

New Hampshire Department of Health and Human Services
Closing the Cliff Effect
Progress Report
February 2022



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Introduction

In 2019 the Benefits Cliff Effect Working Group was established under [HB 4](#) to make recommendations to the Department of Health and Human Services (DHHS) in their effort to develop a plan to close the cliff effect (see <https://www.dhhs.nh.gov/ocom/solving-benefits-cliff-effect.htm>). These recommendations were finalized with in September 2021 release of the [Cliff Effect Plan](#) (Table 1). The purpose of this report is to provide an update on the work that has been accomplished since September 2021.

Table 1: Cliff Effect Final Report recommendations and categories.

Category	Recommendation
TANF	For those obtaining full time job with benefits on the high demand list maintained at NHES, implement a 100% disregard through a two year pilot.
	For those obtaining FT job on high demand list without benefits or FT job not on the high demand list, implement 75% disregard through 2 year pilot.
	Change the TANF child care deduction to a blanket deduction.
	Allow master’s degree to count as an education requirement under TANF.
	TANF Post Support Program.
	TANF Automobile Savings Program – Match for Down Payment.
Child Care	Employer support of child care.
	Increase eligibility to 250% of FPL for CCDF scholarship.
	Raise state payment rates for non-traditional hours.
	Adjust Steps within CCDF scholarship.
Food Security	Increase SNAP gross income limit.
	Provide Heat and Eat payment to SNAP recipients receiving housing subsidies.
Additional Proposals	Provide payment based on enrollment not attendance-based child care.
	Implement Pre-K program.

While some initiatives are easier to implement, others are complex and require exploration, modeling, data system adjustments, administrative rule or policy changes, and budgeting. It is important to note that within the 1 Cliff Effect Plan three initiatives were scheduled to be complete by September 2021. As the plan was released in September 2021 these timelines were adjusted. There are additional project processes that are impacted by external non-controllable factors, such as legal approval processes, which effect project timelines.

Progress has been made in all fourteen initiatives over the last four months. Project progress is assessed on a continuum ranging from research and preparation, which includes assessment of impacts, deliberation, and gathering data, reports, and other required documents to properly plan for implementation, to implementation or project completion. Implementation refers to when the pilot or policy is in place and the effectiveness of mitigating the Cliff Effect is being assessed. Once sufficient data is available initiatives will be marked as “completed.”

Further details are documented in each category table below.

TANF Update

Table 2: The TANF category includes six initiatives.

Initiative	Initiative Type	Implementation Date	Progress
For those obtaining full time job with benefits on the high demand list maintained at NHES, implement a 100% disregard through a two year pilot.	Pilot	April 2022	The 100% disregard for high demand jobs and the 75% disregard pilots have been merged. These projects developed cost projections and have submitted data system change requests.
For those obtaining FT job on high demand list without benefits or FT job not on the high demand list, implement 75% disregard through 2 year pilot.	Pilot	April 2022	<i>See Above</i>
Change the TANF child care deduction to a blanket deduction.	Pilot and Policy	July 2022	Applicable rule changes are being drafted for review and approval processes. Appropriate system changes are being identified.
Allow master's degree to count as an education requirement under TANF.	Policy	March 2022	Currently at the State level, the rules allow for participation in a master's degree program to count as required participation hours under TANF. Within DHHS, staff will be trained for how to allow these activities and record input into data system. However, these hours are not currently recognized at the federal level. DHHS will submit a recommendation to the Administration for Children and Families to expand the counting of continued education hours for participation.
TANF Post Support Program.	Pilot and Policy	September 2022	Currently being drafted and the data system change requests have been submitted to track the impact of this project.
TANF Automobile Savings Program – Match for Down Payment.	Pilot	March 2022	This initiative has shown great progress utilizing partnership with a car dealership and two banks. At this time financial literacy programs have been established and now the team is identifying criteria to ensure a successful experience for consumers.

Child Care Update

Table 3: The Child Care category includes four initiatives.

Initiative	Initiative Type	Implementation Date	Progress
Employer support of child care.	Project	September 2022	Essential partnerships have been made with Business and Economic Affairs (BEA), tools have been developed to understand current landscape, and resources about supports and referrals have been drafted to share with business human resources.
Increase eligibility to 250% of FPL for CCDF scholarship.	Pilot	September 2022	Prepared to be rolled out after the payment based on enrollment pilot.
Raise state payment rates for non-traditional hours.	Project	December 2022	Data is being collected and reviewed to understand the current need, availability, and costs for non-traditional child care. This information will be utilized to develop a tailored project approach
Adjust Steps within CCDF scholarship.	Pilot and Policy	September 2022	Finalizing cost projections and drafting required policy changes for implementation.

Note: The decision was made to stagger each of the pilots to ensure the quality of data and reduce any compounding impacts. The purpose of this is to ensure accurate analysis of cost and effect on mitigating the cliff effect can be completed for each initiative separately.

Food Security Update

Table 4: The Increase Food Security category includes two initiatives.

Initiative	Initiative Type	Implementation Date	Progress
Increase SNAP gross income limit.	Policy	March 2022	Cost projections are being updated, policy edits are being developed, and a letter to the Food and Nutrition Service (FNS) Agency is being drafted to share proposed changes.
Provide Heat and Eat payment to SNAP recipients receiving housing subsidies.	Project	July 2022	To implement the Heat & Eat pilot the cost projections are being updated to ensure accuracy, key terms are being defined (ex. housing subsidies), and associated policies are being reviewed.

Additional Proposals Update

Table 5: The Additional Proposals category includes one initiative.

Initiative	Initiative Type	Implementation Date	Progress
Provide payment based on enrollment not attendance-based child care.	Pilot and Policy	March 2022	The payment based on enrollment progress has included but is not limited to data base updates, process review, cost projections, and the approval of funding.

Closing Statement

The Cliff Effect occurs when wages from a new employment opportunity do not make up for a family's loss of state benefits, putting the family in a worse financial situation. In September 2021, the DHHS released its plan to close the Cliff Effect. This report provides an update on the status and progress of the recommendations. As of January 2022, all recommendations are on track to meet their target implementation dates, with some dates adjusted in order to ensure effective implementation, data quality, and ability to track the effect.

In the upcoming months most initiatives will transition to implementation phases of their project life cycles. Data will be collected to capture costs and impacts to support evaluation and sustainability.