

CASELOAD EXITS AT THE LOCAL LEVEL: OCTOBER 2008 – SEPTEMBER 2009

SUSAN ROLL, PH.D.
LAUREN HALL, B.A.
PROJECT ANALYSTS

LETITIA LOGAN, MPP
RESEARCH DIRECTOR

CATHERINE E. BORN, PH.D.
PRINCIPAL INVESTIGATOR

MAY 2012



UNIVERSITY *of* MARYLAND
SCHOOL OF SOCIAL WORK

ACKNOWLEDGEMENTS

The authors would like to thank Jamie Haskel and Somlak Suwanasorn for their assistance in the collection and processing of data for this report.

This report was prepared by the Family Welfare Research and Training Group, School of Social Work, University of Maryland, 525 West Redwood Street, Baltimore, Maryland 21201 with support from its long time research partner, the Maryland Department of Human Resources.

For additional information about the report or the study, please contact Dr. Catherine Born at the School of Social Work (410.706.5134, cborn@ssw.umaryland.edu) or Letitia Logan at the School of Social Work (410.706.2479; llogan@ssw.umaryland.edu). Please visit our website, www.familywelfare.umaryland.edu for additional copies of this and our other reports.

TABLE OF CONTENTS

Executive Summary	i
Introduction	1
Methods	3
Sample.....	3
Data Sources	3
CARES.....	3
Analyses	3
 Findings: Overview of Case Closures	4
Case Closings by Month	5
Case Closings by Core Caseload.....	5
Case Closings by Jurisdiction.....	7
 Findings: Characteristics of Exiting Cases and Payees	9
Characteristics of Exiting Cases and Payees: Statewide.....	9
Case Closing Characteristics by Jurisdiction	11
 Findings: Reasons for Case Closure.....	15
Case Closure Reasons: Statewide	15
Case Closure Reasons by Jurisdiction	17
Case Closure Reasons by Core Caseload	20
Full-Family Sanctions: Statewide	22
Full-Family Sanctions by Jurisdiction.....	23
Full-Family Sanctions by Core Caseload.....	26
 Conclusions	27
References	28

LIST OF TABLES

Table 1. Number of Case Closings by Core Caseload Designation.....	7
Table 2. Percent of Closings and Average Caseload by Jurisdiction	8
Table 3. Closing Case and Payee Characteristics: Statewide	10
Table 4. Closing Case and Payee Characteristics by Jurisdiction	12
Table 5. Top 3 Case Closing Reasons by Jurisdiction.....	18
Table 6. Top 3 Case Closure Reasons by Core Caseload	21
Table 7. Sanctions by Core Caseload Designation	26

LIST OF FIGURES

Figure 1. Statewide Case Closings by Year	4
Figure 2. Case Closings by Month	5
Figure 3. Top Case Closing Reasons.....	16
Figure 4. Work Sanction Rate by Study Period	17
Figure 5. Full-Family Sanction.....	22
Figure 6. Work Sanctions by Jurisdiction.....	24
Figure 7. Child Support Sanctions by Jurisdiction	25

EXECUTIVE SUMMARY

Maryland has a strong tradition of using empirical research to help shape welfare programs and to measure outcomes. This data-driven approach enabled the state to craft a comprehensive, bipartisan approach to welfare reform in 1996, allowing the implementation of statewide operation on the earliest date permissible under federal law (October 1, 1996), and continues today. We have perhaps the most comprehensive, ongoing, state-level research program which monitors reform outcomes, publicly reports results, and, most importantly, continuously feeds information into the program management and legislative oversight process. Literally dozens of research studies have been done or are underway, ranging from point-in-time studies of topics such as time limits, full-family sanctions, and domestic violence to studies which are serial in nature.

Three research series have been ongoing since the outset of reform in 1996. One series, *Life after Welfare*, is longitudinal in nature and legislatively mandated. Cases are added to its now 15,000+ sample each month and post-welfare outcomes at the individual and case level are tracked over a period of years. *Life* not only documents person-level outcomes, but also trends over time in the profile of welfare leavers, full-family sanctioning, recidivism, employment and earnings and more. The second series, *Life on Welfare*, documents the cases that are receiving TCA at a particular point in time. Lastly, the *Caseload Exits at the Local Level*, also began concurrent with reform and includes this report. Reports in this series focus on case closures at the jurisdiction level, an important level of analysis because statewide findings often mask important intra-state variations due to the concentration of cash assistance caseloads in a few large, urbanized jurisdictions. Concentrated caseloads coupled with Maryland's great economic, ethnic, and other diversity makes the

Caseload Exits reports invaluable because they provide side-by-side, jurisdiction-level information about the numbers and characteristics of closing cases and the reasons for case closure, including sanctioning.

This report in the *Caseload Exits at the Local Level* series provides information on 20,680 unduplicated closures that took place between October 2008 and September 2009. 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. Today's report represents the second of the three reports, documenting the second year of the Great Recession.

In addition to 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 2008 and September 2009, there were a total of 20,680 unique cases closed. This is an increase of 2.7% (538 cases) from the previous study period. While this is a very small change, it is the second consecutive year 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.
- Half (49.4%) 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 36.2% of the October 2009 active caseload. Another one in five (20.1%) 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 one-third (32.6%) of the active cases in October 2009.
- As in previous years, Baltimore City (45.4%), Prince George's County (11.8%), and Baltimore County (9.4%) accounted for two-thirds of case closures in Maryland. Not surprisingly, Baltimore City accounted for just under half (45.4%) of all case closures, yet this was a slight decrease from last year (48.0%).
- 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 (76.1%) female (94.6%) about 33 years old. Compared to the active caseload in October 2009, we find the only difference is in the age of the payee. Payees on the closed case were younger by two years (35.77 vs. 33.42).
- Consistent with the previous study period, the typical closing case has one adult (76.0%) and one child (48.6%) with the youngest child about five years old (5.51). The active caseload had more child-only cases where there is no adult on the case (32.6% vs. 20.1%) and the youngest child was slightly older (6.08 vs. 5.51).
- 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 32 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 76.1%. In fact, less than half of the caseload is African American in 11 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 nine in ten of all exiting caseheads are African American.
- While child-only cases make up one in every five closed cases at the state level, child-only cases vary from 14.9% in Garrett County to 52.2% in Worcester County followed by 41.8% in Talbot County. Compared to the previous study period, 16 of the 24 jurisdictions had a decline in the child-only population.
- The average age of the youngest child ranges from 3.1 in Kent County to 6.9 in Worcester County while the statewide average is 5.5. In the previous study period, the age of the youngest child ranged from 4.4 to 7.3.
- The top three administrative closing codes during this study period accounted for seven in every 10 closures: work sanctions (34.5%), income above limit (18.0%), and no recertification/ no redetermination (16.5%). The most significant change from last year is the increase, by 10 percentage points, in the use of work sanctions from 24.1% to 34.5%. The

increase is most notable in two jurisdictions: Baltimore City, from 28.3% to 49.8% in the current study period, and Kent County, from 9.6% to 26.7%.

- While income above limit was only the second highest case closing reason statewide, it was within the top three closing codes for all 24 jurisdictions and the premier reason for closure in 10 jurisdictions. Therefore, at the jurisdictional level, income above limit was more common than work sanction (18 of 24), eligibility and verification information not provided (11 of 24), and no recertification/no redetermination (11 of 24).
- More than one-third (36.7%) of case closures were due to a full-family sanction from either non-compliance with work requirements (34.5%) or child support requirements (2.2%). While work sanctions increased from the previous study period (from 24.1% to 34.5%), child support sanctions decreased from 4.1% to 2.2%.
- The work sanction rate, from the previous study period, increased in 13 jurisdictions, remained stable in three jurisdictions, and decreased in eight jurisdictions. St. Mary's County maintained the lowest use of work sanctions in both study periods (1.5% and 3.3%). While Baltimore City (from 28.3% to 49.8%) and Kent County (from 9.6% to 26.7%) saw dramatic increases in their work sanction rate, Queen Anne's County actually saw a decrease of nearly 10 percentage points from 30.2% to 20.4%.
- Child support sanctions are utilized much less frequently likely due to the minimal requirements to meet compliance. Five jurisdictions (Cecil, Garrett, Somerset, Talbot, and Washington), compared to three jurisdictions last year, had no child support sanctions and five had one

percent or less (Allegany, Caroline, Howard, Wicomico, and Baltimore City). The highest child support sanction rate was in Kent County (11.1%), yet there were no child support sanctions in Kent County in the previous study period.

This report provides further detail about the findings listed above for the case closures between October 2008 and September 2009. In comparison to the previous study period, the first year of the Great Recession, we find the work sanctions have increased dramatically indicating that clients are finding it more difficult to locate employment or participate in a work-related activity. Furthermore, this is the second consecutive year in welfare reform history, that the number of case closures has been larger than the previous study year. Again, this increase coincides with an 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 three years, we know that families experiencing a need for cash assistance, a last resort in the safety net, 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.

This is the second of three *Caseload Exits* report released documenting the effects of the Great 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

In the late 1990's, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 reformed welfare from an entitlement program, Aid to Families with Dependent Children (AFCE), to a block grant, Temporary Aid for Needy Families (TANF). The main goal of TANF has been to help families make the transition from welfare to the workplace through requirements to work and time limits to cash benefit receipt. After the implementation of TANF, welfare caseloads dropped precipitously due to the new policy initiative and a booming economy. With these mass exits, policymakers wanted to know which families were exiting, why they were exiting, and how these families were doing post-welfare. Therefore, many states commissioned 'leavers studies' to document the lives of families who had exited welfare, and ultimately, it was found that these families were no worse off than when they received cash benefits (Acs & Loprest, 2001). However, with the reauthorization of PRWORA in 2005 under the Deficit Reduction Act (DRA), the flexibility for states to meet the work participation rate was diminished. Furthermore, in December 2007, the United States entered the most severe recession since the Great Depression. And yet, by September 2009, a few months after the official end of the Great Recession, TANF caseloads had increased by just 10 percent nationally, with 23 states reporting less than a 5 percent increase or even a decline (Pavetti & Rosenbaum, 2010). Here in Maryland, TANF caseloads increased by 25.7% since the start of the recession.

Many states were not equipped with information to address the increasing caseloads and lack of employment opportunities for clients since many states had ceased the documentation of welfare recipients and leavers. However, the Family Investment Administration (FIA) of the

Maryland Department of Human Resources (DHR) has long recognized the need for empirical information to assist in the review and modification of the welfare program to continue meeting the needs of at risk families. To that end, DHR has maintained a partnership with the University of Maryland, School of Social Work to provide this important information. Therefore, three annual series reports are produced to document the lives of welfare recipients and leavers. The first, a legislatively mandated study, is the *Life after Welfare* series that documents a sample of welfare leavers each year since welfare reform's inception in 1996 and provides the welfare and employment outcomes of these families. The second is the *Life on Welfare* series which documents the families that are receiving Temporary Cash Assistance (TCA, Maryland's TANF program) in a particular month. Today's report is a part of the *Caseload Exits at the Local Level* series which documents all cases that exit welfare during a particular year. This series details the number of cases that exited from welfare at the state and jurisdiction level as well as provide the characteristics of these cases and the reasons for the case closure.

Today's *Caseload Exits* report is released with two companion reports documenting the exits occurring during the recession and the year after the recession. This current report covers the period between October 2008 through September 2009, which includes the latter part the Great Recession and first few months after its official end. While the recession may have officially concluded in June 2009, the effects were ongoing beyond that date. In fact, during this study period, Maryland's unemployment rate had peaked at 7.7% in June 2009 compared to 4.3% in the previous June (DLLR, n.d.). Nonetheless, the height of unemployment was not yet seen until our next study period. The previous report, documenting the exits during the first part of the Great Recession, pointed to the signs of a recession through the first ever increase

in the number of exiting cases from the previous year and an increase in the percent of cases exiting due to a work sanction.

Therefore, this report will continue to document the exits that have occurred in the last part of the recession and provide insight on the effects it has had on the exiting welfare population. Specifically, this report is based on the 20,680 separate cases that closed at least once between October 2008 and September 2009 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?

We trust that the information provided in this trilogy of reports documenting exits during and immediately after the recession will provide meaningful information for policymakers and program managers on their caseloads and possible programmatic changes necessary to meet the needs of these families.

METHODS

This study is the 15th 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. As in the previous report, this study makes use of the *Life on Welfare* series data as a mechanism to understand similarities and differences in numbers and characteristics of the closed versus the active caseload.

Sample

The sample used for this report includes the 20,680 Temporary Cash Assistance (TCA, Maryland's TANF program) cases that closed in Maryland during 13th year after the implementation of the Personal Responsibility and Work Opportunity Act (PRWORA). The study period for this report is from October 2008 through September 2009. If an assistance unit stopped receiving TCA 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 is noted that the total number of closures reported here may be slightly different from the total number of closures reported by the Family Investment Administration (FIA) of the 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 TANF caseload in Maryland come from the universe of cases receiving TCA in October 2009 ($n=25,422$), 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 DHR and contains all customer participation data for TCA, 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. Specifically, we provide findings on the following topics:

- 1) **Number of closures.** Over the twelve months, we explore what types of cases closed, when, and where. In addition, we compare closure data to the active caseload for some additional insight into the population.
- 2) **Characteristics of the closures.** Here we investigate the demographic and family make-up of the cases that have closed. Again, we compare these results to the active caseload.
- 3) **Reasons for closure.** In this final section we answered the question, why did cases close? In addition to reasons for closure, we also looked at closures by core caseload and conduct a separate analysis of sanctions, both statewide and by jurisdiction.

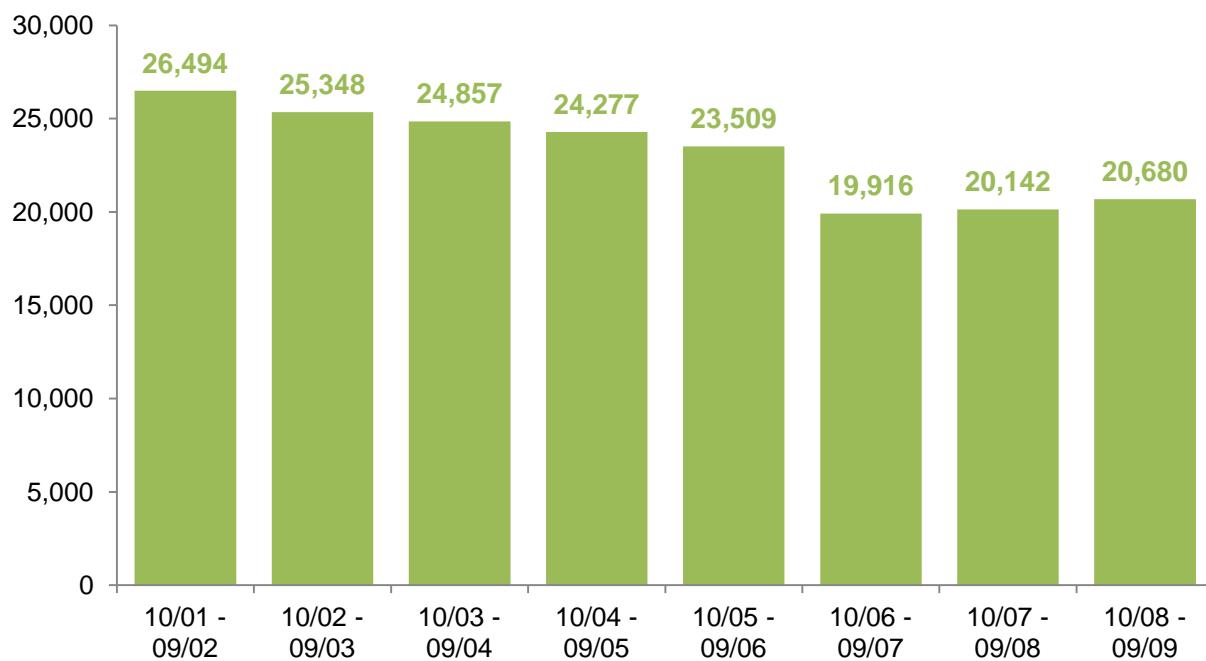
FINDINGS: OVERVIEW OF CASE CLOSURES

The first report released within this trilogy, revealed the first ever increase in the number of case closures from the previous study period. Again, we document another increase in the case closures. Figure 1, below, provides the number of closures from the study period October 2001 through September 2002 to this current study period, October 2008 through September 2009. From one year to the next, there has been a decrease in the number of case closures; however, in the October 2007 to September 2008 study period there was a slight increase of 1.1% (226 cases) from the previous year. And again, in the October

2008 to September 2009 there was a 2.7% increase (538 cases) over the previous year. The increase in case closures is also occurring as the active caseload is also increasing, and not surprising, these increases are occurring during the Great Recession.

With the context of increasing case closures and active caseloads, this first section will provide additional information on the case closures. Specifically, we will discuss when cases closed, the type of cases that closed during the study period, and where in the state these closures took place. When applicable, we also compare these closures to the active cases for the same time period.

Figure 1. Statewide Case Closings by Year

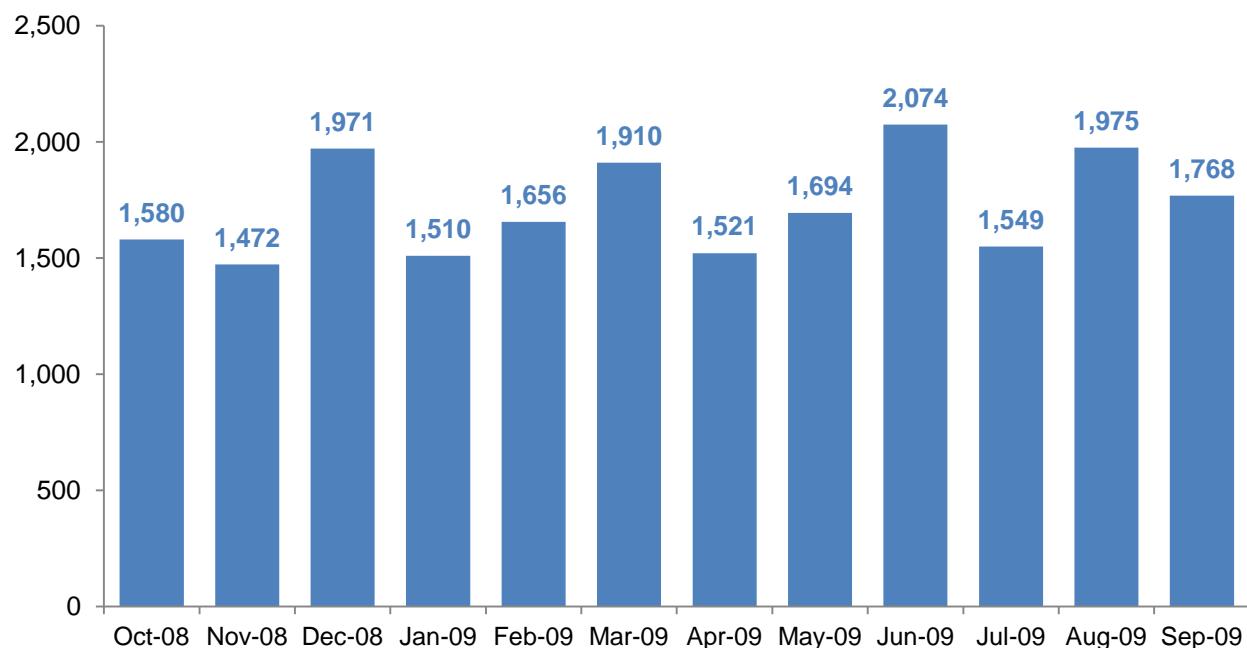


Case Closings by Month

In Figure 2, below, we examine how many cases closed in each month of the study year. Total case closings fluctuated somewhat each month, with an overall increasing trend from October 2008 through to September 2009. Total closings averaged 1,723 cases per month compared to 1,679 and 1,659 from the previous two study periods. Case closings peaked in June 2009

(2,074 cases) at the official end of the Great Recession. Furthermore, the largest drop (525 cases) in the number of closings occurred between June 2009 and July 2009. The largest increase in case closures, 499 cases, occurred between November 2008 and December 2008, while November 2008 also marked the month with the fewest case closures at 1,472 cases.

Figure 2. Case Closings by Month



Case Closings by Core Caseload

When PRWORA first passed, Maryland responded by adopting an empirically-based, client-focused approach to its TANF program, targeting efforts to helping the most work-ready customers make the transition from welfare to work and assisting others to overcome barriers to employment. Prior to the Deficit Reduction Act (DRA) of 2005, Maryland was able to address some particular barriers in the caseload while excluding these clients from the work participation rate thereby providing the

necessary case management strategies to ameliorate barriers without hurting the agency's work participation rate. However, after DRA, states had more difficulty separating these clients from the work participation rate.

Nonetheless, in working to meet the more stringent DRA definition of work participation, Maryland's TANF agency still considers the tremendous amount of diversity among its welfare recipient families and the case management strategies appropriate for these varying cases. One

such indication of this effort is the use of core caseload designations among the caseload. The following designations are cases in which work requirements always apply: core caseload, two-parent households, and earnings cases. The remaining groups consist of designations that are exempt from work requirements, such as child-only cases, or designations that can receive a good cause waiver from work requirements, such as domestic violence cases. Table 1 provides the statewide case closings by core caseload designation and also makes a comparison to the designations within the active caseload.

It is clear that while there is some core caseload designation difference between case closures and the active caseload, they are not particularly surprising based on expectations for each group. Those designations that are expected to work are more likely to be among the closed cases than a part of the active caseload. For example, half of all closed cases (49.4%) were a part of the core caseload while less than two in five (36.2%) active cases were a part of the core caseload. Similarly, two-parent households (3.1% vs. 1.8%) and earnings cases (7.1% vs. 3.2%) were more likely to be closed than active among the welfare caseload. The expectation of these cases is that they are or will be employed or participate in a work-related activity such as job search. If these caseheads are employed then there is potential that their income would make them ineligible for cash assistance and the case would therefore be closed. On the other hand, non-compliance with work participation requirements results

in a full-family sanction that would also close the case.

Cases that are less likely to be closed, and more likely to be a part of the active caseload, are those cases where participation in a work-related activity is not required. The most obvious case designation that fits into this scenario is the child-only cases. Child-only cases calculate the child(ren) in the cash benefit amount, not the adult, and therefore, the employment of the adult is not considered when determining eligibility. Many child-only cases are composed of families where the adult is receiving SSI or a relative such as a grandparent is caring for the child. Child-only cases are likely to close when the child ages out of the system, therefore limiting the number of potential case closures within any given year. Hence, we see that child only cases make up one-third (32.6%) of the active caseload compared to one in five (20.1%) case closures.

The remaining cases compose a similar proportion of the active caseload and among case closures suggesting that these core caseload designations have no significant bearing on whether the case closes. Furthermore, the proportion of each group within these designations has not changed from the previous study period, although there have been some changes among the active caseload. The proportion of core caseload cases has increased from 30.0% in the previous study period to 36.2% in this current study period. This is an important note as it may have some impact on future case closures.

Table 1. Number of Case Closings by Core Caseload Designation

	Cases Closed 10/08 – 9/09 (n=20,680)		Active Cases 10/09 (n=25,422)	
	Core Caseload	49.4% (10,214)	36.2% (9,210)	
Non-Core Cases				
Two-parent household	3.1%	(631)	1.8%	(463)
Earnings	7.1%	(1,469)	3.2%	(809)
Child-only	20.1%	(4,151)	32.6%	(8,301)
Child under one	8.7%	(1,803)	10.9%	(2,760)
Long-term disabled	6.3%	(1,294)	9.0%	(2,279)
Short-term disabled	1.4%	(288)	1.2%	(303)
Caring for a disabled household member	1.3%	(261)	2.0%	(499)
Paid relative caretaker	1.2%	(242)	2.1%	(526)
Domestic violence	0.9%	(190)	0.6%	(158)
Legal immigrant	0.6%	(122)	0.4%	(110)

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

Case Closings by Jurisdiction

In a highly diverse state such as Maryland, which borders four different states as well as the District of Columbia, it is important to recognize this diversity and provide information on welfare caseloads by local jurisdictions especially since previous *Caseload Exits* reports have documented a wide variation in number and proportion of case closures across Maryland's 24 local jurisdictions. Therefore, Table 2, below, outlines the number of case closures at the jurisdictional level as well as provide the proportion of total case closings in that jurisdiction. Additionally, Table 2 compares the closings to the proportion of the active caseload within each jurisdiction.

The largest proportion of case closures were found in Baltimore City (45.4%) while Garrett (0.2%) and Kent (0.2%) Counties, followed closely by Talbot (0.3%) and Worcester (0.3%) Counties had the lowest proportion of all closures during this study

period. As in previous years, four jurisdictions accounted for the majority of all case closures. Baltimore City (45.4%), Prince George's County (11.8%), Baltimore County (9.4%), and Anne Arundel County (6.2%) accounted for nearly three-fourths (72.8%) of all case closings statewide and, not surprisingly, for three-fourths (74.3%) of the active caseload.

We compare a jurisdiction's proportion of case closures to its proportion of the active caseload in order to determine if the case closures are representative of the jurisdiction's share of the active caseload. For example, we expect Baltimore City to have a larger proportion of the case closures due to its large active caseload; however, we do not know if Baltimore City's case closures are out of sync with its proportion of the active caseload. We expect both proportions to be similar in each jurisdiction; that is, if Baltimore City has 45 percent of the case closures, we also

expect Baltimore City to have 45 percent of the active caseload in the state.

We do, in fact, find that the proportion of case closures and active caseload within a jurisdiction align. Only two counties (Prince George's and Anne Arundel) had more than one percentage point difference in closings versus active cases. Prince George's County had a 2.3 percentage point difference in the closing and the active

caseload. This finding suggests Prince George's County closed fewer cases than their proportion of the active caseload. On the other hand, Anne Arundel County (1.1%) closed slightly more cases than its proportion of the active caseload. Even with these small differences between closures and the active caseload, jurisdictions seem to close cases at a rate expected from its proportion of the active caseload.

Table 2. Percent of Closings and Average Caseload by Jurisdiction

	Percent of Total Closings (n=20,680)		Percent of Total Caseload (n=24,813)		Percentage Point Difference
Allegany	1.5%	(302)	1.2%	(300)	0.3
Anne Arundel	6.2%	(1,276)	5.1%	(1,266)	1.1
Baltimore County	9.4%	(1,949)	9.1%	(2,257)	0.3
Calvert	0.7%	(153)	0.6%	(146)	0.1
Caroline	0.7%	(147)	0.7%	(170)	0.0
Carroll	1.0%	(215)	1.0%	(247)	0.0
Cecil	2.2%	(445)	1.9%	(477)	0.3
Charles	1.2%	(242)	1.0%	(260)	0.2
Dorchester	1.2%	(251)	1.1%	(273)	0.1
Frederick	1.8%	(364)	1.6%	(391)	0.2
Garrett	0.2%	(47)	0.3%	(70)	-0.1
Harford	2.8%	(569)	2.7%	(664)	0.1
Howard	1.9%	(392)	1.9%	(462)	0.0
Kent	0.2%	(45)	0.2%	(51)	0.0
Montgomery	4.3%	(885)	4.0%	(994)	0.3
Prince George's	11.8%	(2,430)	14.1%	(3,498)	-2.3
Queen Anne's	0.5%	(98)	0.4%	(101)	0.1
St Mary's	1.9%	(392)	2.0%	(496)	-0.1
Somerset	0.6%	(122)	0.6%	(143)	0.0
Talbot	0.3%	(55)	0.3%	(63)	0.0
Washington	1.7%	(351)	1.6%	(407)	0.1
Wicomico	2.3%	(480)	2.3%	(576)	0.0
Worcester	0.3%	(69)	0.4%	(98)	-0.1
Baltimore City	45.4%	(9,390)	46.0%	(11,405)	-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>. Due to some instances of missing data, cell counts may not sum to column totals. Valid percentages reported.

FINDINGS: CHARACTERISTICS OF EXITING CASES AND PAYEES

This next chapter provides additional context for case closures during this study period by providing a demographic profile. Not only does this demographic profile provide additional information about these cases, it also reminds us that there are real families behind the number and percent of case closures. It reminds us that, in fact, there are families who are struggling and, at times, need additional support.

First, the demographic profile we provide is at the state level: the characteristics of the payee or casehead on the case and the characteristics of the case itself. We compare this state level profile with that of the active caseload in October 2009. Then, we also provide the payee and case characteristics for each jurisdiction since the statewide profile is heavily influenced by Baltimore City and Prince George's County which account for nearly three in every five (57.2%) case closures.

Characteristics of Exiting Cases and Payees: Statewide

The statewide profile of the payee on a closed case has not changed over time and it is very similar to the payee on an active case. Specifically, as indicated in Table 3,

the casehead of a closed case is typically female (94.6%), African-American (76.1%), and in her early thirties, on average (33.42 years). Compared to the active caseload, we only find a slight difference in the age of the payee in which those on a closed case were two years younger, on average, than those on an active case (33.42 vs. 35.77).

While we do not find any substantial differences in the payee profile between closed and active cases, the case composition does vary mainly due to the proportion of child-only cases. A typical case closure included an assistance unit with one adult (76.0%) and one child (48.6%) and the youngest child on the case is just under six years old, on average (5.51 years). Active cases, on the other hand, were less likely to have an adult on the case (64.8%) since one-third (32.6%) of active cases are child-only cases compared to two in 10 (20.1%) closed cases. Just as with the closed cases, about half (49.1%) of the cases had one child on the case and the average age of the youngest child was about six years old (6.08). There tend to be more case closures with children under the age of three (47.0% vs. 41.5%). Lastly, when comparing the average TCA receipt in the previous year, we find that active cases received slightly more months (8.11 months vs. 7.58 months).

Table 3. Closing Case and Payee Characteristics: Statewide

	Case Closures 10/08 – 9/09 (n=20,680)	Active Cases 10/09 (n=25,422)
Months of TCA Receipt in the Previous 12 Months¹		
Mean	7.58	8.11
Median	8.00	10.00
Payee Characteristics		
% African American	76.1%	76.8%
% Female	94.6%	94.4%
Mean Age	33.42	35.77
Case Characteristics		
Number of Adults		
0 (Child-only)	20.1%	32.6%
1	76.0%	64.8%
2	3.9%	2.6%
Number of Children		
0	3.4%	2.9%
1	48.6%	49.1%
2	26.9%	27.3%
3 or more	21.1%	20.8%
Size of Assistance Unit		
1	16.7%	22.6%
2	38.5%	36.9%
3	24.1%	22.0%
4 or more	20.7%	18.6%
Average Age of Youngest Child	5.51	6.08
% of cases with a child under 3	47.0%	41.5%

¹ 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 2009.

Case Closing Characteristics by Jurisdiction

Since Maryland is a very diverse state from jurisdiction to jurisdiction, and since previous *Caseload Exits* reports have documented varying demographic profiles by jurisdiction, this findings section will provide the payee and case characteristics at the local level in Table 4, below. First, we will begin with the few characteristics that do not vary much by jurisdiction: payee gender, payee age, and the length of TCA receipt. About nine in 10 payees are female in all jurisdictions and most have an average age between 32 and 35 years; two jurisdictions have an average payee age above 36 years – Talbot (37.4 years) and Worcester (43 years). However, compared to the previous study period the average age has decreased by two years from 39.2 in Talbot County and Worcester County has increased by three years from 39.8. Additionally, there were another three jurisdictions with average payee ages in the late 30's in the previous study year that now fall within the mid-30's – Carroll, Kent and Somerset. Furthermore, only one jurisdiction had an average TCA receipt above eight months – Wicomico County (8.2 months) – all other jurisdictions had an average TCA receipt between seven and eight months in the 12 months prior to exit.

The demographic profile, however, does vary on some important characteristics – payee race, number of adults and children on the case, and the age of the children. Three-fourths (76.1%) of payees are African American at the state level, however, in 11 jurisdictions, less than half of the payees are African American and in four jurisdictions – Allegany, Carroll, Cecil, and Garrett – more than three-fourths of the payees are Caucasian. Considering that Baltimore City and Prince George's County make up nearly three in every five (57.2%) closed case and more than nine in 10 of those cases have an African American payee, it is not surprising the statewide average would be influenced by these larger

jurisdictions although the reality is quite different in nearly half of the jurisdictions.

While only one in five (20.1%) closed cases are child-only cases at the state level, the percent of child-only cases at the jurisdictional level vary from 14.9% in Garrett County to 52.2% in Worcester County followed by 41.8% in Talbot County. All other jurisdictions fall between 14.9% and 30.2%. Again, the statewide average is affected by the two largest jurisdictions that have few child-only cases (Baltimore City – 16.2% and Prince George's County – 21.0%). Compared to the previous study period, three-fourths (16 of 24) of the jurisdictions had a decline in the child-only population with five percentage point or more decrease in eight jurisdictions. This suggests that there are an increasing number of cases with one or two adults on the case, thereby reducing the proportion of child-only cases. This phenomenon has also been documented in the *Life on Welfare* series, where the actual number of child-only cases has not decreased, but rather, that the number of cases with adults on the case has increased thereby decreasing the proportion of child-only cases of the entire caseload (Williamson, Logan, Roll, & Saunders, 2011).

In every jurisdiction, there are a greater proportion of cases with only one child on the case, ranging from 38.5% in Somerset County to 61.8% in Talbot County. However, compared to the previous study period, several jurisdictions have experienced a growth in the percent of cases with multiple children. Most notable, one-third of cases in both Somerset (32.0%) and Kent (33.3%) Counties have three or more children on the case; however, in the previous year, only 26.1% and 19.2% of these jurisdiction' cases, respectively, had three or more children on the case. The average age of the youngest child ranged from 3.1 years in Kent County to 6.9 in Worcester. Kent County (64.4%) also had the largest percent of cases with a child under the age of three.

Table 4. Closing Case and Payee Characteristics by Jurisdiction

	Allegany	Anne Arundel	Baltimore County	Calvert	Caroline	Carroll	Cecil	Charles
Number of Unique Case Closings	302	1,276	1,949	153	147	215	445	243
TCA Use								
Mean Months of Receipt in 12 Months before Exit [Median]	7.8 [9.0]	7.4 [8.0]	7.6 [8.0]	7.1 [7.0]	7.3 [7.0]	7.7 [9.0]	7.8 [9.0]	7.3 [8.0]
Payee Characteristics								
% Caucasian	89.3%	42.7%	29.4%	51.4%	52.1%	83.9%	78.2%	20.9%
% African American	10.4%	54.7%	67.4%	45.2%	40.4%	12.8%	17.8%	74.8%
% Other Race	0.3%	2.6%	3.3%	3.4%	7.5%	3.3%	3.9%	4.3%
% Female	94.0%	93.9%	93.8%	92.8%	91.2%	89.8%	92.8%	94.2%
Mean Age [Median]	32.6 [28.9]	34.3 [31.5]	34.8 [31.8]	34.0 [31.0]	34.0 [31.2]	35.4 [33.8]	34.3 [32.3]	34.4 [31.4]
Case Characteristics								
Number of Adults								
0 (Child-only)	25.5%	22.9%	26.2%	17.0%	29.3%	23.3%	22.2%	30.2%
1	65.6%	73.8%	70.2%	76.5%	61.9%	68.4%	71.0%	66.5%
2	8.9%	3.3%	3.6%	6.5%	8.8%	8.4%	6.7%	3.3%
Number of Children								
0	2.6%	4.4%	2.5%	2.0%	2.0%	1.9%	2.5%	1.7%
1	56.0%	48.9%	51.4%	51.6%	42.9%	47.9%	49.9%	50.8%
2	24.5%	26.0%	26.8%	27.5%	27.9%	30.7%	28.1%	31.4%
3 or more	16.9%	20.7%	19.2%	19.0%	27.2%	19.5%	19.6%	16.1%
Mean Size of Assistance Unit [Median]	2.44 [2.00]	2.56 [2.00]	2.50 [2.00]	2.71 [2.00]	2.72 [2.00]	2.60 [2.00]	2.6 [2.0]	2.4 [2.0]
Mean Age of Youngest Child [Median]	5.4 [3.0]	5.7 [3.6]	5.8 [3.6]	5.5 [3.7]	5.4 [3.3]	6.1 [4.9]	5.4 [3.4]	5.5 [2.9]
% of cases with a child under 3	49.8%	44.8%	46.2%	44.3%	46.9%	38.7%	45.8%	50.6%

Table 4. Closing Case and Payee Characteristics by Jurisdiction (continued)

	Dorchester	Frederick	Garrett	Harford	Howard	Kent	Montgomery	Prince George's
Number of Unique Case Closings	251	364	47	569	392	45	885	2,430
TCA Use								
Mean Months of Receipt in 12 Months before Exit [Median]	8.0 [9.0]	7.5 [8.0]	7.0 [8.0]	7.5 [9.0]	7.3 [8.0]	7.6 [8.0]	7.6 [9.0]	7.6 [9.0]
Payee Characteristics								
% Caucasian	25.4%	48.3%	100.0%	41.5%	19.8%	50.0%	11.4%	3.4%
% African American	70.6%	42.4%	0.0%	55.3%	74.6%	45.5%	68.9%	91.3%
% Other Race	4.0%	9.3%	0.0%	3.2%	5.6%	4.5%	19.7%	5.4%
% Female	94.4%	95.3%	89.4%	93.5%	95.7%	91.1%	92.0%	95.3%
Mean Age [Median]	32.0 [28.5]	33.6 [30.0]	34.8 [32.1]	33.1 [29.9]	34.3 [32.0]	34.1 [29.3]	35.1 [33.0]	33.4 [30.1]
Case Characteristics								
Number of Adults in AU								
0 (Child-only)	15.9%	18.1%	14.9%	22.3%	19.9%	28.9%	25.5%	21.0%
1	77.7%	72.5%	63.8%	69.9%	75.3%	60.0%	68.5%	76.5%
2	6.4%	9.3%	21.3%	7.7%	4.8%	11.1%	6.0%	2.5%
Number of Children in AU								
0	5.2%	4.1%	2.1%	1.9%	2.3%	0.0%	2.0%	3.7%
1	47.8%	52.2%	53.2%	47.3%	49.0%	40.0%	44.9%	49.2%
2	24.3%	23.1%	34.0%	27.4%	30.4%	26.7%	28.0%	25.8%
3 or more	22.7%	20.6%	10.6%	23.4%	18.4%	33.3%	25.1%	21.3%
Mean Size of Assistance Unit [Median]	2.7 [2.0]	2.6 [2.0]	2.6 [2.0]	2.7 [2.0]	2.6 [2.0]	2.8 [3.0]	2.7 [2.0]	2.6 [2.0]
Mean [Median] Age of Youngest Child in AU	4.9 [2.3]	5.1 [2.6]	5.6 [2.9]	4.9 [3.0]	6.2 [3.9]	3.1 [1.9]	5.5 [3.5]	5.5 [3.3]
% of cases with a child under 3	54.1%	52.7%	52.2%	50.4%	42.0%	64.4%	47.9%	47.9%

Table 4. Closing Case and Payee Characteristics by Jurisdiction (continued)

	Queen Anne's	St. Mary's	Somerset	Talbot	Washington	Wicomico	Worcester	Baltimore City
Number of Unique Case Closings	98	392	122	55	351	480	69	9,390
TCA Use								
Mean Months of Receipt in 12 Months before Exit [Median]	7.1 [7.0]	7.8 [9.0]	7.1 [6.0]	7.5 [9.0]	7.6 [9.0]	8.2 [10.0]	7.7 [9.0]	7.6 [8.0]
Payee Characteristics								
% Caucasian	61.5%	48.0%	33.1%	44.4%	69.8%	27.3%	48.5%	6.4%
% African American	34.4%	50.1%	65.3%	42.6%	27.9%	68.0%	50.0%	92.4%
% Other Race	4.2%	1.8%	1.7%	13.0%	2.3%	4.7%	1.5%	1.3%
% Female	91.8%	92.1%	94.3%	89.1%	93.4%	96.5%	95.7%	95.3%
Mean Age [Median]	33.4 [31.1]	33.5 [31.0]	33.0 [29.8]	37.4 [34.1]	33.3 [30.1]	33.8 [30.2]	43.0 [41.2]	32.7 [29.0]
Case Characteristics								
Number of Adults in AU								
0 (Child-only)	18.4%	18.4%	19.7%	41.8%	29.3%	26.3%	52.2%	16.2%
1	75.5%	71.4%	73.8%	58.2%	68.1%	69.8%	46.4%	81.0%
2	6.1%	10.2%	6.6%	0.0%	2.6%	3.8%	1.4%	2.9%
Number of Children in AU								
0	4.1%	5.1%	0.8%	0.0%	2.0%	1.9%	2.9%	3.9%
1	40.8%	43.9%	38.5%	61.8%	46.2%	45.8%	53.6%	48.4%
2	34.7%	29.3%	28.7%	21.8%	27.9%	31.7%	31.9%	26.5%
3 or more	20.4%	21.7%	32.0%	16.4%	23.9%	20.6%	11.6%	21.2%
Mean Size of Assistance Unit [Median]	2.7 [3.0]	2.7 [3.0]	3.0 [3.0]	2.2 [2.0]	2.6 [2.0]	2.6 [2.0]	2.1 [2.0]	2.6 [2.0]
Mean [Median] Age of Youngest Child in AU	6.0 [4.1]	6.1 [4.3]	4.6 [2.0]	4.6 [3.3]	4.4 [1.9]	5.1 [2.9]	6.9 [4.6]	5.5 [3.4]
% of cases with a child under 3	44.7%	41.0%	58.0%	48.1%	56.9%	51.4%	43.9%	46.6%

FINDINGS: REASONS FOR CASE CLOSURE

One of the main questions concerning welfare leavers, of course, is why they are leaving. To answer this question, we examine administrative case closure codes. Case closure codes are a set of pre-determined codes that welfare caseworkers assign when they close a case. These codes may not truly capture the whole picture of why a family left welfare. In particular, they tend to undercount exits for work. However, they are the only source of data that indicates the reasons why customers left welfare. In addition, an earlier study indicates that case closing reasons are associated with employment and recidivism of exiting payees, the two most important post-exit outcomes (Ovwigho, Tracy, & Born, 2004).

Therefore, in this third and final chapter we address why cases closed. First, we begin with a review of the top case closure reasons at the state level. Then, top case closing reasons are reviewed for each of the 24 jurisdictions and by core caseload designations. We close this chapter with a review of full-family sanctions at the state and jurisdictional level as well as by core caseload designation.

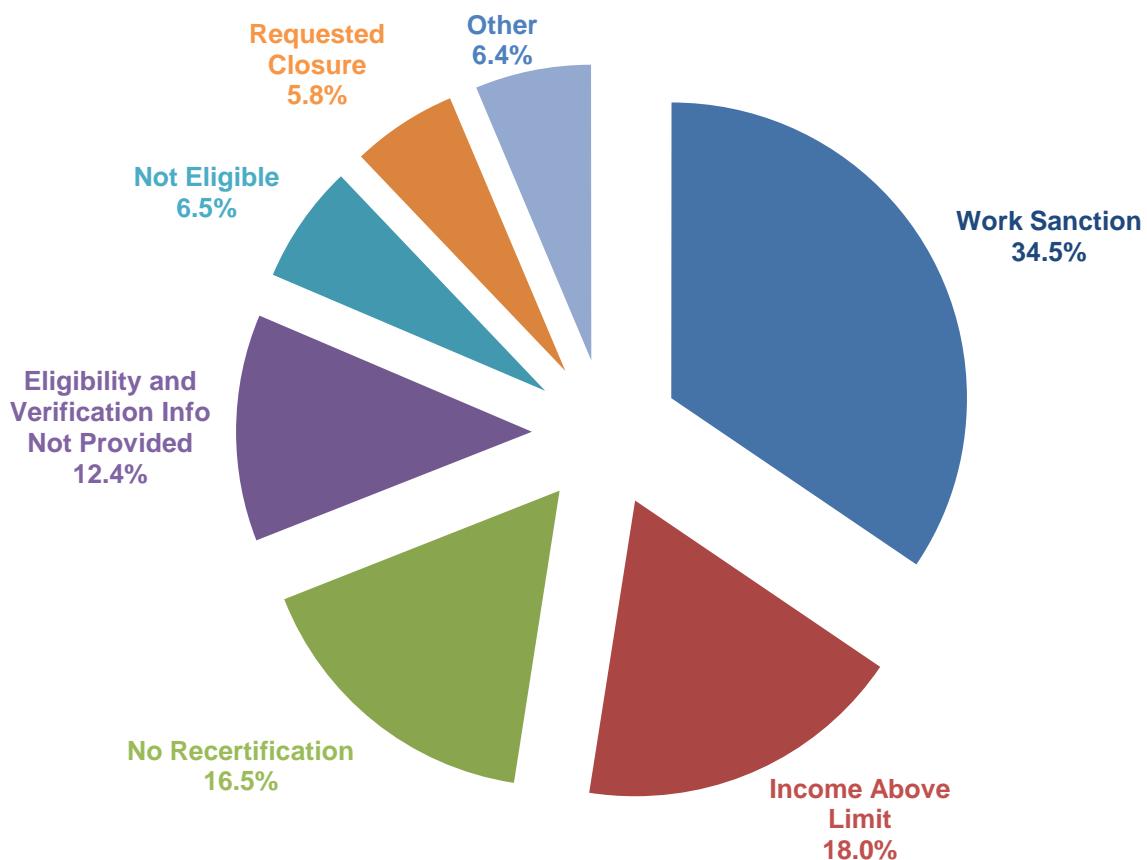
Case Closure Reasons: Statewide

There can be any number of reasons for a welfare case to close. Data for this section come from the code chosen by the

caseworker from a list of pre-determined case closure codes and recorded in the information system (CARES). Unfortunately, in some cases these codes may not fully capture the full nature or reasons for the welfare case closure. By way of example, the true number of work-related exits is likely understated. We can assume that a reason code of "no recertification/no redetermination" is sometimes the result of closures due to the client finding employment, but not notifying the agency that this is the case. 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 (Ovwigho, Tracy, & Born, 2004).

Figure 3 displays the top closure reasons for the current study period. Overwhelmingly, work sanctions are the top reason (34.5%) for case closures. Just less than one in five cases (18.0%) closed due to being over the income limit and 16.5% of cases did not complete their recertification. The remaining one-third of cases were closed due to one of the following reasons: eligibility and verification information not provided (12.5%), the case was no longer eligible (6.5%), a closure was requested (5.8%), and other reasons (6.4%).

Figure 3. Top Case Closing Reasons: October 2008 through September 2009

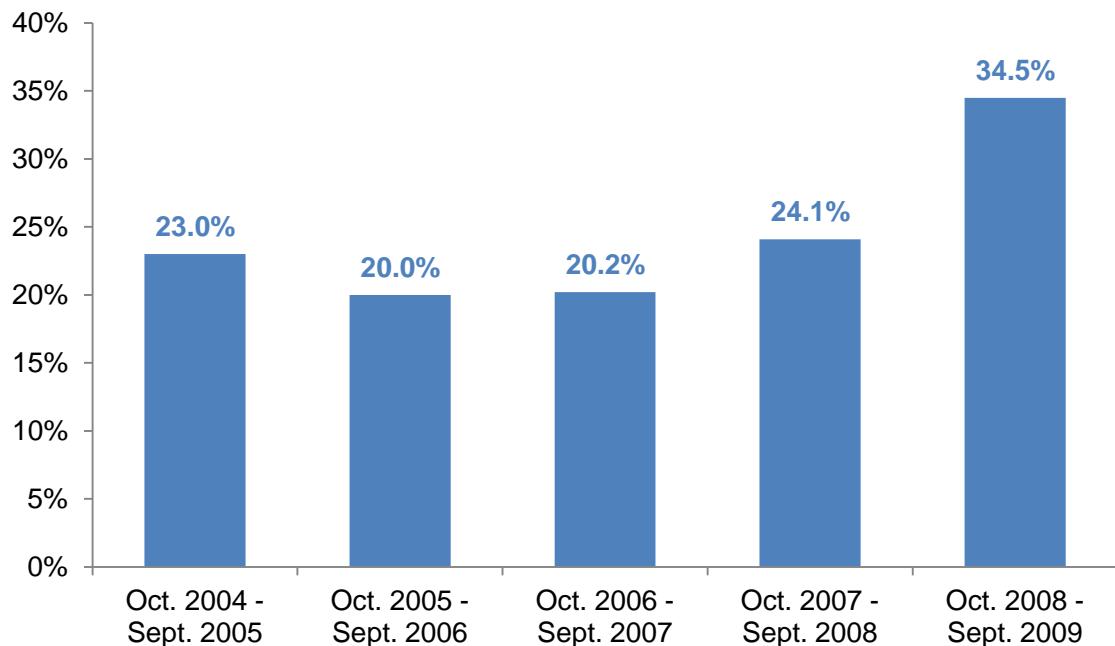


Note: The “Other” category includes: child support sanction, residency, intentional violation, whereabouts unknown, death of head of household or other member, did not cooperate with quality control.

Compared to the previous study period, the increase in the work sanction rate is quite dramatic especially when compared to several previous study periods. Figure 4, below, provides the work sanction rate from the study period October 2004 to September 2005 through this current study period, October 2008 to September 2009. According to this figure, the work sanction rate increased by 10 percentage points from the last study period (from 24.1% to 34.5%). The change in the work sanction rate from previous years was subtle, no more than four percentage points and that increase actually occurred in the previous study period. Since the two largest increases in the work sanction rate occurred in these two most recent study periods, which also align with the official dates of the Great

Recession, we can assume that the recession has had an impact on this outcome. It is likely that caseheads are finding it more difficult to participate in a work-related activity especially actual employment considering the increasing unemployment rate. Furthermore, the recent *Life on Welfare* series has documented that a portion of the increasing caseload is composed of families who have little or no history with cash assistance in Maryland, suggesting that they may not understand the rules and requirements associated with cash assistance (Williamson, Logan, Roll, & Saunders, 2011). This lack of understanding may translate into a work sanction which is designed to bring clients into compliance with the work requirements.

Figure 4. Work Sanction Rate by Study Period



Case Closure Reasons by Jurisdiction

While a statewide overview of case closing reasons is helpful, as has been discussed, Maryland's jurisdictions vary widely likely resulting in different case closure outcomes. Hence, Table 5 presents each of the 24 jurisdictions with their top three case closing reasons. Income above limit was the most frequently used case closure reason in all 24 jurisdictions followed by work sanction (18 of 24 jurisdictions), eligibility and verification info not provided (11 of 24), no recertification/no redetermination (10 of 24), requested closure (7 of 24), and not eligible was used in one jurisdiction.

Work sanction was a top three reason in 75% (18 jurisdictions) of the 24 jurisdictions and the premier reason for case closure in eight jurisdictions. Work sanctions were as low as 14.0% in Frederick County, however half (49.8%) of the cases in Baltimore City were closed due to a work sanction. For the past several years, Dorchester County has had the highest sanctioning rate, however, in this study period, Baltimore City outpaced Dorchester County by 8.4 percentage points

(49.8% vs. 41.4%) even with Dorchester experiencing a 7.3 percentage point increase from the previous study period (from 34.1% to 41.4%). The statewide average of work sanction is obviously affected by the high number of sanctioned cases in Baltimore City which also represents nearly half (45.4%) of the state's closures from October 2008 to September 2009.

The effect of Baltimore City on the state average is again made clear by the fact that work sanction is not the most frequently used case closure reason at the jurisdictional level as it is at the state level. Rather, income above limit was used in all 24 jurisdictions compared to 18 jurisdictions for work sanctions. Ten jurisdictions had income above limit as the premier case closure reason with its overall use ranging from 13.5% in Cecil County to 34.1% in Frederick County. Only one in seven (14.3%) cases in Baltimore City were closed due to income ineligibility, and yet, 20 jurisdictions were above the state average (18.0%).

Eligibility and verification information not provided was used in 11 jurisdictions ranging from 14.2% (Allegany) to 33.3% (Calvert) while no recertification/no redetermination was used in 10 jurisdictions ranging from 14.0% (Montgomery) to 39.5% (St. Mary's). 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.

Table 5. Top 3 Case Closing Reasons by Jurisdiction

Jurisdiction	Case Closure Reason	
Allegany (n=302)	Income above limit Work sanction Eligibility/verification info no provided	19.9% 19.5% 14.2%
Anne Arundel (n=1,276)	Work sanction Eligibility/verification info no provided Income above limit	24.5% 22.4% 18.9%
Baltimore (n=1,949)	Work sanction Income above limit No recertification/no redetermination	30.0% 21.2% 18.3%
Calvert (n=153)	Eligibility/verification info no provided Income above limit Not eligible	33.3% 30.1% 7.8%
Caroline (n=147)	Eligibility/verification info no provided Income above limit Work sanction	26.5% 20.4% 17.0%
Carroll (n=215)	Income above limit Eligibility/verification info no provided No recertification/no redetermination	30.2% 21.9% 19.1%
Cecil (n=445)	Work sanction Eligibility/verification info no provided Income above limit	29.0% 22.5% 13.5%
Charles (n=243)	Income above limit Work sanction No recertification/no redetermination	21.4% 16.0% 14.8%
Dorchester (n=251)	Work sanction Income above limit Requested closure	41.4% 13.9% 13.1%
Frederick (n=364)	Income above limit Eligibility/verification info no provided Work sanction	34.1% 15.7% 14.0%
Garrett (n=47)	Work sanction Income above limit Requested closure	29.8% 27.7% 17.0%

Harford (n=569)	Income above limit Eligibility/verification info no provided Work sanction	28.1% 19.0% 17.4%
Howard (n=392)	No recertification/no redetermination Work sanction Income above limit	25.3% 23.7% 19.9%
Kent (n=45)	Income above limit Work sanction Requested closure	28.9% 26.7% 13.3%
Montgomery (n=885)	Work sanction Income above limit No recertification/no redetermination	38.1% 23.8% 14.0%
Prince George's (n=2,430)	Eligibility/verification info not provided No recertification/no redetermination Income above limit	27.8% 21.5% 16.5%
Queen Anne's (n=98)	Income above limit Work sanction Eligibility/verification info not provided	21.4% 20.4% 19.4%
St. Mary's (n=392)	No recertification/no redetermination Income above limit Requested closure	39.5% 28.3% 8.4%
Somerset (n=122)	Work sanction Income above limit Requested closure	27.9% 24.6% 13.1%
Talbot (n=55)	Income above limit Eligibility/verification info not provided No recertification/no redetermination	30.9% 23.6% 21.8%
Washington (n=351)	No recertification/no redetermination Income above limit Requested closure	32.5% 18.8% 15.5%
Wicomico (n=480)	Income above limit No recertification/no redetermination Work sanction	21.5% 19.4% 19.2%
Worcester (n=69)	Income above limit Not eligible Work sanction Requested closure	23.2% 15.9% 14.5% 14.5%
Baltimore City (n=9,390)	Work sanction No recertification/no redetermination Income above limit	49.8% 15.9% 14.3%

Case Closure Reasons by Core Caseload

In this section, we examine the case closure reasons by core caseload designation as presented in Table 6. Interestingly, while work sanction was the top case closing reason statewide and second most frequent among jurisdictions, it was only reported as a top three reason for closure among seven of the 12 caseload categories. Instead, eligibility and verification information not provided and income above limit were top three closing reasons in three-quarters (9 of 12) of core caseload groups.

Of the five largest caseload designations – core caseload, child-only, child under one, earnings and long-term disabled – only two have a work sanction as a top three reason – core caseload and earnings. In fact, nearly three in five (58.4%) core caseload cases were closed due to a work sanction; less than one in five (18.4%) earnings cases were closed due to a work sanction. Work sanctions were also top reasons in two-parent households (41.7%), domestic violence cases (38.4%), legal immigrant cases (29.5%), cases with a disabled household member (25.7%), and short-term disabled cases (19.8%). Excluding the cases with disabilities and domestic violence cases who can receive waivers

exempting them from work participation, all other cases receiving a work sanction are required to participate in a work-related activity.

Four core caseload groups experienced an increase in work sanctions when compared to the previous study year. Specifically, work sanctions increased from 42.7% to 58.4% among the core caseload; from 37.1% to 41.7% among two-parent households; from 22.5% to 38.4% among domestic violence cases; and from 26.6% to 29.5% among legal immigrant cases. The remaining cases had very little change in the percent of work sanction from the last study period.

Of the nine core caseload designations with income above limit as a top three closure reason, the use of income above limit ranged from 12.8% among paid relative caretaker cases to 56.8% among the earnings cases. The use of eligibility and verification information not provided ranged from 9.6% among earnings cases to 36.1% among short-term disabled cases. These findings are very similar to the previous study period; while the percent of cases may have changed slightly, the use of case closure reasons remains stable by core caseload designation.

Table 6. Top 3 Case Closure Reasons by Core Caseload

Core Caseload Designation	Reasons for Closure
Core Caseload (n=10,209)	Work sanction 58.4% Income above limit 13.6% Eligibility/verification info not provided 13.1%
Two-parent household (n=630)	Work sanction 41.7% Income above limit 30.7% Eligibility/verification info not provided 14.1%
Earnings (n=1,469)	Income above limit 56.8% Work sanction 18.4% Eligibility/verification info not provided 9.6%
Child-only (n=4,150)	No recertification/no redetermination 39.3% Not eligible 20.8% Requested closure 14.1%
Child under one (n=1,803)	No recertification/no redetermination 25.2% Income above limit 24.3% Eligibility/verification info not provided 16.5%
Long-term disabled (n=1,294)	Eligibility/verification info not provided 21.9% No recertification/no redetermination 20.6% Income above limit 20.5%
Short-term disabled (n=288)	Eligibility/verification info not provided 36.1% Work sanction 19.8% Income above limit 14.9%
Caring for a disabled household member (n=261)	No recertification/no redetermination 27.6% Work sanction 25.7% Eligibility/verification info not provided 18.0%
Paid relative caretaker (n=242)	No recertification/no redetermination 40.9% Not eligible 20.2% Income above limit 12.8%
Domestic Violence (n=190)	Work sanction 38.4% Income above limit 23.7% Eligibility/verification info not provided 18.4%
Legal Immigrant (n=122)	Income above limit 31.1% Work sanction 29.5% Eligibility/verification info not provided 17.2%

Full-Family Sanctions: Statewide

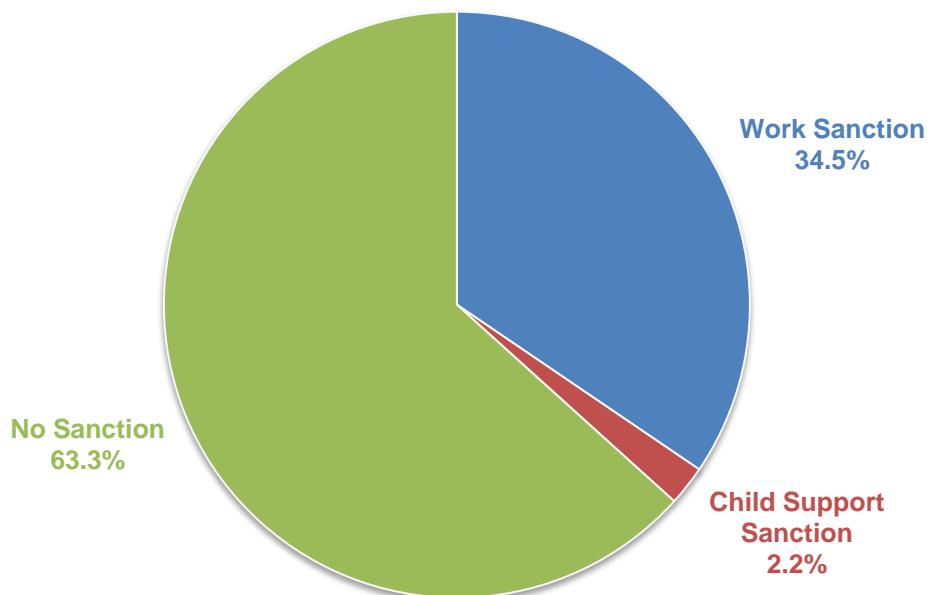
According to federal policy, states have some leeway in sanctioning welfare recipients for non-compliance with work and child support requirements. Fourteen states employ what is called full-family sanctions where an entire family's cash benefits may be terminated for the non-compliance of the primary payee. Twenty-seven states use gradual sanctions which begin with partial sanctions and eventually lead to full-family sanctions if program compliance remains an issue. Finally, 10 states use only partial sanctioning (Meyers, Harper, Klawitter & Lindhorst, 2006). Maryland is a full-family sanction state.

In Maryland, full-family sanctions refer to the termination of cash benefits when a customer fails to comply with work participation or child support enforcement requirements. The intent of full-family sanctions is not to reduce the state's caseload, but rather to encourage customers to comply with program requirements. With the passage of DRA, however, there was concern that the narrow

federal definitions of countable work activities may impel states to use sanctions more punitively, or at least more aggressively. While it seems that this was not the case after the implementation of DRA, the combination of these strict work participation requirements and the effects of the Great Recession has likely created an environment where sanctioning is more common among exiting cases.

To provide a more complete picture of sanctioned cases, Figure 5 illustrates the percentage of cases closed between October 2008 and September 2009 that were closed due to either a work sanction or a child support sanction (both full family sanctions). The statewide number of work sanctions has increased substantially from the prior year (24.1% to 34.5%), while the percentage of child support sanctions has decreased (4.1% to 2.2%). Nonetheless, while more than one-third of the case closures during this study period experienced a full-family sanction, 63.3% of closures examined were due to a reason other than a sanction.

Figure 5. Full-Family Sanction: October 2008 through September 2009



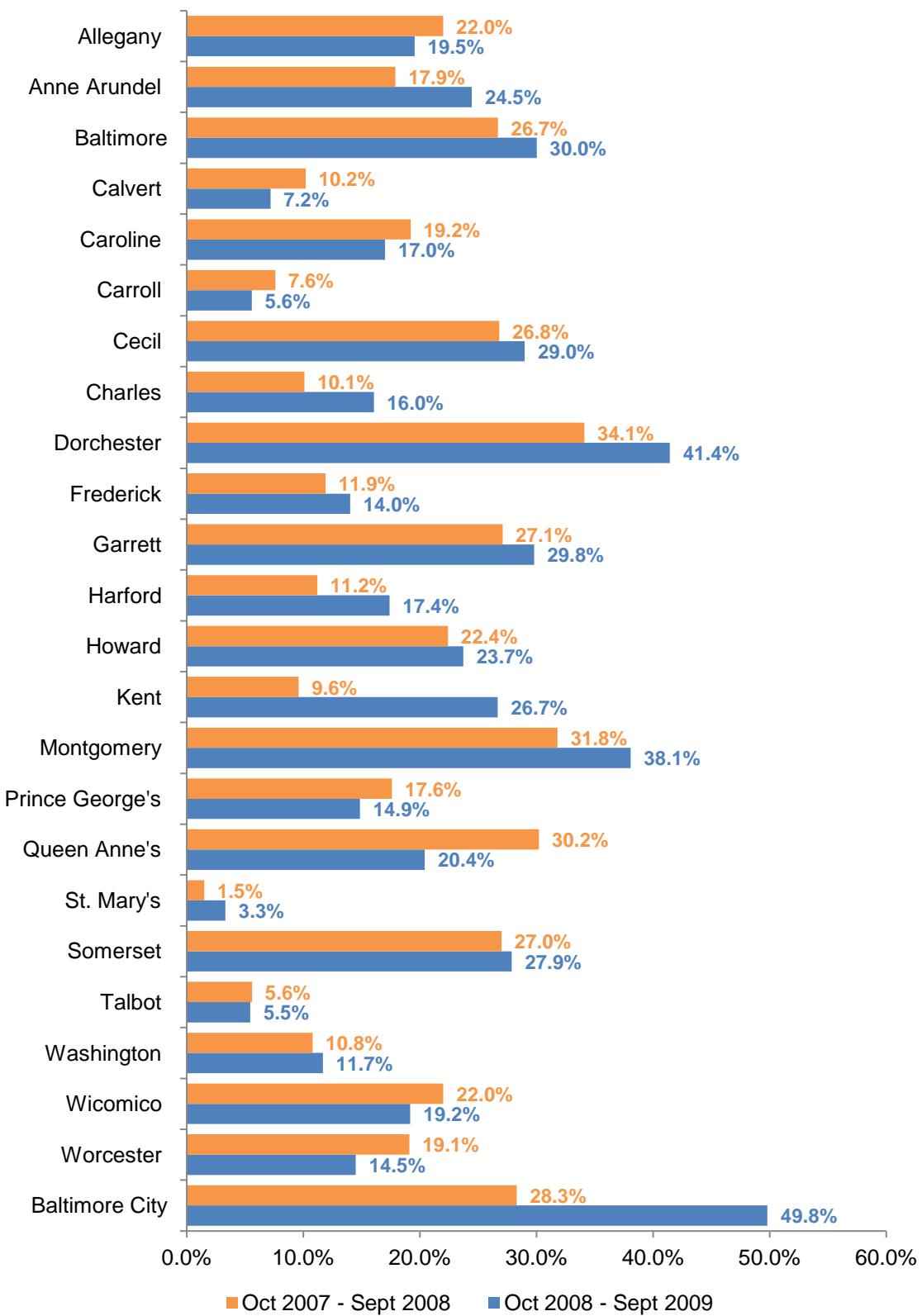
Full-Family Sanctions by Jurisdiction

The increase in the work sanction rate is in large part due to the fact that half of Baltimore City case closures were due to a work sanction. However, there were some important changes in other jurisdictions. Therefore, Figure 6, below, illustrates the jurisdictional work sanction rate during the current study period (October 2008 to September 2009) and the previous study period (October 2007 to September 2008). Generally, we find that the sanction rate has increased in 13 jurisdictions between these two study periods but remained stable in three jurisdictions and decreased in eight jurisdictions. St. Mary's maintained the lowest use of work sanctions in both study periods (1.5% and 3.3%). While Baltimore City (from 28.3% to 49.8%) and Kent

County (from 9.6% to 26.7%) saw dramatic increases in their work sanction rate, Queen Anne's County actually saw a decrease of nearly 10 percentage points from 30.2% to 20.4%.

Some local agencies, it seems, have been placed in a very difficult situation where caseloads have increased, jobs are scarce, and the work participation requirements remain inflexible even with these macro-economic circumstances which are beyond local office's control. Therefore, they are bound by the need to meet work participation rates and utilize work sanctions to encourage participation regardless of the reality of available opportunities for clients to comply with the work participation requirements.

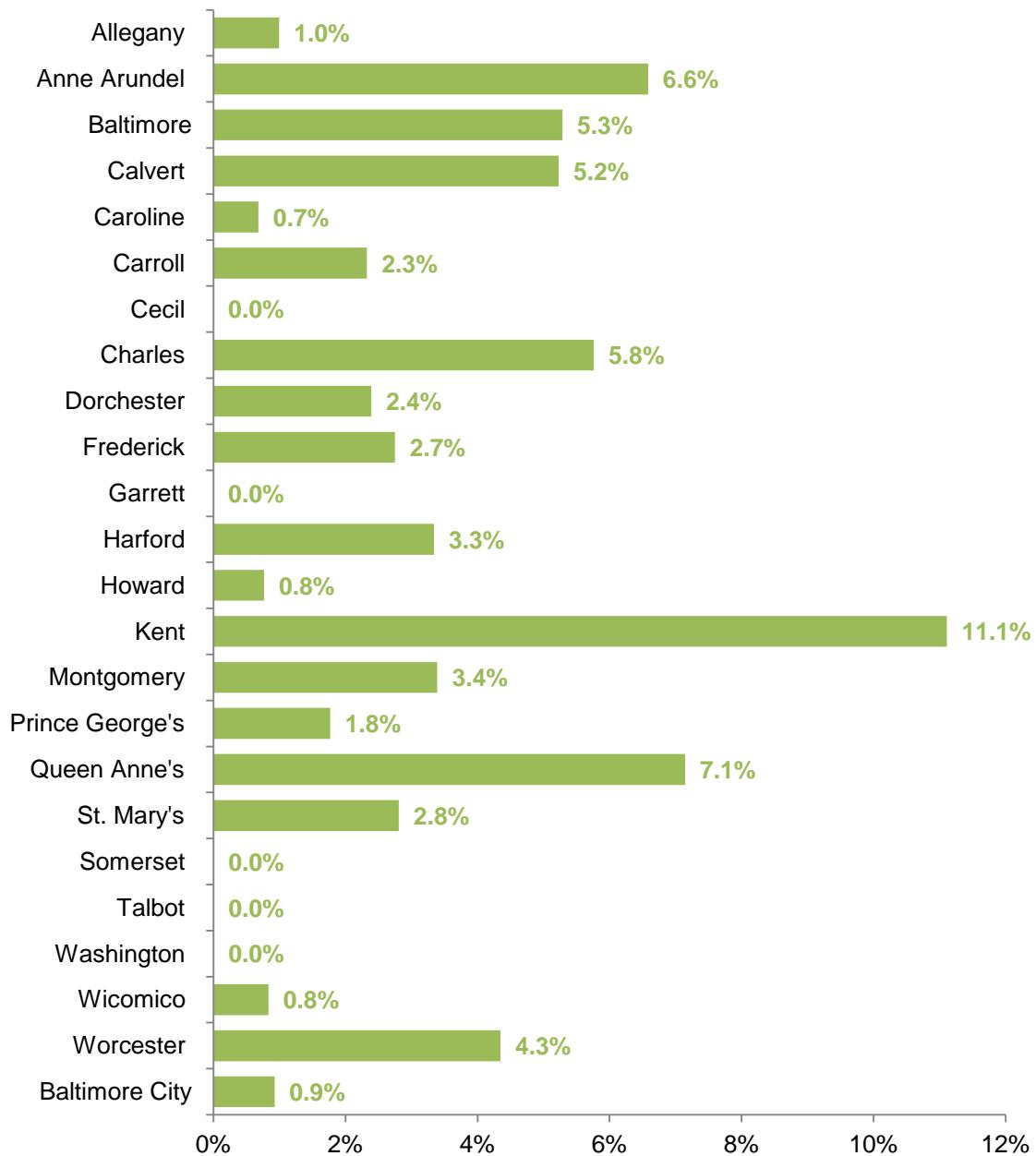
Figure 6. Work Sanctions by Jurisdiction



Child support sanctions, as noted, represent only 2.2% of all case closures statewide this year compared to 4.1% last year. According to Figure 7, the highest child support sanctioning rate was 11.1% in Kent County; however, Kent County had no child support sanctions in the previous year. Kent County also saw a substantial increase in work

sanctions, as discussed previously. Last year, the highest sanctioning rate was 10.8% in Anne Arundel County which decreased by over four percentage points to 6.6%. Five jurisdictions had no child support sanctions this year (compared to three last year) and five used child support sanctions in one percent or less of cases.

Figure 7. Child Support Sanctions by Jurisdiction



Full-Family Sanctions by Core Caseload

This final section takes a look at sanctions by core caseload designation. As outlined in Table 7 and as we found in a previous analysis, work sanctions are most common among cases that are required to participate in work-related activities – core caseload (58.4%) and two-parent households (41.7%). Work sanctions are used in one quarter or more of cases among domestic violence cases (38.4%), legal immigrants (29.5%), and those caring for a disabled household member (25.7%) all of which could be provided with a good cause waiver to the work requirements.

Child support sanctions are used rarely, so the variation is not substantial among the core caseload groups. However, child support sanctions were most common in the cases designated as child under one (7.2%), which is down from the previous study period (10.8%). Two core caseload categories had higher child support sanctions than work sanctions – child-only (3.2% vs. 0.6%) and needy caretaker relative cases (2.5% vs. 0.4%). Not surprisingly, two-parent households experienced a very low rate of child support sanctioning at 0.2%.

Table 7. Sanctions by Core Caseload Designation

	Work Sanction Rate	Child Support Sanction Rate	Total Sanction Rate
Core caseload	58.4%	1.1%	59.5%
Earnings	18.4%	1.2%	19.6%
Two-parent household	41.7%	0.2%	41.9%
Child-only	0.6%	3.2%	3.8%
Child under one	9.5%	7.2%	16.7%
Long-term disabled	15.9%	1.9%	17.8%
Short-term disabled	19.8%	3.5%	23.3%
Caring for a disabled household member	25.7%	1.9%	27.6%
Needy Caretaker Relative	0.4%	2.5%	2.9%
Domestic Violence	38.4%	1.6%	40.0%
Legal Immigrant	29.5%	2.5%	32.0%

CONCLUSIONS

Today's *Caseload Exits at the Local Level* report documents the 20,680 case closures occurring between October 2008 and September 2009. This report provides information on the location of the case closures, the core caseload designation, characteristics of the payee and case, and the reasons for the case closure. While the profile of the case closures has remained stable from one year to the next – an African American female in her early to mid-30's residing in Baltimore City or Prince George's County and she has one or two children on the case of which the youngest is about six years old – there have been some other critical changes.

First, this report documented an increase in the number of case closures from the previous study period, resulting in two consecutive years of an increase in the number of case closures. This is significant due to the fact that case closure have been on a consistent decline, along with the number of families receiving cash assistance, since welfare reform was implemented in 1996. This increase in the exiting population is also consistent with the first ever increase in the active population of welfare recipients. Between October 2007 and October 2009, the active population has increased by 25.7 percent. While not increasing at the same rate, case closures have increased by 3.8 percent over the last two study periods. We can expect the number of case closures to continue to increase especially if and when welfare caseloads begin to feel the relief from a recovering economy and exit due to renewed employment opportunities.

Second, there has been an increase in the use of work sanctions. One-third of all case closures were due to a work sanction and half of all case closures in Baltimore City were due to work sanction. The increase in the utilization of work sanctions is likely the result of policy and macro-economic factors. The implementation of the Deficit Reduction

Act (DRA) of 2005 decreased state's flexibility with the work participation rate, and consequently, increased the number of cases that were required to participate in a work-related activity. However, the new policy did not spur an increase in work sanctions in the years immediately following its implementation. The onset of the Great Recession, causing increasing caseloads, along with the inflexible work participation requirements under DRA, has likely resulted in the current reliance on sanctions.

The current welfare program is experiencing increasing caseloads made partly of families who are not familiar with welfare, and yet the opportunities for employment, which is required as a condition of cash assistance receipt, are scarce. The flexibility state's once had to place a casehead in a work-related activity that could potentially increase her skills or provide her with necessary work experience has been reduced at a time when it is most needed. Therefore, local offices are constrained to the tools available to them to meet federal requirements and work sanctions are clearly an available and effective tool in encouraging participation in work requirements. However, it is difficult to encourage participation in work when employment is not available. We imagine this is a problem that local agencies will face in the coming future, because, as is understood, welfare caseloads are a leading indicator of recession and a lagging indicator of recovery.

The Department of Human Resources (DHR) in Maryland has long recognized the need for empirical information to assist in the management and program change of the welfare program. Therefore, the University of Maryland, School of Social Work provides DHR with annual information on the trends of closing cases to allow for reflection, discussion, and implementation of potential program changes when and if necessary. We trust that this annual update of the *Caseload Exits at the Local Level* will continue in that tradition.

REFERENCES

- Acs, G. & Loprest, P. (2001). *Final Synthesis of Findings from ASPE's "Leavers" Grants*. Washington, D.C.: The Urban Institute. Available online: http://www.urban.org/UploadedPDF/410809_welfare_leavers_synthesis.pdf.
- Maryland Department of Labor and Licensing (DLLR), Division of Workforce Development and Adult Learning. (n.d.). *Civilian Labor Force, Employment & Unemployment by Place of Residence (LAUS)*. Retrieved April 4, 2012, from Maryland Department of Labor and Licensing Website: <http://www.dllr.state.md.us/lmi/laus/>
- Meyers, Marcia K., Harper, S., Klawitter, M., Lindhorst, T. (2006). "Review of Research on TANF Sanctions." Report to Washington State WorkFirst SubCabinet. University of Washington, West Coast Poverty Center, Seattle.
- Pavetti, L., & Rosenbaum, D. (2010, July). "Creating a Safety Net that Works When the Economy Doesn't: The Role of the Food Stamp and TANF Programs – Summary" *Reducing Poverty and Economic Distress after ARRA*. Washington, D.C.: The Urban Institute. Available online: <http://www.urban.org/UploadedPDF/412148-Creating-a-Safety-Net.pdf>
- Ovwigho, P.C., Tracy, K., & Born, C.E. (2004). *Research Brief: Estimating Welfare Work Exits: Case Closing Reasons vs. UI Data*. Baltimore: University of Maryland, School of Social Work. Available online: <http://www.familywelfare.umaryland.edu/reports/exitforworkbrief.pdf>
- Williamson, S., Logan, L., Roll, S., & Saunders, C. (2011, September). *Research on the Changing Welfare Population: Informing Practice and Policy*. Presented at the 51st Annual Workshop of the National Association for Welfare Research and Statistics. Available online: <http://www.familywelfare.umaryland.edu/presentations/nawrs2011.pdf>