

DIVISION OF HUMAN CAPITAL DEVELOPMENT

The Division of Human Capital Development (HCD) administers Illinois' public assistance programs through 115 Family Community Resource Centers statewide. These programs include cash assistance, Food Stamps, Medical, Child Care, Employment and Training, Homeless Services, Refugee & Immigrant Services, the Empowerment Zone/Enterprise Community grant programs, and other social services programs. The Division also develops policy for these programs, designs new programs, and evaluates new and existing programs for improvement.

The Division also works cooperatively with various state and local partners in the one-stop career center network and in gathering information to facilitate Illinois child support enforcement and collections efforts.

In FY08, DHS will continue to administer the federal welfare reform program Temporary Assistance For Needy Families (TANF) reauthorized through September 2010 and the Child Care and Development Fund.

Since implementation of TANF, more than 221,638 families have worked their way off cash assistance. Cash assistance continues to be provided to persons qualifying for other state programs such as Aid to the Aged, Blind and Disabled (AABD), General Assistance and Refugee Assistance.

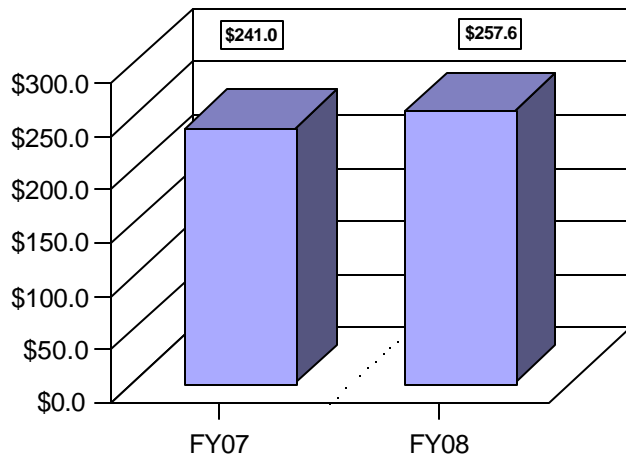
Food Stamp Program

The federally funded Food Stamp program is administered through the Department of Human Services, providing help to purchase food for families and individuals in Illinois. Working under the strict guidance of the U.S. Department of Agriculture, Food and Nutrition Service, Illinois makes this benefit available to low income households. When combined with the family's other income, food stamp benefits can help a family purchase a nutritionally adequate diet. Individuals do not have to receive other public assistance to receive food stamp benefits.

During the month of December 2006, 573,309 Food Stamp households were served in Illinois. This is an increase of 13,270 households, or 2.4% over the 560,039 households Illinois served in December 2005.

HCD Operational Lines

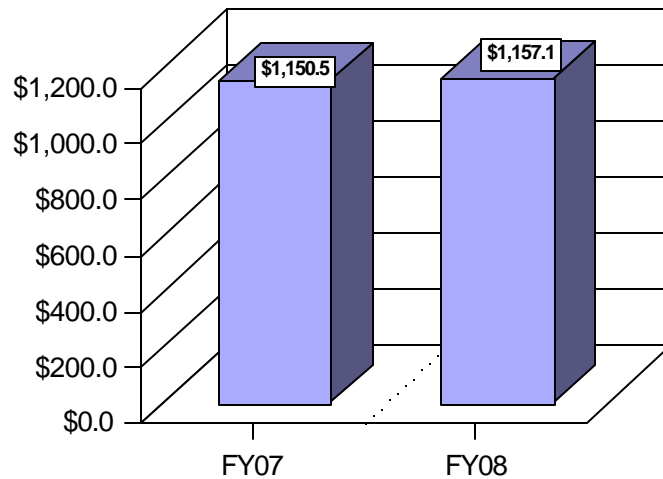
Dollars in Millions; All Funds



A priority for DHS has been the expanded outreach efforts to make Food Stamp benefits more accessible to the people who need assistance. The department is continuing to develop new methods to do this including new technology “on-line” systems. Using a federal grant awarded to DHS from USDA to help fund development of a web application and an automated phone reapplication system, DHS is going to be able to reach more households and individuals. When the web application is deployed, Illinois residents can apply on-line for cash, medical and food stamps and have their application electronically transmitted to the correct office for processing. The Phone Stamp project will allow working households to reapply to continue getting food stamps via a scripted automated phone system.

HCD Grant Lines

Dollars in Millions; All Funds



The Food and Nutrition Service asked DHS to partner with Northern Illinois Foodbank and America’s Second Harvest to test a simple Food Stamp web application in food pantries. This innovative project, known as Express Stamps, reaches out to the under served population that visit food pantries but are not receiving Food Stamps.

Express Stamps started in October 2006. The web application and phone re-application systems are to be implemented by June 2007.

Concentrated performance management efforts have significantly improved the accuracy levels in administering benefits. This provides Illinois' citizens the correct Food Stamp benefits and ensures that the state not be subjected to financial penalties.

Food Stamp Employment and Training Services

Food Stamp Employment and Training (FS E&T) is a statewide program committed to helping able-bodied adults without dependents (ABAWDs) who receive Food Stamps become self-sufficient. This program is funded with Federal and State monies.

FSE&T offers pre-employment/employment services to this population. Employment and training services to ABAWDs are provided by DHS staff in the Family Community Resource Centers and through contracts. Contractual services include the Earnfare program and the FSE&T Job Placement Program of which Earnfare is an activity component. Earnfare and Job Placement contracts are continued in the FY08 budget request. Also included in the FY08 request are funds for support service payments, including transportation, for FSE&T customers in employment and training activities and

those entering employment.

Medicaid

DHS Family Community Resource Centers administer Medicaid cases consistent with eligibility rules promulgated by the Illinois Department of Healthcare and Family Services. The offices also manage ongoing case eligibility for KidCare and Parent Assist, programs that provide medical coverage for Illinois citizens with income above the federal poverty level. In December 2006, medical cases totaled 1,063,265 with 1,951,494 persons served, including Medicaid, KidCare and Parent Assist cases. The medical cases are up 26,899 from December 2005 levels of 1,036,366, a 2.6% increase.

Child Care Program

The DHS Child Care Program is an income-based program primarily for working families that need help paying for child care. Bolstering welfare-to-work efforts, the program serves families receiving TANF whose personal responsibility and services plans document a need for child care. Additionally, non-TANF families in specified education and training activities and teen parents pursuing a high school diploma or its equivalent are able to receive child care provided they are income eligible.

Eligibility is set at 50% of the State Median Income and is indexed annually every July. Eligible families participate in the program without time limits and choose the type of care they prefer, (e.g. child care center, private home, etc.), provided it meets all state and local requirements. Parents share the costs of care based on co-payments assessed according to a sliding scale.

The child care program is administered through a network of 16 Child Care Resource & Referral Agencies (CCR&R's) as well as contracts with site-administered providers.

TANF

Effective in FY98, the federal Aid to Families with Dependent Children (AFDC) Program was replaced by the Temporary Assistance for Needy Families (TANF) Program. TANF provides financial income assistance to eligible families, which contain a related child under age 18. A child age 18 may also qualify if attending high school full-time.

TANF is designed to temporarily provide help while a family moves to self-sufficiency. The Illinois TANF Program is designed to help needy families become self-supporting, strengthen family life, and reduce the instances of economic need in Illinois families. Through a variety of intensive casework methods, Illinois, to date, has been extremely successful helping families move from welfare to work, and has received national recognition for its success.

Generally, families are limited to 60 months of TANF benefits. All months of TANF benefits, with some exceptions, are counted against the 60-month limit including those received in other states. Some families who have received 60 months of TANF may qualify for an exception and continue receiving benefits.

In December 1995, Illinois had 234,572 TANF cases. By December 2005, the cases had been reduced to 42,137. In December 2006, Illinois' TANF cases numbered 36,997, which represents a decrease of 5,140 cases in this one-year time frame.

TANF Reauthorization

The Deficit Reduction Act of 2005 was signed into law in February 2006. It reauthorized the Temporary Assistance for Needy Families (TANF) program through September 2010.

In June 2006, the federal government issued an interim final regulation for implementing the reauthorized TANF. The regulation tightened the definitions of countable activities, added additional categories of individuals who must be included in the work participation rate, and required submittal of a Work Verification Plan. State accountability was tightened to:

- Count only actual hours of participation for non-paid work activities.
- All activities used to satisfy work requirements must be supervised.
- Required to establish and maintain work participation verification procedures in a Work Verification Plan that must be reviewed and approved by HHS. Subject to a new penalty of 1 to 5% of the federal TANF Block Grant for failure to establish or comply with these procedures.

TANF Employment and Training Services

The DHS focus for TANF addresses the barriers to employment, providing the needed support services and work experience. Contractual services, designed to address the specific barriers to employment faced by the remaining TANF/TANF-eligible customers, will continue in the FY08 budget.

In addition, TANF Reauthorization work participation requirements must be met through countable activities managed by and recorded by employment and training contractors. Included in the FY08 request are funds for employment and training resources to meet TANF Reauthorization requirements as well as support services payments, including transportation, for TANF/TANF-eligible customers in employment and training activities and those entering employment.

Aid to The Aged, Blind and Disabled (AABD)

The federal Supplemental Security Income (SSI) program pays a monthly grant to persons with low income who are certified as aged, blind or disabled. In December 2006, the AABD program provided a state supplemental payment to 29,151 persons.

General Assistance

General Assistance (GA) is mandated by State law and provides basic income and medical assistance to persons who are not eligible for TANF or AABD. It has two components: the State Family and

Children Assistance Program and the State Transitional Assistance Program. The State Family and Children Assistance Program covers needy families who do not meet the requirements to receive TANF such as caretakers who are not related. The State Transitional Assistance Program covers adults without dependent children who have barriers to employment.

The Department administers the GA program in the city of Chicago. It also helps fund some downstate GA units, which are then required to follow Department rules including the Department's payment level. Local governmental units, such as township governments that do not receive State funds, administer their own program, establish their own rules, and set their own payment levels. In December 2006, the State Transitional Assistance Program served 7,066 individuals, and the State Family and Children Assistance Program served 1,155 individuals in 821 cases.

The Office of Family Support Services

The Office of Family Support Services (OFSS) administers programs that work together to serve the individuals and families of Illinois every day. The mission to provide services and foster success is interwoven in each of the Bureaus comprising the OFSS. The OFSS Bureaus provide refugee and immigrant services, Title XX Social Services and homeless and supportive housing services.

Refugee & Immigrant Services

Illinois is home to more than 1.5 million immigrants, which when including their children, are 20% of the state's population. An average of 35,000 new immigrants arrive each year. Since 1975, the state has received more than 120,000 refugees from more than 40 countries. Services to immigrants include English as a Second Language, civics, and U.S. History instruction, as well as citizenship application services to 13,000 students each year. The Outreach and Interpretation Project provides community education, translation, and interpreter services for 15,000 Department of Human Services (IDHS) customers each year. Refugee resettlement entails a comprehensive array of mainly 100% federally funded services for individuals entering as refugees or granted political asylum, including adjustment counseling, orientation, English as a Second Language, vocational training, and job placement as well as bilingual health and mental health services.

Title XX Social Services Block Grant (SSBG)

The federal Block Grant provides 24 separate categories of social services through a network of four state agencies and community-based agencies making the Block Grant program one of the main sources of funds for providing social services to families. Service categories range from services for the elderly, people with developmental disabilities or mental illness, neglected children and adults, ex-offenders, victims of domestic violence, families in need of health services, and the unemployed or under-employed. For FY07, eligible Social Services Block Grant expenditures are expected to be in excess of \$129 million. Services will be provided to over 190,000 adults and children. The State's allocation from the Block Grant is estimated at \$73,556,382 for FFY07 with an additional \$25.5 million (estimated) to be transferred to the Social Services Block Grant from the Temporary Assistance for

Needy Families Block Grant. Early analysis of the Federal budget for FFY08 reveals a proposed SSBG reduction.

Included within the Block Grant is the State's Donated Funds Initiative. This collaborative social service delivery effort between the state and public, private, and faith-based agencies allows for the expansion of service funding without an additional commitment of state/federal funds through a local match requirement. \$22.3 million is allocated from the Block Grant for the Donated Funds Initiative.

Homeless Services and Supportive Housing Services

The Bureau of Homeless Services and Supportive Housing operates Food Assistance, Homeless Prevention, Supportive Housing, Emergency Food and Shelter (i.e., Homeless Assistance) and Tax Write-In Programs. The bureau serves as the Department's liaison on legislative and community issues relating to homelessness, supportive housing, homeless prevention and emergency food assistance. Also, the bureau provides extensive technical assistance to community providers.

FY08 Highlights

- ***Federal reauthorization of the TANF program necessitates expansion of resources for work and training activities. Infrastructure spending will enable Illinois to accurately collect actual hours of participation and submit required federal reports as customers continue to work their way off of welfare.***
- ***Child care providers will all receive rate increases. Tiered reimbursement will be initiated in FY08. Pursuant to the union agreement, health insurance will commence.***
- ***Funding increases for employment and training services are essential for Illinois to attain federal work requirements under TANF reauthorization.***