

**FORM ACF-202 – CASELOAD REDUCTION REPORT
FOR TEXAS, FISCAL YEAR 2007**

**ATTACHMENT A:
METHODOLOGY FOR DETERMINING TEXAS' TANF
CASELOAD REDUCTION CREDIT (CRC)
FFY 2005 Versus FFY 2006 for FFY 2007**

This document outlines Texas' methodology for determining the reduction in the TANF caseload from FFY 2005 to FFY 2006. First, the number of cases in the base caseload for FFY 2005 and 2006 are determined. Then the base caseload reduction is calculated. Next, the impact on the TANF caseload of state and federal legislation and policies implemented after FFY 2005 are examined. Finally, the resultant caseload reduction credit is determined.

Public comment was requested by posting a notice in the December 8, 2006, Texas Register. A two-week period was allowed for comment.

The state has the option to use separate caseload reduction credits for the Overall and Two-Parent participation rates. Texas chooses to do so, and is submitting separate reports for each caseload.

METHODOLOGY

Overview

1. Base caseloads for FFY 2005 and FFY 2006 were determined.
2. The FFY 2005 caseload was subtracted from the FFY 2006 caseload to get the base caseload reduction.
3. It was determined that there were no changes to eligibility criteria after FFY 2005 which impacted the caseload. Therefore, no adjustment was needed to the base caseload reduction.
4. The caseload reduction from number 2 above was divided by the base caseload for FFY 2005 to determine the caseload reduction credit.

**ATTACHMENT A,
TEXAS' CASELOAD REDUCTION METHODOLOGY
FOR FFY 2007, continued**

TANF OVERALL CASELOAD:

1. Base Caseloads

The number of overall TANF cases that received cash assistance is made up of cases from the Texas Health and Human Services Commission (HHSC) and from the Texas Department of Protective and Regulatory Services (TDPRS). For HHSC, this was determined from ad hoc computer runs against a warrant history file kept by HHSC. The number of cases each month was determined based on the unique case number assigned to each TANF family. A family was counted only once in a given month. Families were included only if they received a benefit for a given month in that month. For example, families which received cash assistance in November for the month of October (i.e. their benefits were not available to them until after the benefit month in question) were not included in the count of families for October.

FFY 2005

For FFY 2005, the average of October 2004 through September 2005 was 85,898 families per month served through HHSC. The estimated average case count of children receiving TDPRS TANF/EA "assistance" in FFY 2005 was 3,733 cases per month. Together, these sum to 89,631 TANF assistance cases per month in Texas.

FFY 2006

For FFY 2006, the average of October 2005 through September 2006 was 69,037 families per month served through HHSC. The estimated average case count of children receiving TDPRS TANF/EA "assistance" in FFY 2005 was 3,701 cases per month. Together, these sum to 72,738 TANF assistance cases per month in Texas.

2. Base caseload reduction = FFY 2006 cases - FFY 2005 cases

$$72,738 - 89,631 = -16,893$$

3. No adjustment to the base caseload reduction

4. CALCULATION OF CASELOAD REDUCTION CREDIT

Based on the above, we calculate the caseload reduction credit to be:

$$-16,893 / 89,631 = \mathbf{-18.8\%}$$

Texas chooses to apply this caseload reduction credit to the Overall participation rate.

**ATTACHMENT A,
TEXAS' CASELOAD REDUCTION METHODOLOGY
FOR FFY 2007, continued**

TANF TWO-PARENT CASELOAD:

1. Base Caseloads

The number of two-parent TANF cases that received cash assistance is made up of cases from the Texas Health and Human Services Commission (HHSC). This was determined from ad hoc computer runs against a warrant history file kept by HHSC. The number of cases each month was determined based on the unique case number assigned to each TANF family. A family was counted only once in a given month. Families were included only if they received a benefit for a given month in that month. For example, families which received cash assistance in November for the month of October (i.e. their benefits were not available to them until after the benefit month in question) were not included in the count of families for October.

FFY 2005

For FFY 2005, the average of October 2004 through September 2005 was 2,892 families per month.

FFY 2006

For FFY 2006, the average of October 2005 through September 2006 was 1,939 families per month.

2. Base caseload reduction = FFY 2006 cases - FFY 2005 cases

$$1,939 - 2,892 = -953$$

3. No adjustment to the base caseload reduction

4. CALCULATION OF CASELOAD REDUCTION CREDIT

Based on the above, we calculate the caseload reduction credit to be:

$$-953 / 2,892 = \mathbf{-33.0\%}$$

Texas chooses to apply this caseload reduction credit to the Two-Parent participation rate.