
	No recertification/no redetermination	21.4%
Calvert (n=166)	Income above limit	32.5%
	No recertification/no redetermination	13.9%
	Requested closure	13.9%
Caroline (n=104)	Income above limit	29.8%
	Work sanction	19.2%
	No recertification/no redetermination	10.6%
	Not eligible	10.6%
Carroll (n=211)	Income above limit	30.8%
	Eligibility/verification info not provided	19.9%
	No recertification/no redetermination	13.7%
Cecil (n=406)	Work sanction	26.8%
	Income above limit	21.9%
	Eligibility/verification info not provided	19.7%
Charles (n=168)	Income above limit	22.0%
	Eligibility/verification info not provided	17.9%
	Not eligible	14.3%
Dorchester (n=299)	Work sanction	34.1%
	Income above limit	20.4%
	No recertification/no redetermination	13.7%
Frederick (n=320)	Income above limit	31.9%
	Eligibility/verification info not provided	26.3%
	Work sanction	11.9%
Garrett (n=70)	Income above limit	28.6%
	Work sanction	27.1%
	Not eligible	12.9%
Harford (n=491)	Income above limit	26.7%
	Eligibility/verification info not provided	19.3%
	No recertification/no redetermination	14.5%

<b>Jurisdiction</b>	<b>Case Closure Reason</b>	
Howard (n=389)	No recertification/no redetermination	24.9%
	Work sanction	22.4%
	Income above limit	22.1%
Kent (n=52)	Income above limit	28.8%
	Not eligible	28.8%
	Work sanction	9.6%
	Eligibility/verification info not provided	9.6%
	No recertification/no redetermination	9.6%
	Requested closure	9.6%
Montgomery (n=735)	Work sanction	31.8%
	Income above limit	29.0%
	No recertification/no redetermination	9.8%
Prince George's (n=2,276)	No recertification/no redetermination	23.2%
	Eligibility/verification info not provided	21.0%
	Work sanction	17.6%
Queen Anne's (n=86)	Income above limit	34.9%
	Work sanction	30.2%
	Requested closure	10.5%
St. Mary's (n=259)	No recertification/no redetermination	36.7%
	Income above limit	30.5%
	Not eligible	9.3%
Somerset (n=111)	Work sanction	27.0%
	Requested closure	18.0%
	Income above limit	16.2%
Talbot (n=54)	Income above limit	25.9%
	Eligibility/verification info not provided	20.4%
	Requested closure	16.7%
Washington (n=333)	No recertification/no redetermination	29.1%
	Income above limit	18.9%
	Requested closure	15.3%
Wicomico (n=391)	Income above limit	27.4%
	Work sanction	22.0%
	Eligibility/verification info not provided	12.5%
Worcester (n=68)	Income above limit	23.5%
	Work sanction	19.1%
	Not eligible	13.2%
	Residency	13.2%
Baltimore City (n=9,673)	Work sanction	28.3%
	Eligibility/verification info not provided	24.0%
	No recertification/no redetermination	15.5%

## Case Closure Reasons by Core Caseload

In addition to investigating case closing reasons by jurisdiction, this study also takes a look at how the case closing reasons differ by core caseload group. As can be seen in Table 6, following, the top three reasons for each core caseload group were made up of case closing reasons from the top six statewide reasons with income above limit as the most represented closing reason, appearing in all but one core caseload group's top three reasons. Interestingly, while work sanction was the top case closing reason statewide, and was the second most frequent among jurisdictions, it was only reported in six of the 11 core caseload group's top three reasons. Instead, eligibility and verification information not provided was a top three closing reason for nine of the 11 core caseload groups.

Work sanctions were represented in the core caseload groups required to work – core caseload, earnings, short-term disabled, two-parent households, domestic violence and legal immigrant – although waivers can be granted for those with a short-term disability or those dealing with domestic violence issues. Less than two in 10 earnings (16.7%) and short-term disabled (18.3%) cases were closed due to a work sanction. Not surprisingly, work sanctions were the number one reason for case closure and most frequently imposed on the core caseload (42.7%) and two-parent families (37.1%). These are two of the main groups with adults that have no documented reason for an inability to work unlike those with a short-term disability or a victim of domestic violence. Furthermore, two-parent households increase their chances of a work sanction since both

adults are required to work and the non-compliance of one adult results in a full-family sanction for the entire case. All six groups with a work sanction as a top closure reason share the same two additional closure reasons: income above limit and eligibility and verification information not provided.

Income above limit was a closure reason in all core caseload designations except for child-only cases in which the adult is not calculated in the benefit amount and therefore their earnings do not affect the cash assistance benefit. This closure reason was the leading reason in three groups: child under one (25.8%), earnings (53.0%), and legal immigrant (40.4%). The fact that more than half of exiting earnings cases were closed due to income above limit is expected since these are cases composed of workers generating income, whether through self-employment or some other means. While not the top closure reason, income above limit was used among one-third (32.9%) of two-parent household closures which is to be expected since both parents are required to participate in a work-related activity which could result in a two-income household.

Groups that may have to file large amounts of paperwork, such as long-term (36.6%) and short-term disability (37.5%) cases as well as cases caring for a disabled household member (28.3%), have a harder time providing all the necessary information than other groups, leading to that being their top closing reason. Failure to provide eligibility information is also the top reason for case closure among domestic violence cases (31.6%).

**Table 6. Top 3 Case Closing Reasons by Core Caseload**

<b>Core Caseload</b>	<b>Case Closure Reason</b>	
Core caseload (n=9,626)	Work sanction	42.7%
	Eligibility/verification info not provided	24.0%
	Income above limit	16.6%
Two-parent household (n=404)	Work sanction	37.1%
	Income above limit	32.9%
	Eligibility/verification info not provided	17.8%
Earnings (n=1,463)	Income above limit	53.0%
	Work sanction	16.7%
	Eligibility/verification info not provided	15.0%
Child-only (n=4,274)	No recertification/no redetermination	37.4%
	Not eligible	20.9%
	Requested closure	14.1%
Child under one (n=1,914)	Income above limit	25.8%
	No recertification/no redetermination	22.7%
	Eligibility/verification info not provided	20.6%
Long-term disabled (n=1,370)	Eligibility/verification info not provided	36.6%
	No recertification/no redetermination	17.5%
	Income above limit	17.5%
Short-term disabled (n=224)	Eligibility/verification info not provided	37.5%
	Work sanction	18.3%
	Income above limit	17.4%
Caring for a disabled household member (n=240)	Eligibility/verification info not provided	28.3%
	No recertification/no redetermination	25.0%
	Income above limit	16.3%
Paid relative caretaker (n=278)	No recertification/no redetermination	30.9%
	Not eligible	20.5%
	Income above limit	15.8%
Domestic violence (n=209)	Eligibility/verification info not provided	31.6%
	Work sanction	22.5%
	Income above limit	22.5%
Legal immigrant (n=94)	Income above limit	40.4%
	Work sanction	26.6%
	Eligibility/verification info not provided	16.0%

### Full-Family Sanctions: Statewide

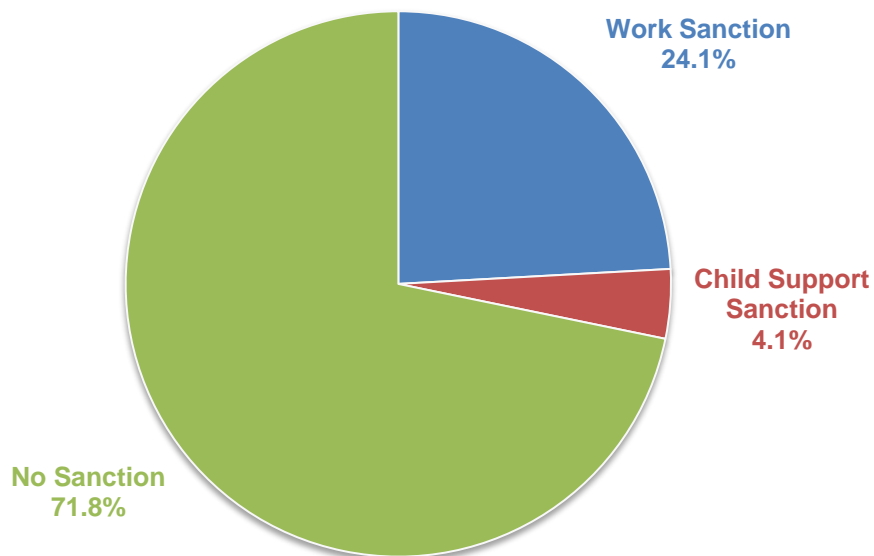
One of the most programmatically important case closing reasons that we study is full-family sanctions. The two types of full-family sanctions utilized in Maryland are work and child support sanctions. Caseheads are required to provide information on the paternity of any child receiving cash assistance so that a child support order can be generated. Once a child support order is established and the non-custodial parent begins making payments on the case, those payments are then recouped by the state to reimburse the cash assistance benefits provided to the family.

Work sanctions, on the other hand, are a tool used to encourage compliance with work requirements. The first instance of non-compliance with a work requirement results in a full-family sanction remaining in effect until the casehead becomes compliant with work requirements (as little as one day). The second instance of non-compliance requires caseheads to be in compliance for 10 calendar days; the third and all subsequent sanctions require caseheads to be in compliance for 30 calendar days before their

case can again receive benefits. With increased pressure on states to meet the federal work participation rate via the Deficit Reduction Act (DRA), we have found in previous studies that families are more likely to receive a work sanction after DRA (Williamson, 2011). Additionally, the full-family work sanction seems effective in bringing caseheads into compliance with work requirements since we find a higher recidivism rate among these cases indicating that they come into compliance in order to return to the cash assistance program.

As we found in a previous analysis, nearly a quarter of cases (24.1%) were closed due to a work sanction during this study period. Figure 4, provides this information as well as the percent of families that received a full-family sanction due to non-cooperation with child support requirements. Less than five percent (4.1%) of closed cases were sanctioned due to non-cooperation with child support requirements compared to 3.6% from the previous study period. More importantly, Figure 4 shows that the majority of cases (71.8%) closed due to some other reason than a full-family sanction.

Figure 4. Full-Family Sanctions: Statewide



## Full-Family Sanctions by Jurisdiction

Previous reports have demonstrated the variation in full-family sanctions by jurisdiction, therefore we will continue to provide information useful to local managers and caseworkers. Overall, Dorchester County had the highest full-family sanctioning rate in the state at 38.4% while St. Mary's has the lowest overall full-family sanctioning rate at 1.9% of the exiting population. Recalling the case closure reasons, two-thirds (67.2%) of St. Mary's closures were due to no recertification or income above limit and this was one of the seven jurisdictions where work sanctions was not one of the top three closure reasons. Conversely, work sanction was the leading reason for case closure in Dorchester County. Moving forward, we will now address work and child support sanctions separately for each jurisdiction in Figures 5 and 6.

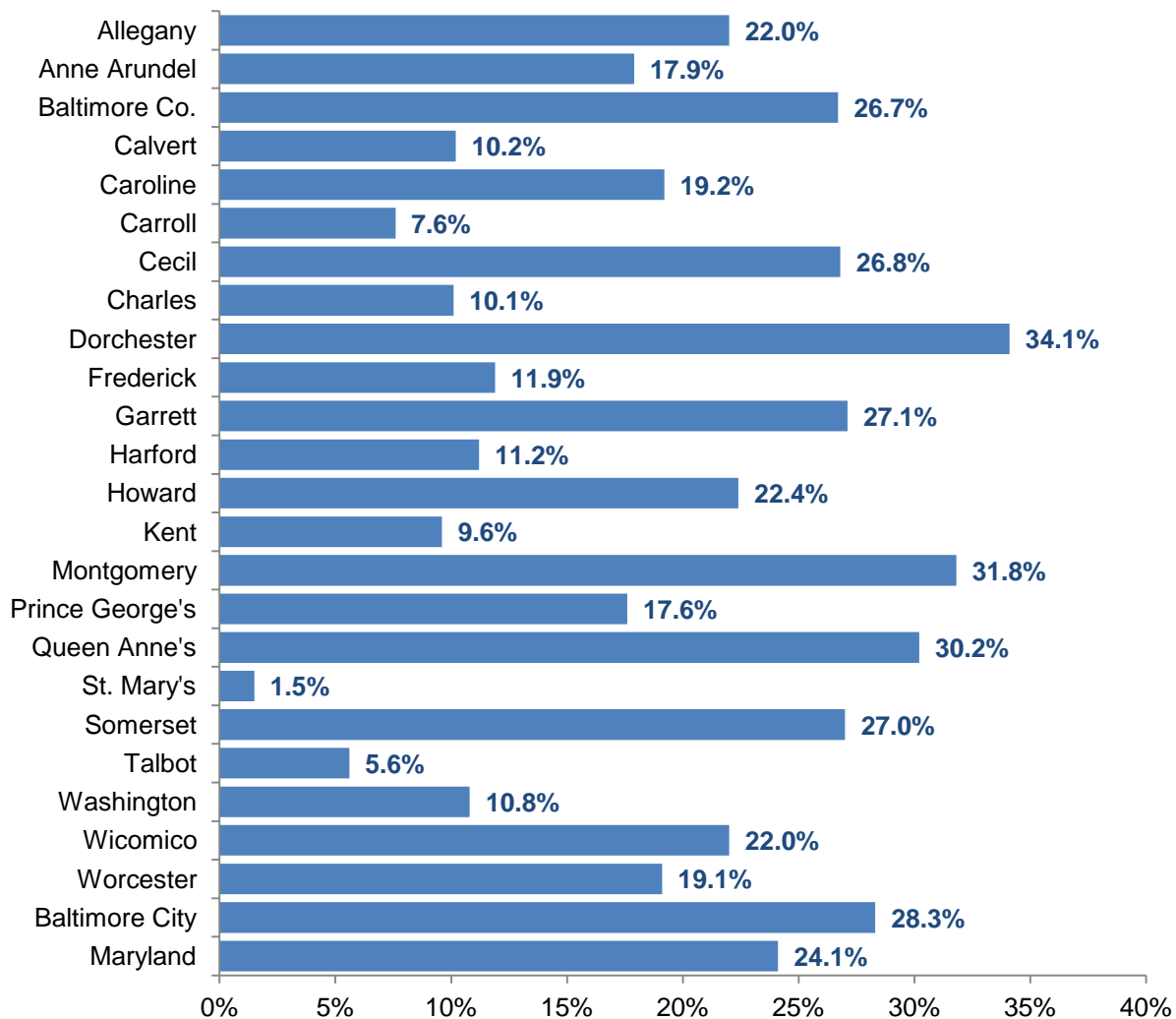
### Work Sanctions

According to Figure 5, two-thirds of jurisdictions (16 of 24) had a work sanction rate below the state average of 24.1%. Unlike the previous study period where two jurisdictions did not have any work sanctions, all 24 jurisdictions had some degree of work sanctions ranging from 1.5% of the exiting population in St. Mary's County to 34.1% in Dorchester County. Dorchester County had the highest percent of work sanctions among exiting cases in the previous two study

periods as well, although it has decreased slightly since the last study period (34.1% vs. 36.9%).

The variation in the work sanction rate by jurisdiction has been documented in previous *Caseload Exits* reports, but this variation may be partially related to the higher unemployment in Dorchester County. For example, during our study period (October 2007 to September 2008), the unemployment rate peaked at 7.5% in Dorchester County compared to 4.4% in St. Mary's County and 4.6% for the state average (DLLR, n.d.). Therefore, the higher unemployment in Dorchester could certainly have an effect on a client's ability to participate in a work-related activity. However, unemployment is not the only factor influencing work sanctions because two jurisdictions – Worcester County and Baltimore City – had unemployment rates that peaked above Dorchester County at 11.0% and 7.6%, respectively; however, the work sanction rate in these jurisdictions was 19.1% and 28.3%, respectively. So while these two jurisdictions had a higher unemployment rate than Dorchester County, they did not have a higher work sanction rate. This then suggests that there are some local policies or practices that also influence the frequency of work sanctions outside of local economic factors. Such practices could be utilizing other work-related activities such as job search or job skills training when employment is limited.

**Figure 5. Full-Family Sanctions: Work Sanctions by Jurisdiction**



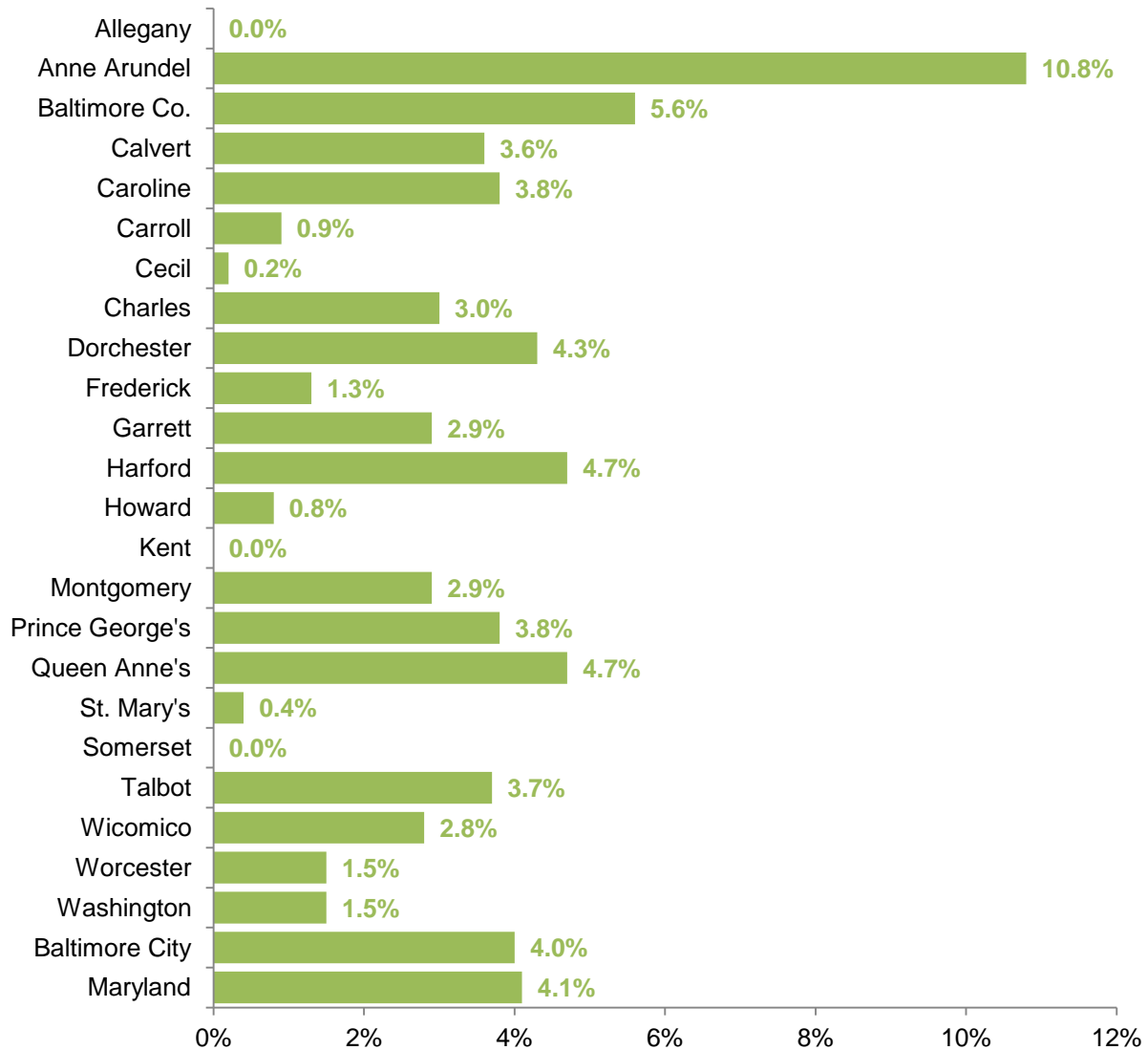
**Child Support Sanctions**

Generally, full-family sanctions due to non-cooperation with child support requirements tend to be used much less frequently since compliance is easily achieved by providing information on the paternity of the child on the case. In fact, according to Figure 6 below, three jurisdictions (Kent, Allegany, and Somerset) had no child support sanctions during this study period and four jurisdictions had less than one percent of case closures due to a child support sanction (Carroll, Cecil, Howard, and St. Mary's). Of the remaining

jurisdictions, their child support sanctioning rate ranged between 1.3% and 5.6% of case closures except for Anne Arundel County where one in 10 (10.8%) of all case closures were due to non-cooperation with child support requirements. Compared to the previous study year, Anne Arundel County again had a particularly high child support sanctioning rate of 9.7% followed by Calvert County at 8.2%. Additionally, in the last study period, six jurisdictions had no child support sanctions (compared to three in this study period).



**Figure 6. Full-Family Sanctions: Child Support Sanctions by Jurisdiction**



**Full-Family Sanctions by Core Caseload**

This final findings section examines the distribution of both work and child support sanctions within core caseload groups. Since we previously reviewed case closure reasons by core caseload designation, we do not discover additional findings about work sanctions among the core caseload. We again find work sanctions were used in case closures for the core caseload groups required to work – core caseload (42.7%), earnings (16.7%), short-term disabled (18.3%), two-parent households (37.1%),

domestic violence (22.5%) and legal immigrant (26.6%) cases. We expect that work sanctions will be rare for cases that have work exemptions – child-only, child under-one<sup>2</sup>, and long-term disabled cases. However, we do find that 13.3% of cases caring for a disabled family member were closed due to a work sanction. This is an

<sup>2</sup> Clients are only able to utilize the child under one exemption for a maximum of 12 months; clients are expected to work once the 12 months has been used even if additional children are born.

unexpected finding and may reflect coding errors or other unknown problems in the data. Additionally, we would also expect for there to be fewer work sanctions among cases with a short-term disability or those dealing with domestic violence issues due to the option for waivers in these cases. Not surprisingly, as we previously found, work sanctions were highest among the core caseload (42.7%) and two-parent families (37.1%) since these are two of the main groups with adults that have no documented reason for an inability to work.

Concerning child support sanctions, we find that they are most frequently used in the cases designated as a child under one, in

which one in ten (10.8%) were closed due to non-cooperation with child support requirements. This is to be expected since the paternity may not yet be established for these young children. Followed by child under one, child support sanctions are used in paid relative caretaker cases (7.6%) who may not know the paternity of the child, and cases caring for a disabled household member (6.7%). Child support sanctions are about five percent or less in all other core caseload designations. Lastly, there are no child support sanctions in two-parent households likely due to the assumption that the two adults in the household are the parents of any children on the case.

**Table 7. Full-Family Sanctions by Core Caseload**

	Work Sanction Rate	Child Support Sanction Rate	Total Sanction Rate
Core caseload (n=9,626)	42.7% (4,113)	2.6% (251)	45.3% (4,364)
Two-parent household (n=404)	37.1% (150)	0.0% (0)	37.1% (150)
Earnings (n=1,463)	16.7% (245)	2.3% (33)	19.0% (278)
Child-only (n=4,274)	0.4% (19)	5.5% (233)	5.9% (252)
Child under one (n=1,914)	4.5% (87)	10.8% (207)	15.4% (294)
Long-term disabled (n=1,370)	6.9% (94)	3.7% (51)	10.6% (145)
Short-term disabled (n=224)	18.3% (41)	4.9% (11)	23.2% (52)
Caring for a disabled household member (n=240)	13.3% (32)	6.7% (16)	20.0% (48)
Paid relative caretaker (n=278)	0.4% (1)	7.6% (21)	7.9% (22)
Domestic violence (n=209)	22.5% (47)	1.9% (4)	24.4% (51)
Legal Immigrant (n=94)	26.6% (25)	3.2% (3)	29.8% (28)

## CONCLUSIONS

Today's *Caseload Exits at the Local Level* report documents the welfare case closures of 20,142 cases that closed between October 2007 and September 2008. It provides information on the characteristics of the cases and payees of closed cases and the reason for case closure at the state and local jurisdictional level as well as by core caseload designation. Generally, the findings about case closures in Maryland have remained the same from previous years. At the state level, the typical payee is an African American woman in her early to mid-30's, and the case is composed of one adult and one child. However, as in years past, there is variation among the jurisdictions especially since the statewide profile is heavily influenced by Baltimore City and Prince George's County which account for three-fifths of all closures at the state level. Nonetheless, the variation that occurs among jurisdictions has not changed from previous years.

Also, the top three case closing reasons have remained stable from previous years: work sanctions, income above limit, and eligibility and verification information not provided. However, in this year's report, work sanctions became the top closing reason at the state level increasing from 20.2% in the previous study period to 24.1% during this current study period. Furthermore, child support sanctions, the other option for a full-family sanction, also inched up during this study period from 3.6% to 4.1%.

The increase in the full-family sanctioning rate also coincides with an increase in the number of cases exiting the program. For the first time in the history of this report series, the number of case closures exceeded the closures from the previous year. It is a small increase of only 1.1% (226 cases); however, this likely marks the beginning of a new trend to be investigated. In addition to the increase in exiting cases, there was a corresponding

increase in the number of active cases from previous years, and through the *Life on Welfare* series, we have documented that many of these new cases are cases with little or no history with welfare. Therefore, these are cases that possibly do not understand the rules and requirements of the welfare program and may find themselves quickly sanctioned due to non-compliance.

These changes we are detailing with the exiting cases are small and yet they are meaningful. These changes are occurring during the first months of the Great Recession whose official start commenced in December 2007. Unemployment in Maryland was making small incremental increases, but had not yet reached five percent by the end of this study period. Yet, as is widely recognized, welfare caseloads are a leading indicator of recession and a lagging indicator of recovery. So while the state was not yet feeling the full effects of the Great Recession, we began to see an increase in case closures that had not been previously seen under welfare reform.

The two companion *Caseload Exits* reports released with this report will provide a fuller picture of the effects of this recession on the population of welfare case closures. The information provided in this trilogy of reports will provide policymakers and program managers with useful information about the effects of the recession and provide insight into potential policy and programmatic enhancements to best meet the needs of vulnerable families especially under times of macro-economic instability. Due to the long-standing partnership between the Family Investment Administration of the Maryland Department of Human Resources and the University of Maryland, School of Social Work, we understand the importance of useful, reliable data to make necessary alterations in the welfare program, and we trust that this report will continue in that tradition for the continued support of the most needy families.

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