

Report 40-2004

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## **Time Limits In Missouri**

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### ***Overview***

The Personal Responsibility and Work Opportunity and Reconciliation Act (PRWORA) of 1996 dramatically altered the social safety net. The federal legislation ended cash assistance as an entitlement program, shifted the funding stream to state block grants, and introduced time limits for individuals receiving cash assistance. According to federal guidelines, persons may not receive cash assistance for more than 60 months. Although states possess the option of implementing shorter time limits, Missouri, like many other states, adopted the federal guidelines of 60 months.

Other states varied on both the length of a periodic time limit and the lifetime limit. Arizona, for example, does not have a lifetime limit but does not allow for more than 24 months of cash assistance within a 60 month period of time. Because of these variations in guidelines, the largest number of cases closed due to time limits are concentrated in states with shorter time limits such as Connecticut (21 months), Idaho (24 months), and Utah (36 months). Missouri's welfare plan was signed into law on July 1, 1997 and because of that time limits were first exhausted in July, 2002.

States also had discretion in other policy domains that may influence caseload numbers. For example, some states (Illinois, Pennsylvania) stop the clock for cases when they are combining work and welfare. This does not occur in Missouri.

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Additionally, 30 states and the District of Columbia offer a cash diversion program. These programs provide immediate financial assistance and other services to families that would otherwise be eligible for TANF benefits. By accepting this non-TANF assistance, a family generally agrees to not apply for TANF benefits for three months or the number of months equivalent to the cash payment received. The cash diversion program limits ongoing TANF assistance and, in effect, increases the lifetime limits the family would otherwise encounter. Several of these states including Florida, Iowa, Kentucky, and Indiana, also provide job referrals, job placements, or access to alternative programs for these services. Like many of its neighboring states (Illinois, Kansas, and Nebraska) Missouri does not have a cash diversion program or other emergency assistance for TANF-eligible families (United States Department of Health & Human Services, 2002).

This brief provides specific information regarding caseload trends in Missouri, including the length of time cases have been receiving benefits, the number of cases reaching the time limits, and the geographic distribution of case closures in Missouri.

### ***Missouri's Open Cases***

As of April 2004, Missouri had 44,746 open TANF cases<sup>2</sup>. Of these, the majority are located in urban areas. The highest number of open cases resided in St. Louis City (19%), followed by Jackson County (18%), and St. Louis County (13%). These three areas represent 50 percent of Missouri's total cases although the areas account for 36 percent of Missouri's total population.

**Table 1**  
**Total Open TANF Cases in Missouri by Geographic Area, April 2004.**

<b>Geographic Area</b>	<b>Number of Open Cases</b>	<b>Percentage of Open Cases</b>
Jackson County*	7,898	18
St. Louis County	5,757	13
St. Louis City	8,550	19
State of Missouri	44,746	100

\*Includes the Kansas City area

### **Long Term Cases**

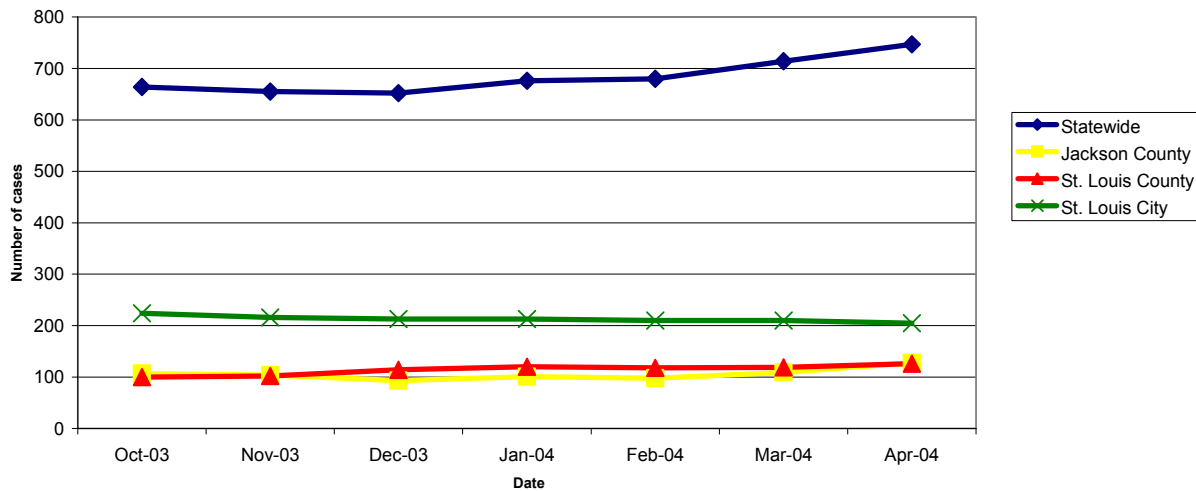
As of April 2004, approximately 747 cases, or a little over 1.7 percent of the total caseload, had been receiving benefits for 55 – 60 months. Figure 1 shows the number of long term cases (those on welfare 55-60 months) by geographic location over time. This group has increased slightly in the past few months, although the increase appears due to Jackson and St. Louis County; not St. Louis City.

As is the instance with the total caseload, long term cases are more likely to reside in urban areas. Almost 28 percent of the long term cases are located in St. Louis City with another 17 percent in St. Louis County. Together with Jackson County (17%) these areas comprise 61 percent of the total number of cases which have received benefits for 55 – 60 months. This is

<sup>2</sup> Child only cases are not included in the data presented in this brief.

consistent with national research showing the long term cases are disproportionately clustered in urban areas (Brookings, 2002).

**Figure 1**  
**Long Term Cases (55-60 months) by Geographic Area, October 2003 – April 2004.**



### Case Closings

Merely because a case hits the time limit does not mean that it will be automatically closed. States are allowed to keep the cases open, either by providing state funds or by extending the length of the time limit. States have the option of exempting up to 20 percent of the case load and maintaining federal funding. If a state has more than 20 percent of the case load beyond the time limit, the state may then use its own funds to continue providing cash assistance.

Some states take a narrow view of extension and exemption criteria resulting in more case closures, while others have a more expansive view. In Rhode Island, a month is not counted towards the limit if the recipient is employed a minimum number of hours. Kansas, Montana, Oklahoma, Texas, and Virginia, on the other hand, offer no exemptions or extensions for recipients (Wilkins, 2002). In Missouri, cases reaching the 60 month time limit are not automatically closed. Missouri’s review process for extensions begins when a case reaches 54 months of assistance. When appropriate, a face-to-face interview between a case worker and recipient is followed by a team review to assess possible hardships. If a case is granted an extension, caseworkers continue working with families and benefits are not revoked. The case is then re-reviewed in 90 days.

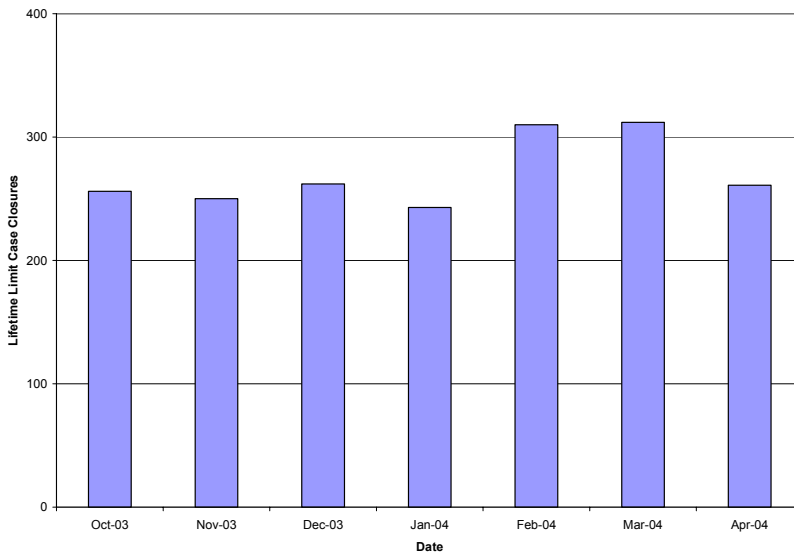
Exceptions to the time limits in Missouri can be granted for domestic violence, mental health/substance abuse (diagnosed and being treated), active involvement with children’s services to develop an employment plan, low employment functioning, and a category of “family crisis.”

In Missouri, exemptions allow a recipient to receive a month of assistance and not register for work but these are not exemptions from time limits. Missouri allows for exemptions when a

recipient is caring for a disabled parent, caring for a young child (up to 12 months of age), or when the caretaker of a child is over the age of 60. Missouri also allows for an exemption if the recipient is participating in a subsidized employment program (Time limit exemptions as of October 1999 [Part 1 & 2], 2000).

Figure 2 shows the number of cases closed over the last several months because of time limits. In any given month, about 270 cases were closed for this reason. Over the last several months, the number has increased slightly.

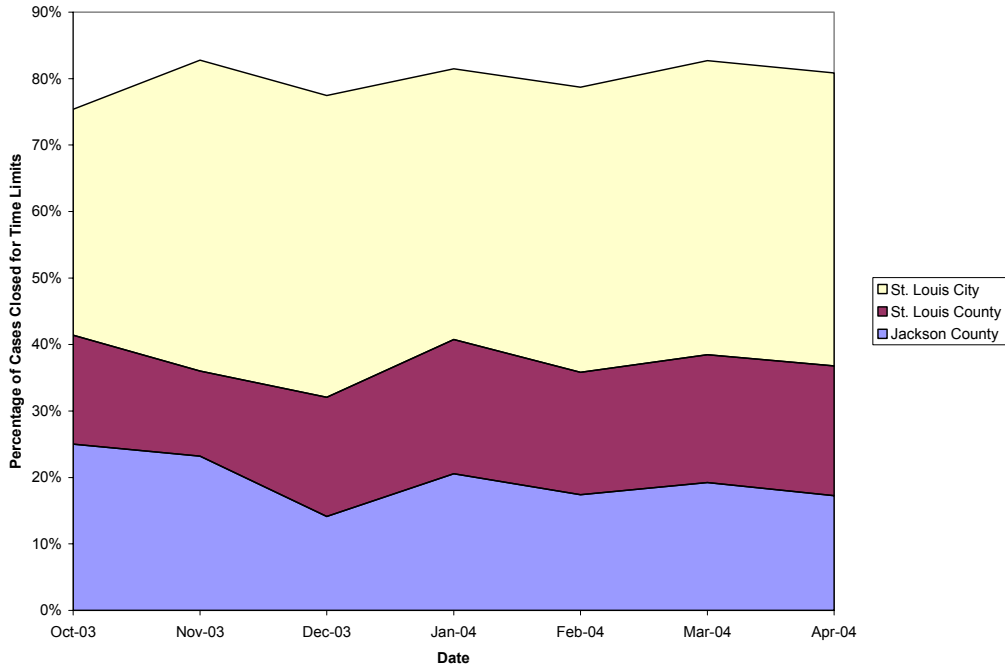
**Figure 2**  
**Missouri Lifetime Limit Closures, October 2003 – April 2004.**



Case closure rates due to time limits in Missouri vary by geography. From October 2003 to April 2004, of the cases closed for time limits, approximately 20 percent were located in Jackson County as opposed to 61 percent in St. Louis City and County (Figure 3). The St. Louis area contains less than 50 percent of the full caseload for Missouri, but represents two-thirds of the cases that have been open for between 55-60 months. The remaining closed cases were scattered throughout the state.

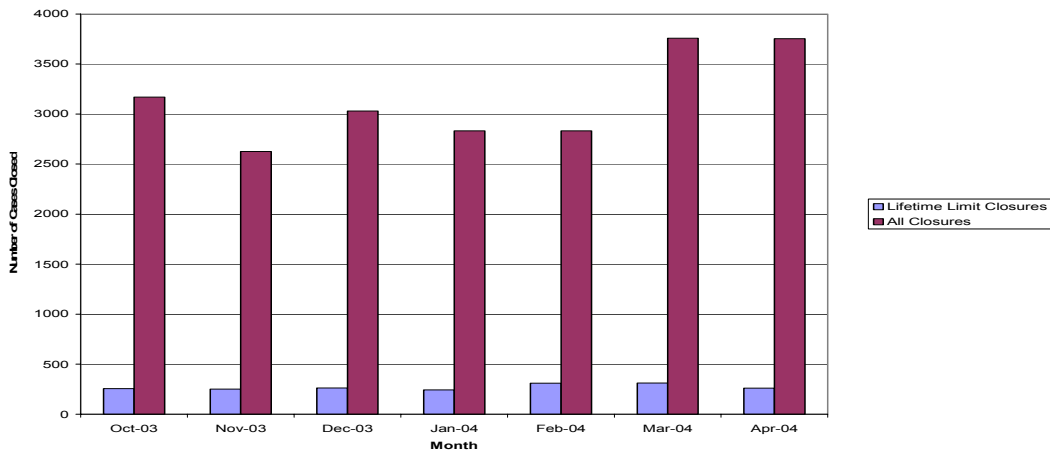
Cases that were still receiving welfare after month 60 also vary by geography. Jackson County has 18 percent of the case load for the state but only 8 percent of cases that have been receiving welfare for more than 60 months. St. Louis County has 13 percent of the case load for the state and 12 percent of those cases that have been open for more than 60 months. St. Louis City has 19 percent of the case load for the state and 30 percent of those cases that have been open for more than 61 months. More cases in the St. Louis area (St. Louis City and County) are eligible for closure than in the Kansas City area. This geographic difference could be because long term cases are leaving the rolls before month 60 for other reasons in Jackson County, such as increased income, aging out of children, or it could infer differing interpretations regarding extensions and exemptions within a geographic area.

**Figure 3.**  
**Percentage of Cases Closed for Time Limits by Geographic Area.**



However, time limits are only one reason cases are closed. Other reasons include increased earnings, aging out of children, and voluntary closings. In fact, from October 2003 to April 2004, Missouri closed 22,000 cases. Figure 4 shows the time limit closings relative to other closings. What is clear is that time limit closures represent only a small portion of total closings, less than nine percent.

**Figure 4.**  
**Total Case Closures in Missouri Compared to Lifetime Limit Closures.**



### ***Comparison with other states***

The program differences and number of participants make it difficult to compare Missouri to other states. For example, in Iowa, time limits first took effect in January, 2002. During the fiscal year following the start of time limits, 1,036 cases reached the 60 -month time limit and another 429 cases were denied benefits for previously reaching the lifetime limit. This represents just over five percent of all cases denied or closed in the state. In total, Iowa had 19,917 open cases during this reporting period. (State of Iowa, 2004).

Nebraska denied 3 applications and closed 65 cases in Fiscal Year 2003 because of time limits. Nebraska specifies that families can not receive assistance for more than 24 months in a 48-month period. After the 24 month limit is reached, a family may not apply for assistance in the next two years. The total case load during this period was 12,203.

Minnesota denied 95 applications and closed 68 cases under the state time limits and 872 under the federal time limit in Fiscal Year 2003. The case closures represented two percent of the total closures in Fiscal Year 2003. In comparison, 2,725 cases (or 7%) were transferred to a separate state program during this time period.

The Tennessee state time limit is 18 months and a client cannot receive additional assistance at the expiration of the 18 months until another three months have passed. After this three month waiting period, a client may reapply for assistance. This cycle is repeated until a client accrues 60 months of assistance and reaches the federal time limit. According to Family First (Tennessee's TANF program), as of February 2004, 8,993 cases were closed due to time limits since September 1996. During this same time span, more than 200,000 families had been served by the Family First program. (State of Tennessee, 2004).

### ***Conclusions and Implications***

Almost two years after time limits have been implemented in Missouri, a relatively small number of cases are being terminated in any given month. Additionally, Missouri compares favorably to other states with nine percent of case closings due to time limits. As in other states, those who are reaching or have reached time limits, a disproportionate percent are located in urban areas. The effects of time limits will be increasingly felt in future years as more people reach the time limit. Thus, it is important to continue to monitor the situation over time.

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