TEMPORARY ASSISTANCE FOR NEEDY FAMILIES PROGRAM

(TANF)

Ninth Report to Congress

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children and Families
Office of Family Assistance

Contents

Executive Summary .... **v**
Caseload vi
Expenditures and Balances vi
Work Participation Rates vii
Work and Earnings vii
TANF Performance Measures viii
Child Support Collections viii
Formation and Maintenance of Two-Parent Families viii
Out-of-Wedlock Births ix
Child Poverty and TANF ix
Characteristics and Financial Circumstances of Individuals and Families Receiving TANF Assistance ix
Tribal TANF x
Specific Provisions of State Programs xi
TANF Research and Evaluation xi
TANF Emergency Fund xi

I. Caseload **13**
TANF and SSP Caseload 14
Participation of Eligible Families 20
Child-Only Cases 20
Case Flow 21
Time Limits 22
TANF Technical Assistance 23

II. TANF Expenditures and Balances **25**
Expenditure Overview 25
FY 2009 TANF Emergency Fund 29
Expenditure Detail 31
Assistance 32
Child Care 32
Administrative and Systems Costs 33
Work-Related Activities 33
Refundable Tax Credits 33
Expenditures for Remaining Categories of Benefits and Services 33
Additional State Spending 34

III. Work Participation Rates **35**
FY 2009 Work Participation Rates 35
Work Participation Penalties 41
Penalty Process 41

IV. Work and Earnings **43**
Employment While Receiving TANF Assistance 45

V. TANF Performance Measures **47**

VI. TANF and Child Support **49**

VII. Formation and Maintenance of Two-Parent Families **53**
Healthy Marriage Initiative 54
Responsible Fatherhood Initiative 56
The National Responsible Fatherhood Capacity Building Initiative 60
Promoting Responsible Fatherhood Community Access Program 60
Grantee Performance and Evaluation 61
National Healthy Marriage and Responsible Fatherhood Evaluations 61
Grantee Supports: Training and Technical Assistance 62

VIII. Out-of-Wedlock Births **63**
Out-of-Wedlock Births among the General Population 63
Out-of-Wedlock Births in TANF Families 64

IX. Child Poverty and TANF **67**
The TANF Child Poverty Regulation 68

X. Characteristics and Financial Circumstances of TANF Recipients **69**
Trends in AFDC/TANF Characteristics 69
TANF Families 69
Child-Only Families 72
TANF Adults 73
TANF Children 75
Financial Circumstances 75
Employment Rate 76
Reliability of Estimates 77
Standard (Sampling) Errors 78
Non-sampling Errors 78
Standard Errors of Subsets 78
Standard Errors for State Estimates 79
Statistically Significant Differences 79

XI. Tribal Temporary Assistance for Needy Families and Native Employment Works **80**
The Tribal Temporary Assistance for Needy Families Program 80
Tribal TANF Background Data 82
The Native Employment Works Program 84
Grantees' NEW Programs and Program Data 85
Program Year (PY) 2008 - 2009 86

XII. Specific Provisions of State Programs **90**
Form of Administration 91
TANF Assistance Eligibility 93
Treatment of Earnings 101
Resource Limits 105
Benefits 109
Diversion Payments 111
Time Limiting Assistance 119
Adoption of Family Violence Option 124
Family Cap 126

XIII. TANF Research and Evaluation **129**

Highlights of Major Research and Evaluation Findings with findings released from late 2007 through early FY 2010 129
Increasing Employment Stability and Earnings for Low-Wage Workers: Promising Programs in the Employment Retention and Advancement Project 129
Effective Strategies for Serving the Hard-to-Employ 132
TANF Caseload Composition and Leavers Synthesis 135
Strengthening Unmarried Parents' Relationships: The Early Impacts of Building Strong Families and the Building Strong Families Project 136
Overview of TANF-Related Research and Evaluation Efforts 137
Research Examining Implementation and Operations of TANF 138
Strengthening Families through Responsible Fatherhood and Healthy Marriages and Relationships 142
Innovative Employment Strategies 146
Rural Welfare-to-Work Strategies 149
Understanding the Low-Wage Labor Market 149
Child Care and TANF 152
Improving the Use of TANF and Other Administrative Data 155
Partnering with Community, Faith-Based Providers and Philanthropy 156
Disasters and Emergency Response 158
Sources (Other than Sources with Links Provided in the Text) 159

XIV. TANF Emergency Fund 163
Overview 163
Subsidized Employment 165
Basic Assistance 167
Non-Recurrent Short-Term Benefits 167
TANF Emergency Fund Awards by Category 168
Interagency Collaboration 170

XV. Glossary of Acronyms 173

Executive Summary

In 1996, Congress created the Temporary Assistance for Needy Families (TANF) program. This $16.5 billion a year block grant was enacted under the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), which replaced the Aid to Families with Dependent Children (AFDC) and other related welfare programs. Fostering self-sufficiency through work was a major goal of the 1996 reform, which required States and Territories to meet minimum levels of participation in work or work-related activities. States were given significant flexibility in designing their own eligibility criteria and benefit rules, subject to Federal time limits and other restrictions. The Deficit Reduction Act of 2005 (DRA) reauthorized the TANF program and directed the Department of Health and Human Services (HHS) to issue regulations specifying when an activity counts as one of the Federally listed work participation activities, establishing uniform reporting requirements and verification requirements for participation, and specifying circumstances under which a parent who resides with a child should be included in the work participation rates.

The TANF program continues to serve as one of the nation's primary safety net programs for low-income families with children. TANF helps foster healthy and economically secure households and communities for the well being and long-term success of children and families. This work is crucial when the economy is strong, and becomes even more vital during hard economic times. To reinforce the TANF program and help States respond to the needs of poor families during a time of economic downturn, the TANF Emergency Contingency Fund (known as the Emergency Fund) was established on February 17, 2009 by the American Recovery and Reinvestment Act (ARRA).

The Emergency Fund, established as Section 403(c) of the Social Security Act, provided up to $5 billion to help States, Territories, and Tribes in FY 2009 and FY 2010 that had an increase in assistance caseloads and basic assistance expenditures, or an increase in expenditures related to non-recurrent short-term benefits or subsidized employment. In FY 2009, 18 States received Emergency Funds in one or more of these three categories, totaling almost $829 million in financial assistance to States. More information about the Emergency Fund in FY 2009, including information on spending of Emergency Funds, can be found in Chapters 1, 2, and 3 of this report. By the end of FY 2010, HHS had obligated the full $5 billion made available under the TANF Emergency Fund to 49 States, the District of Columbia, Puerto Rico, the Virgin Islands, and 24 Tribes. Comprehensive information about the Emergency Fund covering both 2009 and 2010 can be found in Chapter 14 of this report.

In addition to providing information on the TANF Emergency Fund, this report covers the time frame of Fiscal Year (FY) 2007 through FY 2009 (or the most current information if 2009 is not available) and presents information regarding the characteristics and financial circumstances of TANF recipients, TANF caseloads and expenditures, work participation and earnings, TANF performance measures, interactions between TANF and child support collections, Federal efforts to support the formation and maintenance of two-parent families, data on out-of-wedlock births, and child poverty statistics. The report also documents specific provisions of State TANF programs and summarizes current TANF research and evaluation. Below is a short summary of each chapter in this report.

Caseload

TANF caseloads declined slightly throughout FY 2007 and continued to decline from the official start of the recession in December 2007 through July 2008. TANF caseloads then began to rise. From the low in July 2008 through September 2009, close to 199,000 families were added to the TANF rolls, representing an increase of 12 percent.

Child-only cases continued to comprise a large fraction of the total TANF caseload. These are cases where no adult is included in the benefit calculation and only the children are aided. In FY 2009, child-only cases represented 48.1 percent of the total TANF caseload.

The average cumulative months of TANF assistance received by families in FY 2009 was 37.3 months, consistent with the average length of TANF assistance in FY 2008 and up from 36.7 months in FY 2007. Although up to 20 percent of families receiving Federally-funded TANF assistance can receive such assistance in excess of the Federal five-year lifetime assistance limit, only 6.6 percent of families were receiving assistance beyond the 60-month limitation.

Expenditures and Balances

In FY 2009, combined Federal and State expenditures for the TANF program and State Maintenance-of-Effort (MOE) expenditures totaled $30.6 billion, including $829 million from the TANF Emergency Fund created by ARRA in 2009.

TANF funds can be spent on “assistance” and “non-assistance.” “Assistance” includes payments directed at ongoing, basic needs. These amounts also include expenditures previously permitted under the AFDC program and allowed to continue under TANF (such as certain expenditures for children involved in foster care or the juvenile justice system). “Non-assistance” includes child care, transportation assistance and other supports for those who are employed, non-recurrent short-term benefits, Individual Development Accounts, refundable earned income tax credits, work subsidies to employers, and services such as education and training, case management, job search, and counseling. In FY 2009, total Federal and State TANF expenditures on “assistance” amounted to $10.8 billion, compared with $19.7 billion spent on “non-assistance.”

States can transfer up to 30 percent of their TANF block grant into the Child Care and Development Fund (CCDF) or the Social Services Block Grant (SSBG). In FY 2009, States transferred $1.7 billion into the CCDF and $1.2 billion into the SSBG.

At the beginning of FY 2009, States reported having about $3.2 billion in unspent TANF funds from prior unliquidated or unobligated balances. By the end of FY 2009, almost $2.1 billion remained unobligated and just under $1.6 billion remained unliquidated. States may reserve unobligated Federal funds for use in future fiscal years.

Work Participation Rates

Work participation rates measure the degree to which families receiving assistance in TANF and SSPs are engaged in work activities specified under Federal law. TANF requires that States meet two separate minimum work participation standards each year, one for all families and another for two-parent families. In FY 2009, an average of 29.4 percent of combined TANF and SSP families with a work-eligible individual subject to work requirements met the Federal all-family work participation standards by participating in qualified activities for an average of at least 30 hours per week for the month, or 20 hours per week for single-parent families with a child under age six. This is consistent with the FY 2008 rate and represents a 0.3 percentage point decline from the FY 2007 rate of 29.7 percent. From FY 2008 to FY 2009, the all-families work participation rate increased in 23 States.

An additional 15.6 percent of TANF families with work-eligible individuals had some hours of participation, but did not attain sufficient hours to qualify toward the work rate. States reported zero hours of participation in qualified activities for 54.6 percent of families, although many participated in non-qualifying activities or were not reported as having any hours of participation because they did not have sufficient hours to count toward the rate. This is 1.5 percentage points lower than in FY 2008.

Jurisdictions can receive a credit against work participation standards for caseload reductions since FY 2005. In FY 2009, the all-families nominal minimum participation standard requirement was 50 percent, and the two-parent families nominal minimum participation standard was 90 percent. However, due to caseload reductions since 2005, including caseload adjustments due to excess maintenance-of-effort (MOE) spending, the all-families adjusted standard was lower than 50 percent for all States and Territories except Guam and South Dakota.

Work and Earnings

This chapter presents data on overall employment and earnings among certain groups as well as information related to TANF recipients. In FY 2009, 54.6 percent of all single mothers with children under 18 that had income below 200 percent of poverty were employed.

Overall, earnings in female-headed families remain higher than in 1996 despite various shifts in the economic climate since TANF's enactment, although they are below the peak in earnings for low-income female-headed families in 2000. For the one-fifth of single-mother families with the lowest income, the average annual earnings of single mother families (including those with and without earnings) was $2,651 in 2009, above the average of $2,174 in 1996 and below the peak of $3,687 in 2000 (in 2009 dollars).

The percentage of adult TANF assistance recipients who were working in subsidized or unsubsidized jobs was 23.0 percent in FY 2009. State-reported data show that the average monthly earnings of those employed while receiving TANF assistance was $809 in FY 2009.

TANF Performance Measures

HHS is required under Section 413(d) of the Social Security Act to annually measure and rank State performance in moving TANF recipients into private sector employment. Beginning with performance year FY 2001, the Administration for Children and Families (ACF) has calculated State job entry, job retention and earnings gains rates based on matching monthly listings of adult TANF recipients against the quarterly wage files on the National Directory of New Hires. ACF continues to use this data source for measuring employment among TANF recipients, though these rates are affected by economic and demographic factors and State eligibility rules as well as State performance.

Child Support Collections

Custodial parents receiving TANF are required to cooperate with child support enforcement efforts. In FY 2009, there were 15.8 million child support cases. The vast majority of child support services are provided to families that are not receiving TANF or foster care benefits.. Cases in which the children were formerly receiving TANF or foster care benefits and cases in which children have never received such assistance shared an equal portion of the FY 2009 caseload (each were 43 percent). There were 2.2 million child support cases in which the child was currently receiving these forms of assistance in FY 2009, accounting for 14 percent of the total caseload.

Federal law requires families that receive TANF cash assistance to assign their rights to child support to the State. States can then decide what portion, if any, of child support collections to transfer back to TANF families as unearned income and how much of that income should be considered during benefit and eligibility calculations.

Formation and Maintenance of Two-Parent Families

The $150 million Healthy Marriage and Responsible Fatherhood Grants program, established by the Deficit Reduction Act in 2005, encompasses the Healthy Marriage Initiative, the Responsible Fatherhood Initiative, the National Responsible Fatherhood Capacity-Building Initiative (NRFCBI) program, the Fatherhood Community Access (FCA) Program, and also includes grantee evaluation, training, and technical assistance.

HHS funded projects to deliver healthy marriage education and services in one or more of eight allowable activities specified in the authorizing legislation as well as awarded competitive grants for responsible fatherhood programs. In FY 2009, there were 118 Federally funded healthy marriage grantees and 96 Federally funded responsible fatherhood grantees.

The National Responsible Fatherhood Capacity-Building Initiative (NRFCBI) identifies and provides assistance to local community-based fatherhood organizations to expand their programs. HHS has also invested in the Fatherhood Community Access (FCA) Program, which funds programs that support healthy marriage activities, promote responsible parenting, and foster economic stability.

Out-of-Wedlock Births

The TANF statute (Section 413(e) of the Social Security Act) requires HHS to rank States based on a ratio of the total number of out-of-wedlock births in TANF families to the total number of births in TANF families, and also to show the net changes in the ratios between the current year and the previous year. Among the general U.S. population, the proportion of all births that were out-of-wedlock rose to 40.6 percent in 2008 (the most recent year with final data available from the National Center for Health Statistics at the Centers for Disease Control and Prevention), compared with 39.7 percent in 2007. Based on the final births data for 2008, the National Center for Health Statistics (NCHS) data show that the birth rate for unmarried women aged 15-44 years increased slightly in 2008 to 52.5 births per 1,000 women, an increase of less than one percent from a rate of 52.3 in 2007.

Child Poverty and TANF

The 2009 child poverty rate was 20.7 percent, up 1.7 percentage points from the prior year, and above the 1996 level of 20.5 percent and up from the 2000 low of 16.2 percent. The African-American child poverty rate was 35.4 percent in 2009 compared with 39.9 percent in 1996 and the Hispanic child poverty rate was 33.1 percent in 2009 down from 40.3 percent in 1996.

If a State experiences an increase in its child poverty rate of five percent or more and determines that this occurred as a result of the TANF program(s) in the State, it must submit and implement a corrective action plan to reduce the State's child poverty rate. To date, no State has been required to submit a corrective action plan or any additional information for these child poverty assessment periods.

Characteristics and Financial Circumstances of Individuals and Families Receiving TANF Assistance

The average monthly number of families receiving TANF assistance was 1,726,560 in FY 2009. The estimated average monthly number of TANF individuals receiving TANF assistance was 973,580 adults and 3,067,764 children. The average monthly number of families receiving TANF increased in 40 States and reflects an overall six percent increase from 1,629,345 families in FY 2008.

Since 2004, the percentage of TANF families that are headed by an African-American has slowly decreased while the percentage of TANF families that are Hispanic has increased. In FY

2009, African-American families comprised 33 percent of TANF families, white families comprised 31 percent of TANF families, and Hispanic families comprised 29 percent of TANF families. In FY 2009, the average number of persons in TANF families was 2.3, including an average of 1.8 recipient children. One in two recipient families had only one child. Less than eight percent of families had more than three children.

Monthly cash payments to TANF families averaged $324 for one child, $408 for two children, $496 for three children, and $592 for four or more children in FY 2009. Some TANF families who were not employed received other forms of assistance such as child care, transportation and other supportive services.

In FY 2009, about 17 percent of TANF families had non-TANF income. The average monthly amount of non-TANF income for those with non-TANF income was $683 per family. Twelve percent of all TANF families had earned income with an average monthly amount of $822, while six percent of the TANF families had unearned income with an average monthly amount of $322.

Tribal TANF

By the close of FY 2009, 63 Tribal TANF plans were approved to operate on behalf of 298 Tribes, Alaska Native villages, and the non-reservation American Indian/Alaskan Native populations of 121 counties. Of the 12,927 families receiving assistance in Tribal programs reported in FY 2008 (the most recent year for which detailed data is available), 7,267, or 56.2 percent were single parent families and 3,596 or 27.8 percent were child-only cases. American Indian and Alaska Native families not served by Tribal TANF programs continue to be served by State TANF programs. State governments in FY 2008 provided assistance to about 21,000 American Indian families.

The full-year (not prorated) amount of grants allocated/approved for the 63 approved Tribal TANF programs was $181,697,029. The amount of the approved grants is based on American Indian families served under State AFDC programs in FY 1994 in the Tribal grantee's service area.

Seventy-eight Indian Tribes, Alaska Native organizations, and Tribal consortia operated Native Employment Works (NEW) programs during Program Year (PY) 2008-2009 (July 1, 2008 – June 30, 2009). The most frequently provided NEW program work activities were classroom training/education, job search/job placement, and work experience. The most frequently provided supportive and job retention services were transportation assistance services.

NEW programs coordinated education, training, work experience, job search, and job referral with other Tribal programs and with local educational institutions and employers. They provided intensive case management, behavioral, health, and financial management counseling, and life skills training. Many Tribes with NEW programs located training, employment, and social services in "one-stop" centers where staff assessed clients' needs and then provided targeted activities and services to meet those needs. Information/resource/technology centers and learning centers containing resource materials, classrooms, and computer labs provided job preparation and job search services, including individual needs assessments, case management, and classroom instruction.

Specific Provisions of State Programs

The tables in Chapter XII were derived from information collected in the "Welfare Rules Databook: State TANF Policies as of July 2009," published by the Urban Institute with funding by HHS' Administration for Children and Families and HHS' Assistant Secretary for Planning and Evaluation. These tables include State-by-State information on benefit levels, work requirements, waiver rules, eligibility and benefit determination, sanction policies, cash diversion programs, time limits, domestic violence provisions, and family cap policies.

TANF Research and Evaluation

HHS' TANF research and evaluation agenda has two main goals: (1) to contribute to the success of TANF programs by providing timely, reliable data to inform policy and program design and management, especially at the State and local levels where much of the decision-making takes place; and (2) to inform the nation of the effects of policies and programs on low-income children, families, communities, and the nation as a whole. Major new reports include new research regarding the Employment Retention and Advancement Project, various projects exploring effective strategies for serving the hard-to-employ, an updated report on the composition of the TANF caseload and TANF leavers, research examining implementation and operations of TANF after the Deficit Reduction Act of 2005, and an evaluation of healthy marriage and responsible fatherhood programs.

TANF Emergency Fund

The American Recovery and Reinvestment Act of 2009, signed by President Barack Obama on February 17, 2009, established the TANF Emergency Contingency Fund (Emergency Fund) for States, Territories, and Tribes administering the TANF program. The Emergency Fund provided up to $5 billion to reimburse TANF jurisdictions in FY 2009 and FY 2010 that had an increase in assistance caseloads or in certain types of expenditures.

HHS obligated all $5 billion appropriated for the Emergency Fund to 49 States (Wyoming did not submit an application for funding), the District of Columbia, Puerto Rico, the Virgin Islands, and 24 Tribes; this includes $1.6 billion for basic assistance, over $2 billion for non-recurrent short-term benefits, and over $1.3 billion for subsidized employment. A major accomplishment of the Emergency Fund was its role in putting people to work by creating much-needed subsidized jobs.

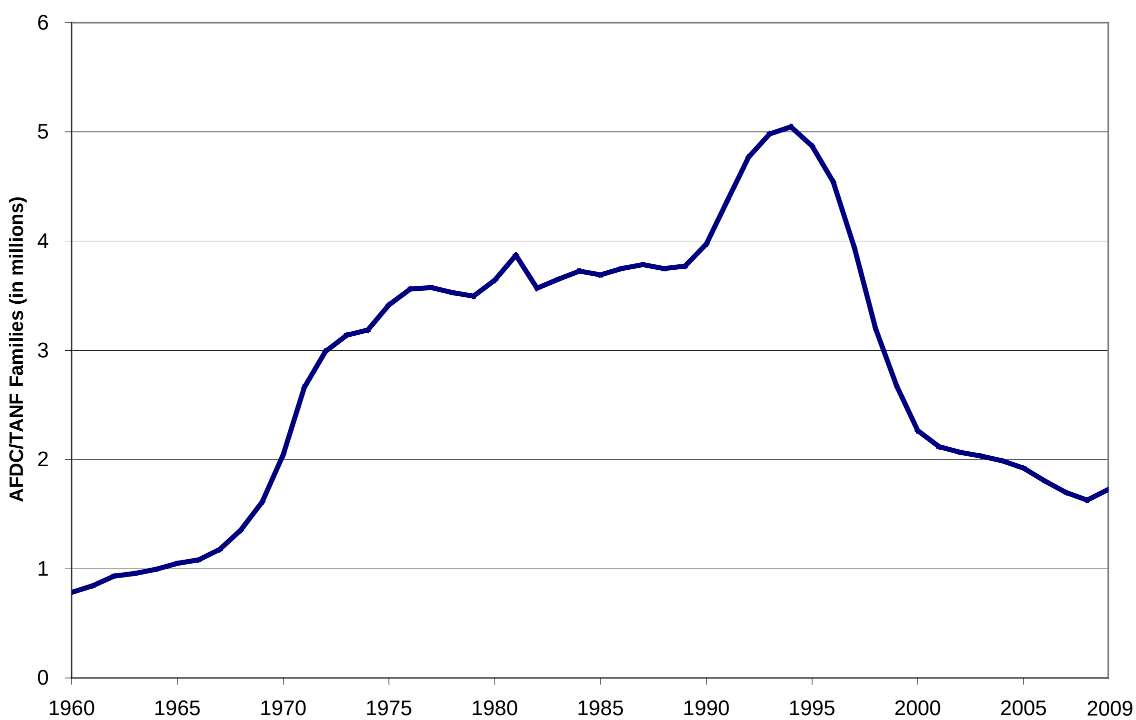
States have used the $1.3 billion for subsidized employment to support a wide range of employment programs, including transitional jobs, summer job programs for low-income youth, and supported work programs for individuals with disabilities or other barriers to employment. A survey of State officials by the Center on Budget and Policy Priorities indicated that States placed approximately 260,000 unemployed individuals in subsidized jobs funded in whole or in part by the Emergency Fund, including over 138,000 youth.

I. Caseload

The national Temporary Assistance for Needy Families (TANF) assistance caseload declined dramatically during the late 1990's as a result of economic expansion, welfare reform, and other policies implemented to assist low-income working families (such as the Earned Income Tax Credit). Caseload decline from FY 2000 through FY 2008 was much more modest, and caseloads increased monthly throughout FY 2009 during the economic downturn. Figure A shows the average monthly number of families receiving AFDC benefits (before FY 1996) or TANF assistance from 1960 through 2009. This chapter reviews these national caseload trends and other caseload dynamics.

Note that the caseload trends discussed here only reflect the number of families receiving assistance funded through TANF or MOE programs. Families receiving other types of benefits such as child care assistance, transportation assistance, and services to address family stability and substance abuse, but no ongoing income support that meet the regulatory definition of assistance are not included in these analyses. As discussed in Chapter 2, less that 30% of TANF and MOE funds are spent on benefits that meet the definition of assistance.

Figure A
AFDC/TANF Families
FY 1960 - FY 2009

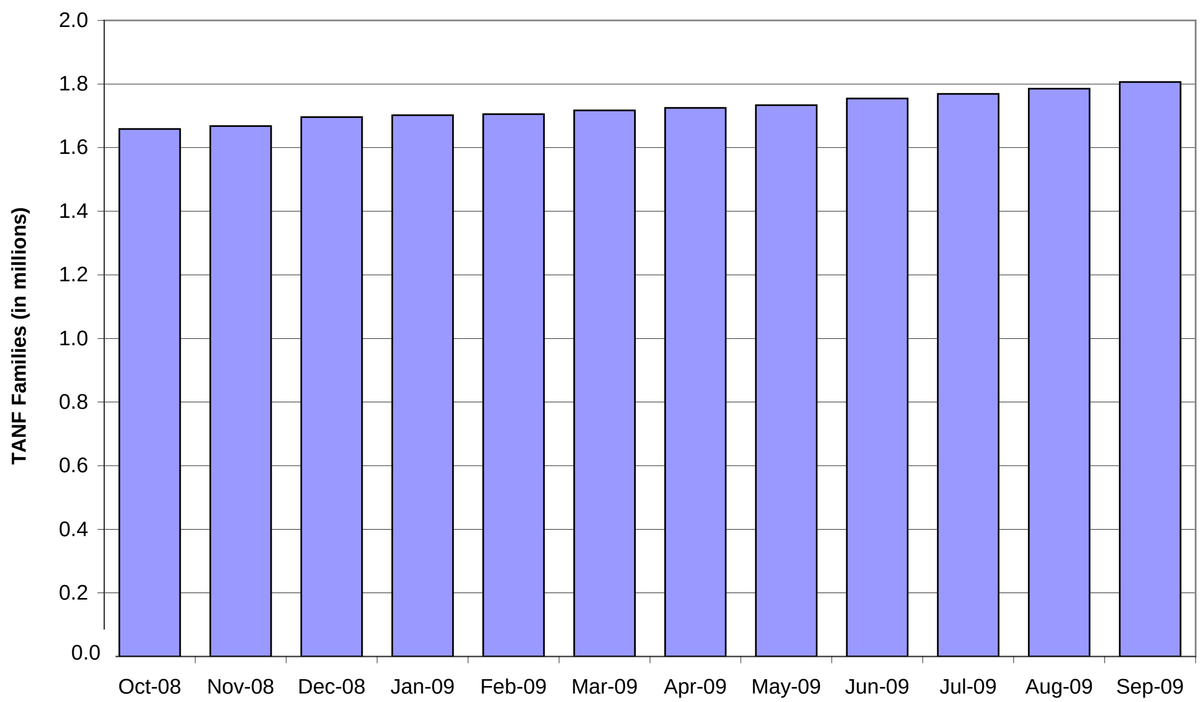


Source: Appendix Table 1:1

TANF and SSP Caseload

TANF assistance caseloads declined slightly throughout FY 2007 and continued to decline from the official start of the recession in December 2007 through July 2008. TANF caseloads then began to rise. From the low in July 2008 through September 2009, close to 199,000 families were added to the TANF rolls, representing an increase of 12 percent. This is the largest increase in caseloads since FY 1992. Figure B shows the monthly number of families that received assistance in FY 2009.

Figure B
Average Monthly TANF Families
FY 2009

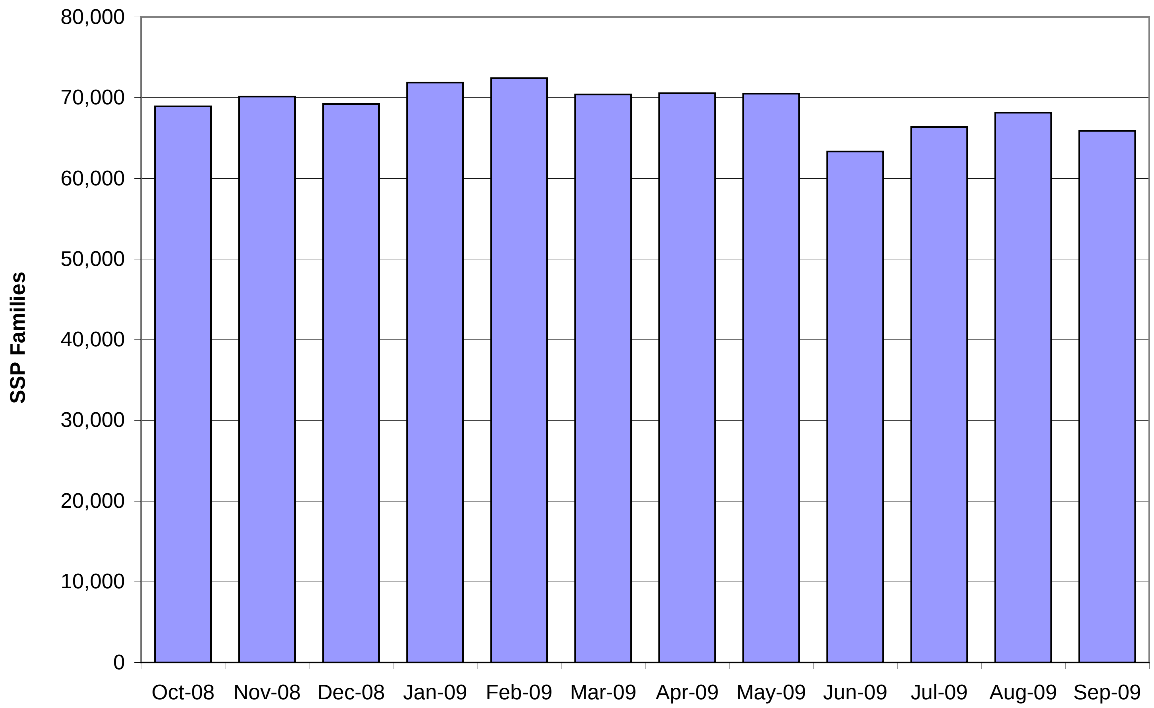


Source: Appendix Table 1:2

TANF caseload figures do not include assistance funded with State Maintenance-of-Effort (MOE) funds in Separate State Programs (SSPs). States must report caseload data for cases funded with SSP dollars, and must spend these funds on families that include a child living with a parent or adult caretaker relative and are financially eligible according to State-set income/resource standards. Families receiving assistance through SSPs are not subject to the Federal five-year time limit, requirements to assign child support payments to the State, and various other Federal rules; although the DRA extended work participation requirements to SSP families with a work-eligible individual beginning in FY 2007.

In FY 2009, 18 States[1] were operating SSPs. Figure C shows the monthly number of families that received assistance in an SSP for FY 2009. As of September 2009, 65,881 families received assistance through a SSP, less than four percent of the total TANF/SSP caseload. Most State programs are relatively small, and two States accounted for 70 percent of the average monthly number of families in SSPs nationwide: New York (49 percent) and Massachusetts (21 percent). New York's SSP families accounted for 23 percent of the State's combined caseload, and consisted primarily of families that had reached the Federal five-year time limit. In Massachusetts, SSP families represented 24 percent of the combined caseload, and consisted of families with an employed head-of-household who receive benefits from the Supplemental Nutrition Assistance Program (SNAP), formerly known as food stamps. The decline in the SSP caseload from May 2009 to June 2009 can be largely accounted for by administrative changes made in Massachusetts, including the creation of a maximum income limit for families that receive SNAP and had an employed head-of-household.

Figure C
Separate State Program Families by Month
FY 2009

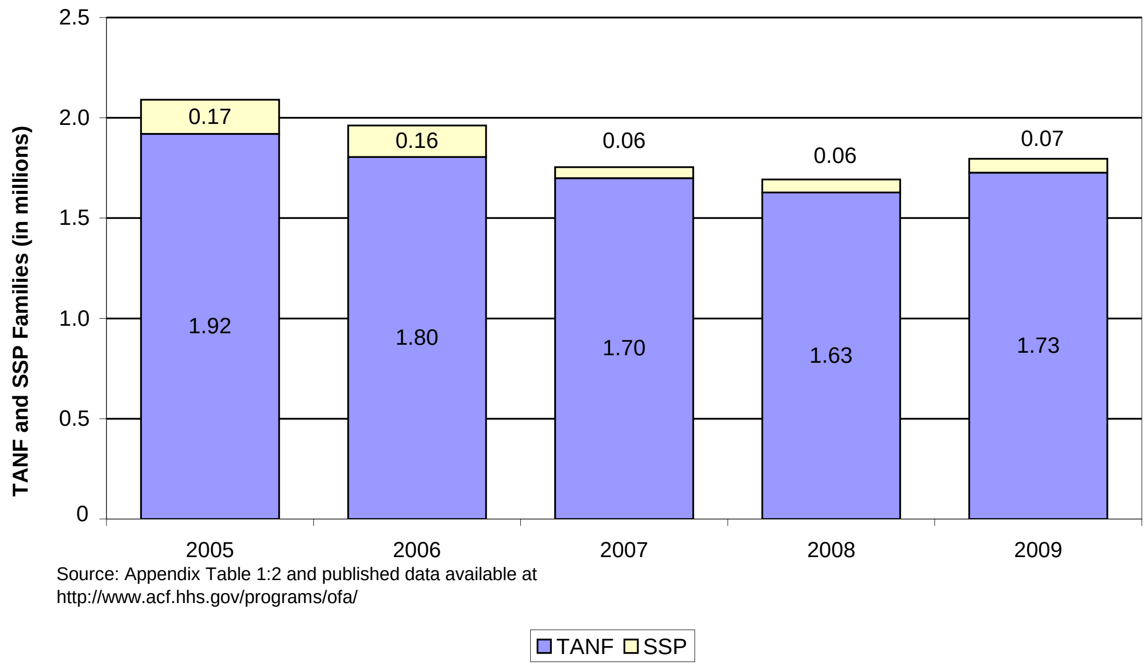


Source: Appendix Table 1:2

[1] The term "State" in this report includes Territories and the District of Columbia, which is included whenever the term is used unless specifically noted.

Figure D shows the combined TANF and SSP average monthly caseload from FY 2005 to FY 2009. Following the DRA's extension of work participation requirements to SSP families with a work-eligible individual, many States began funding assistance for some or all of their former SSP caseload using only State funds rather than funds claimed as part of the State MOE. These Solely-State Funded (SSF) programs are not subject to Federal requirements or reporting requirements and often target two-parent families, families with a head-of-household with barriers to employment, and families with a head-of-household working toward a postsecondary degree. The creation of SSF programs contributed to the decline in the SSP caseload from FY 2006 to FY 2007.

Figure D
Average Monthly TANF and SSP Families
FY 2005 - FY 2009



Source: Appendix Table 1:2 and published data available at http://www.acf.hhs.gov/programs/ofa/

Despite national trends, there was considerable variation in TANF caseload changes among the States in FY 2009. Tables A and B show the number of families and recipients, respectively, by State as of September 2009, along with each State's percentage of the national caseload. These tables also compare the change in State caseloads from both September 2008 and since the enactment of TANF in August 1996. During FY 2009, all but six States saw caseload increases due to the economic downturn.

The TANF Emergency Contingency Fund (known as the Emergency Fund), established as part of the American Recovery and Reinvestment Act (ARRA) in February 2009, provided support for these States that saw caseload increases in FY 2009 – as well as States that saw caseload increases in FY 2010. States that had an increase in their average monthly assistance caseload, as compared with the lesser value of the corresponding quarter of either FY 2007 or FY 2008, were eligible to be reimbursed for 80 percent of the increase in basic assistance expenditures from the Emergency Fund. In FY 2009, fifteen States received ARRA funds for increases in basic assistance expenditures. States could apply for reimbursement of basic assistance expenses already incurred in FY 2009, or they could request funding to cover anticipated expenditures in FY 2009. This funding helped States meet the increased demand placed on their programs as a result of the economic downturn.

Table A
Families - September 2009 TANF and SSP Caseload
Compared to September 2008 and August 1996

Families at end of FY 2009			Change Over FY 2009			Change Since TANF Enactment		
September 2009			September 2008 to September 2009			August 1996 to September 2009		
		% of US		Change			Change	
TANF	**1,806,365**		**TANF**	**178,251**	10.9%	**TANF**	**(2,602,143)**	-59.0%
SSP-MOE	**65,881**		**SSP-MOE**	**(3,197)**	-4.6%	**SSP-MOE**	**65,881**	-
U.S. Total	**1,872,246**		**U.S. Total**	**175,054**	10.3%	**U.S. Total**	**(2,536,262)**	-57.5%
			Change in Families by State			**Change in Families by State**		
Alabama	20,071	1.1%	**Alabama**	2,315	13.0%	**Alabama**	(20,961)	-51.1%
Alaska	3,086	0.2%	**Alaska**	196	6.8%	**Alaska**	(9,073)	-74.6%
Arizona	38,368	2.0%	**Arizona**	1,901	5.2%	**Arizona**	(24,036)	-38.5%
Arkansas	8,670	0.5%	**Arkansas**	340	4.1%	**Arkansas**	(13,399)	-60.7%
California	554,268	29.6%	**California**	56,549	11.4%	**California**	(326,110)	-37.0%
Colorado	10,364	0.6%	**Colorado**	2,094	25.3%	**Colorado**	(24,122)	-69.9%
Connecticut	17,305	0.9%	**Connecticut**	(1,358)	-7.3%	**Connecticut**	(40,021)	-69.8%
Delaware	4,730	0.3%	**Delaware**	582	14.0%	**Delaware**	(5,855)	-55.3%
Dist. of Col.	8,145	0.4%	**Dist. of Col.**	2,799	52.4%	**Dist. of Col.**	(17,205)	-67.9%
Florida	58,646	3.1%	**Florida**	7,634	15.0%	**Florida**	(142,276)	-70.8%
Georgia	21,008	1.1%	**Georgia**	(370)	-1.7%	**Georgia**	(102,321)	-83.0%
Guam	2,384	0.1%	**Guam**[2]	1,391	140.1%	**Guam**	141	6.3%
Hawaii	8,447	0.5%	**Hawaii**	2,128	33.7%	**Hawaii**	(13,447)	-61.4%
Idaho	1,600	0.1%	**Idaho**	104	7.0%	**Idaho**	(7,007)	-81.4%
Illinois	20,332	1.1%	**Illinois**	1,298	6.8%	**Illinois**	(199,965)	-90.8%
Indiana	38,392	2.1%	**Indiana**	6,844	21.7%	**Indiana**	(13,045)	-25.4%
Iowa	21,532	1.2%	**Iowa**	2,823	15.1%	**Iowa**	(10,047)	-31.8%
Kansas	14,620	0.8%	**Kansas**	2,162	17.4%	**Kansas**	(9,170)	-38.5%
Kentucky	29,755	1.6%	**Kentucky**	749	2.6%	**Kentucky**	(41,509)	-58.2%
Louisiana	10,752	0.6%	**Louisiana**	735	7.3%	**Louisiana**	(56,715)	-84.1%
Maine	13,999	0.7%	**Maine**	1,649	13.4%	**Maine**	(6,008)	-30.0%
Maryland	23,942	1.3%	**Maryland**	3,241	15.7%	**Maryland**	(46,723)	-66.1%
Massachusetts	59,635	3.2%	**Massachusetts**	(2,065)	-3.3%	**Massachusetts**	(25,065)	-29.6%
Michigan	64,625	3.5%	**Michigan**	2,254	3.6%	**Michigan**	(105,372)	-62.0%
Minnesota	22,407	1.2%	**Minnesota**	1,392	6.6%	**Minnesota**	(35,334)	-61.2%
Mississippi	12,018	0.6%	**Mississippi**	748	6.6%	**Mississippi**	(34,410)	-74.1%
Missouri	39,182	2.1%	**Missouri**	2,823	7.8%	**Missouri**	(40,941)	-51.1%
Montana	3,622	0.2%	**Montana**	486	15.5%	**Montana**	(6,492)	-64.2%
Nebraska	8,588	0.5%	**Nebraska**	1,111	14.9%	**Nebraska**	(5,847)	-40.5%
Nevada	9,500	0.5%	**Nevada**	2,563	36.9%	**Nevada**	(4,212)	-30.7%
New Hampshire	6,037	0.3%	**New Hampshire**	1,713	39.6%	**New Hampshire**	(3,063)	-33.7%
New Jersey	32,519	1.7%	**New Jersey**	(203)	-0.6%	**New Jersey**	(69,185)	-68.0%
New Mexico	18,354	1.0%	**New Mexico**	4,285	30.5%	**New Mexico**	(14,999)	-45.0%
New York	154,045	8.2%	**New York**	5,497	3.7%	**New York**	(264,293)	-63.2%
North Carolina	27,444	1.5%	**North Carolina**	3,150	13.0%	**North Carolina**	(82,616)	-75.1%
North Dakota	2,052	0.1%	**North Dakota**	19	0.9%	**North Dakota**	(2,721)	-57.0%
Ohio	99,084	5.3%	**Ohio**	16,956	20.6%	**Ohio**	(105,156)	-51.5%
Oklahoma	9,584	0.5%	**Oklahoma**	1,217	14.5%	**Oklahoma**	(26,402)	-73.4%
Oregon	28,479	1.5%	**Oregon**	5,925	26.3%	**Oregon**	(1,438)	-4.8%
Pennsylvania	52,013	2.8%	**Pennsylvania**	5,118	10.9%	**Pennsylvania**	(134,329)	-72.1%
Puerto Rico	12,720	0.7%	**Puerto Rico**	1,232	10.7%	**Puerto Rico**	(37,151)	-74.5%
Rhode Island	7,722	0.4%	**Rhode Island**	(328)	-4.1%	**Rhode Island**	(12,948)	-62.6%
South Carolina	18,512	1.0%	**South Carolina**	2,393	14.8%	**South Carolina**	(25,548)	-58.0%
South Dakota	3,159	0.2%	**South Dakota**	272	9.4%	**South Dakota**	(2,670)	-45.8%
Tennessee	62,372	3.3%	**Tennessee**	7,318	13.3%	**Tennessee**	(34,815)	-35.8%
Texas	47,856	2.6%	**Texas**	(3,189)	-6.2%	**Texas**	(195,648)	-80.3%
Utah	6,936	0.4%	**Utah**	1,603	30.1%	**Utah**	(7,285)	-51.2%
Vermont	3,061	0.2%	**Vermont**	127	4.3%	**Vermont**	(5,704)	-65.1%
Virgin Islands	516	0.0%	**Virgin Islands**	82	18.9%	**Virgin Islands**	(855)	-62.4%
Virginia	34,864	1.9%	**Virginia**	2,894	9.1%	**Virginia**	(27,041)	-43.7%
Washington	65,614	3.5%	**Washington**	11,241	20.7%	**Washington**	(31,878)	-32.7%
West Virginia	9,450	0.5%	**West Virginia**	522	5.8%	**West Virginia**	(27,594)	-74.5%
Wisconsin	19,569	1.0%	**Wisconsin**	2,061	11.8%	**Wisconsin**	(32,355)	-62.3%
Wyoming	291	0.0%	**Wyoming**	31	11.9%	**Wyoming**	(4,021)	-93.3%
Total	**1,872,246**		**Total**	**175,054**		**Total**	**(2,536,262)**	

Table B
Recipients - September 2009 TANF and SSP Caseload
Compared to September 2008 and August 1996

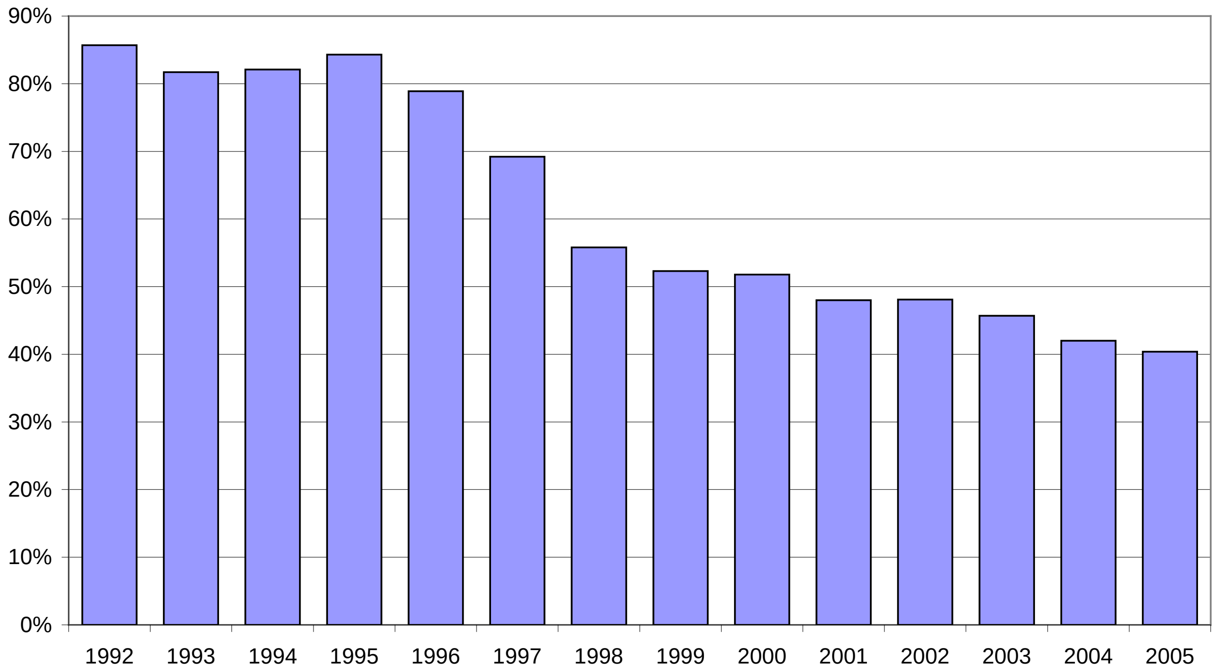
Recipients at end of FY 2009			Change Over FY 2009			Change Since TANF Enactment		
September 2009			September 2008 to September 2009			August 1996 to September 2009		
		% of U.S.		Net Change			Net Change	
TANF	**4,262,329**		**TANF**	**475,427**	12.6%	**TANF**	**(7,979,796)**	-65.2%
SSP-MOE	**207,415**		**SSP-MOE**	**(3,604)**	-1.7%	**SSP-MOE**	**207,415**	-
U.S. Total	**4,469,744**		**U.S. Total**	**471,823**	11.8%	**U.S. Total**	**(7,772,381)**	-63.5%

			Change in Recipients by State			Change in Recipients by State		
Alabama	47,811	1.1%	**Alabama**	6,558	15.9%	**Alabama**	(52,851)	-52.5%
Alaska	8,479	0.2%	**Alaska**	925	12.2%	**Alaska**	(27,065)	-76.1%
Arizona	83,236	1.9%	**Arizona**	4,967	6.3%	**Arizona**	(86,206)	-50.9%
Arkansas	19,755	0.4%	**Arkansas**	896	4.8%	**Arkansas**	(36,588)	-64.9%
California	1,355,050	30.3%	**California**	128,688	10.5%	**California**	(1,226,898)	-47.5%
Colorado	25,899	0.6%	**Colorado**	6,064	30.6%	**Colorado**	(69,889)	-73.0%
Connecticut	34,645	0.8%	**Connecticut**	(3,858)	-10.0%	**Connecticut**	(124,601)	-78.2%
Delaware	13,396	0.3%	**Delaware**	1,547	13.1%	**Delaware**	(10,258)	-43.4%
Dist. of Col.	18,917	0.4%	**Dist. of Col.**	7,178	61.1%	**Dist. of Col.**	(50,375)	-72.7%
Florida	107,719	2.4%	**Florida**	21,805	25.4%	**Florida**	(426,082)	-79.8%
Georgia	38,486	0.9%	**Georgia**	510	1.3%	**Georgia**	(291,816)	-88.3%
Guam	5,630	0.1%	**Guam**[2]	3,268	138.4%	**Guam**	(2,684)	-32.3%
Hawaii	24,447	0.5%	**Hawaii**	8,320	51.6%	**Hawaii**	(42,035)	-63.2%
Idaho	2,412	0.1%	**Idaho**	194	8.7%	**Idaho**	(19,368)	-88.9%
Illinois	55,394	1.2%	**Illinois**	889	1.6%	**Illinois**	(587,250)	-91.4%
Indiana	98,804	2.2%	**Indiana**	18,856	23.6%	**Indiana**	(43,800)	-30.7%
Iowa	55,916	1.3%	**Iowa**	9,118	19.5%	**Iowa**	(30,230)	-35.1%
Kansas	37,771	0.8%	**Kansas**	6,244	19.8%	**Kansas**	(26,012)	-40.8%
Kentucky	60,477	1.4%	**Kentucky**	2,074	3.6%	**Kentucky**	(111,716)	-64.9%
Louisiana	24,170	0.5%	**Louisiana**	2,339	10.7%	**Louisiana**	(203,945)	-89.4%
Maine	35,983	0.8%	**Maine**	4,692	15.0%	**Maine**	(17,890)	-33.2%
Maryland	57,609	1.3%	**Maryland**	9,146	18.9%	**Maryland**	(136,518)	-70.3%
Massachusetts	130,072	2.9%	**Massachusetts**	(8,546)	-6.2%	**Massachusetts**	(95,958)	-42.5%
Michigan	171,602	3.8%	**Michigan**	16,617	10.7%	**Michigan**	(330,752)	-65.8%
Minnesota	48,387	1.1%	**Minnesota**	2,457	5.3%	**Minnesota**	(121,357)	-71.5%
Mississippi	25,408	0.6%	**Mississippi**	2,172	9.3%	**Mississippi**	(98,420)	-79.5%
Missouri	94,690	2.1%	**Missouri**	7,075	8.1%	**Missouri**	(128,130)	-57.5%
Montana	9,174	0.2%	**Montana**	1,360	17.4%	**Montana**	(19,956)	-68.5%
Nebraska	21,154	0.5%	**Nebraska**	2,797	15.2%	**Nebraska**	(18,074)	-46.1%
Nevada	24,481	0.5%	**Nevada**	6,869	39.0%	**Nevada**	(9,780)	-28.5%
New Hampshire	13,183	0.3%	**New Hampshire**	4,380	49.8%	**New Hampshire**	(9,754)	-42.5%
New Jersey	76,818	1.7%	**New Jersey**	(1,367)	-1.7%	**New Jersey**	(198,819)	-72.1%
New Mexico	49,108	1.1%	**New Mexico**	11,656	31.1%	**New Mexico**	(50,553)	-50.7%
New York	386,303	8.6%	**New York**	17,560	4.8%	**New York**	(757,659)	-66.2%
North Carolina	54,893	1.2%	**North Carolina**	8,554	18.5%	**North Carolina**	(212,433)	-79.5%
North Dakota	5,132	0.1%	**North Dakota**	(36)	-0.7%	**North Dakota**	(8,014)	-61.0%
Ohio	227,363	5.1%	**Ohio**	48,711	27.3%	**Ohio**	(321,949)	-58.6%
Oklahoma	21,598	0.5%	**Oklahoma**	3,694	20.6%	**Oklahoma**	(74,603)	-77.5%
Oregon	73,287	1.6%	**Oregon**	20,017	37.6%	**Oregon**	(5,132)	-6.5%
Pennsylvania	126,417	2.8%	**Pennsylvania**	12,591	11.1%	**Pennsylvania**	(404,642)	-76.2%
Puerto Rico	34,401	0.8%	**Puerto Rico**	3,467	11.2%	**Puerto Rico**	(116,622)	-77.2%
Rhode Island	18,192	0.4%	**Rhode Island**	(571)	-3.0%	**Rhode Island**	(38,368)	-67.8%
South Carolina	43,503	1.0%	**South Carolina**	6,577	17.8%	**South Carolina**	(70,770)	-61.9%
South Dakota	6,584	0.1%	**South Dakota**	638	10.7%	**South Dakota**	(9,312)	-58.6%
Tennessee	161,733	3.6%	**Tennessee**	20,744	14.7%	**Tennessee**	(93,085)	-36.5%
Texas	108,144	2.4%	**Texas**	(6,114)	-5.4%	**Texas**	(540,874)	-83.3%
Utah	17,920	0.4%	**Utah**	4,672	35.3%	**Utah**	(21,153)	-54.1%
Vermont	6,959	0.2%	**Vermont**	438	6.7%	**Vermont**	(17,372)	-71.4%
Virgin Islands	1,470	0.0%	**Virgin Islands**	216	17.2%	**Virgin Islands**	(3,428)	-70.0%
Virginia	80,675	1.8%	**Virginia**	9,540	13.4%	**Virginia**	(72,170)	-47.2%
Washington	153,888	3.4%	**Washington**	28,592	22.8%	**Washington**	(115,039)	-42.8%
West Virginia	21,225	0.5%	**West Virginia**	993	4.9%	**West Virginia**	(67,814)	-76.2%
Wisconsin	43,391	1.0%	**Wisconsin**	5,580	14.8%	**Wisconsin**	(105,497)	-70.9%
Wyoming	583	0.0%	**Wyoming**	70	13.6%	**Wyoming**	(10,815)	-94.9%
Total	**4,469,744**		**Total**	**471,823**		**Total**	**(7,772,381)**	

Participation of Eligible Families

HHS uses a model[2] developed and maintained at the Urban Institute to estimate the percentage of families eligible for assistance under State rules that are actually receiving TANF assistance.. The model utilizes data from the U. S. Census Bureau's Current Population Survey to simulate TANF eligibility rules in each state and participation for an average month, by calendar year. As demonstrated in Figure E, participation rate data shows that the share of eligible families receiving TANF declined from 79 percent in 1996 to 40 percent in 2005.

Figure E
Participation of Eligible Families in AFDC/TANF, 1992 - 2005



Source: HHS Office of the Assistant Secretary for Planning and Evaluation

Child-Only Cases

A growing proportion of TANF cases are considered "child-only" cases. These are cases where no adult is included in the benefit calculation and only the children are aided, either because the child is not living with a parent or because a parent is in the home but is ineligible for assistance. In FY 2009, there were 831,134 of these child-only cases (Appendix Table 10:12). The Deficit Reduction Act (DRA) of 2005 applied work participation requirements to many parents in child-

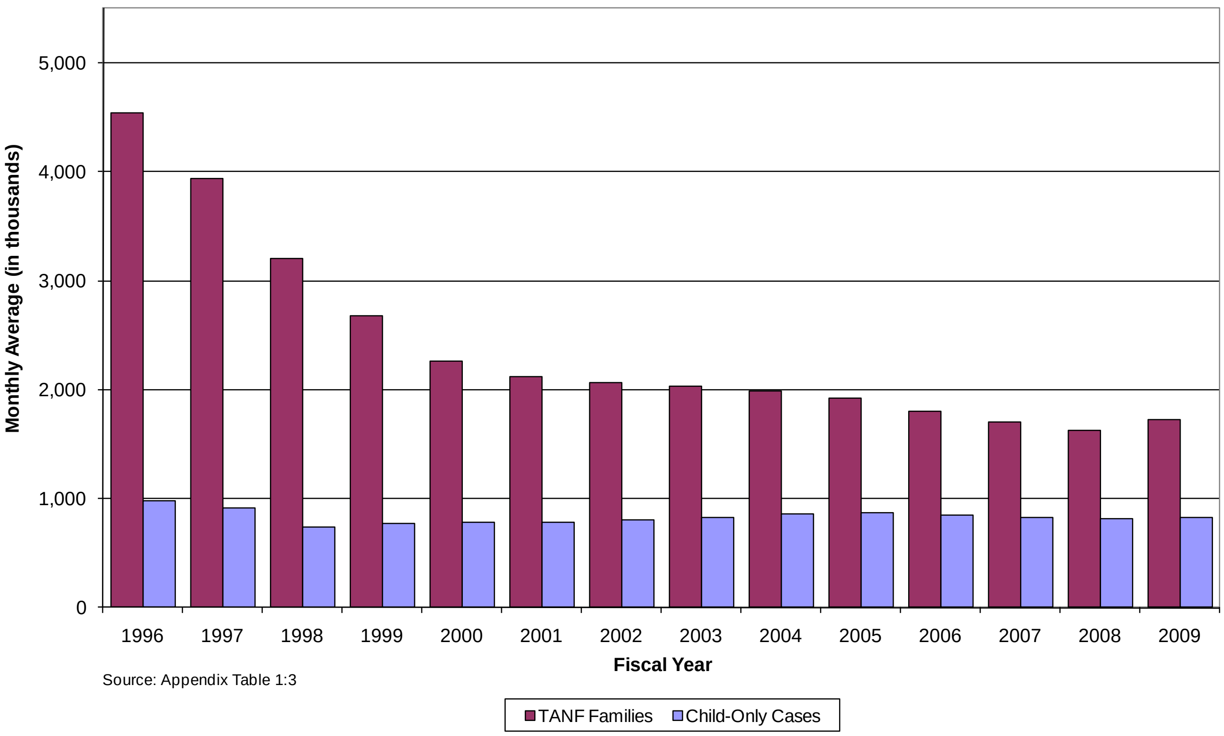
---

[2] The Transfer Income Model, version 3 (TRIM3) is a comprehensive microsimulation model developed and maintained at the Urban Institute under primary funding from Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation (HHS/ASPE). TRIM3 simulates the major governmental tax, transfer, and health programs that affect the U.S. population, and can produce results at the individual, family, State, and national levels.

only cases beginning in FY 2007. Specific child-only cases, however, such as families with a head-of-household receiving Supplemental Security Income (SSI) and those with minor parents who are not the head-of-household are generally not subject to Federal work requirements.

As reflected in Figure F, the proportion of child-only cases in the caseload has been increasing over most of the last decade, growing from 21.5 percent in FY 1996 to 50.3 percent in FY 2008. This increase is not due to the growth in the absolute number of child-only cases, but rather the decrease in TANF cases with an adult included in the calculation of assistance. In FY 2009, the child-only proportion of the total caseload dropped two percentage points to 48.1 percent.

Figure F
Trend in TANF Families and Child-Only Cases
FY 1996 - FY 2009

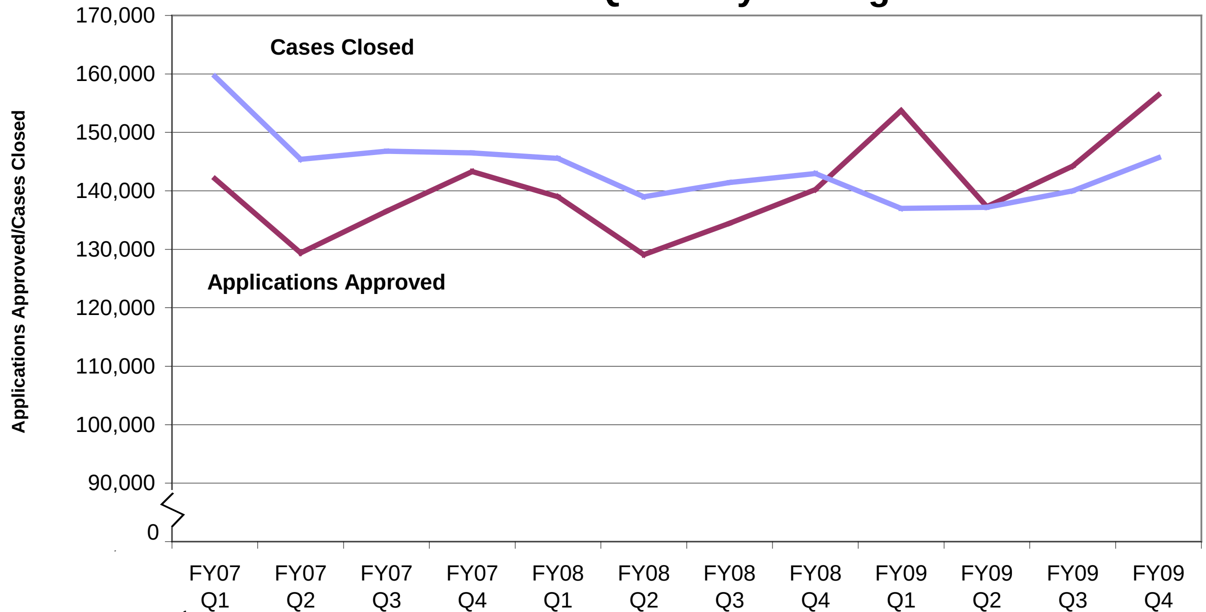


Source: Appendix Table 1:3

Case Flow

Critical to understanding the TANF program is the dynamic nature of the caseload. Figure G shows the quarterly averages of the average monthly number of new cases opened (applications approved) and cases closed during FY 2007 through FY 2009.

Figure G
TANF Applications Approved and Cases Closed
FY 2007 - FY 2009 Quarterly Averages[1]



[1]Data points represent quarterly averages of the average monthly number of opened/closed cases.
Source: Appendix Table 1:4

During this three-year period, States approved between 118,413 and 174,100 applications each month and a total of 1,774,956 in FY 2009. States also closed between 130,810 and 166,542 cases each month between FY 2007 and FY 2009, with a total of 1,679,523 in FY 2009. (See Appendix Table 1:9 for the detailed State information.)

The average spell of TANF assistance received by families in FY 2009 was 37.3 months, consistent with the average in FY 2008 and up from an average length of 36.7 months in FY 2007. Again, there is considerable State variation, ranging from an average of 6.5 months in Idaho to an average of 55.4 months in Georgia. Appendix Table 10:43 shows this breakdown by State.

Time Limits

PRWORA established a five-year lifetime limit on receipt of Federal TANF assistance for families with an adult receiving assistance. This legislation, at the same time, allowed States to exempt up to 20 percent of their total caseload from this time limit for hardship reasons.

In FY 2009, 1.7 percent of the over 1.7 million case closings were due to families reaching Federal time limits (see Appendix Table 10:48). State-level data for FY 2009 shows that 35 States closed less than one half of one percent of their cases due to the five-year Federal limitation during the year. The remaining States reported closing approximately 28,800 cases that had reached the Federal lifetime limit. New York closed over 21,500 cases, 73 percent of the national total. However, while these cases were closed from the TANF program, most were reopened under New York's "Safety Net Assistance" program funded through MOE funds spent in a SSP.

In FY 2009, 6.6 percent of families nationally with a head of household receiving assistance had received Federal assistance beyond the five-year limitation, far below the 20 percent allowed (See Appendix Table 1:11). Thirty-three States report that less than one percent of all families are receiving assistance beyond 60 months due to a hardship exemption or domestic violence waiver. Only five States had more than 10 percent of cases receiving assistance beyond 60 months for these reasons (See Appendix Table 1:10).

There are various reasons why most case closings are not attributable to Federal time limits. One of the most prevalent reasons for this is that many families exit TANF long before they reach the time limit. Additionally, some cases are exempt from the accrual of months for a variety of reasons: the case does not contain a countable head-of-household, assistance is State-funded, or the family lives in Indian country or an Alaska native village with high unemployment. Finally, most families do not receive assistance continuously. In FY 2009, forty-one percent of cases on assistance in that were subject to the Federal time limit were in the first year of assistance, 23 percent in the second year, 14 percent in the third year, and 9 percent in the fourth year (See Appendix Table 10:18).

States also may establish shorter time limits than five years, and many States do so (See Chapter 12, Tables 12:13 and 12:14). During FY 2009, States reported closing less than 10,400 cases due to State time limits, in addition to those closed due to the Federal time limit (See Appendix Table 10:48).

TANF Technical Assistance

The Administration for Children and Families (ACF) provides training and technical assistance (T&TA) to States, Tribes and local TANF administrators and other stakeholders. ACF has sponsored workshops, roundtables, and webinars to disseminate promising practices and to encourage peer-to-peer learning. ACF has developed T&TA on various topics, such as assisting with transportation to and from work activities, financial literacy, case management, substance abuse and domestic violence services.

In FY 2009, ACF coordinated and facilitated onsite training and technical assistance that was specific to the needs of 16 States, counties, and Tribes. Additionally, working with States and localities, ACF has developed an Online Work Readiness Assessment Tool (OWRA) to screen and assess participants and refer them to supportive services or employment options. In 2009, ACF piloted OWRA in 20 localities across five States and two Tribes. Over 1,000 individuals were assessed. ACF also has partnered with non-governmental organizations to develop workshops to promote the TANF Emergency Fund.

In FY 2009, the TANF Training and Technical Assistance Project provided targeted and timely technical assistance and training directly to States and Tribal TANF programs at 11 Regional Events across all 10 ACF Regions. During these events, States, Territories, and Tribes discussed their TANF programs in detail alongside peers, Federal staff, and other stakeholders. They also received wraparound profiles, fact sheets, annotated bibliographies, and other products that supported the content at these events.

The purpose of the regional events was to provide regional specific training and technical assistance to State and Tribal TANF agencies as well as their partners in Education, Housing, Workforce Development, Child Support, and SNAP.

The agencies expressed the challenges they currently face in working to help families reach self-sufficiency, their hopes for policy changes in the midst of TANF reauthorization, and strategies and solutions they are using to make the most of shrinking budgets.

II. TANF Expenditures and Balances

Expenditure Overview

In FY 2009, combined Federal TANF and State MOE expenditures neared $30.6 billion. States received Federal TANF block grants and supplemental grants totaling $16.7 billion. In addition, eighteen qualifying States received a combined total of $1.1 billion in FY 2009 contingency funds, and sixteen States and three Tribes received a combined total of $616 million in FY 2009 from the TANF Emergency Fund (four additional Tribes received a total of $319,000 in emergency funds that were transferred to the Department of Interior to be awarded as part of the Tribe's consolidated Pub. L. 102-477 grant).

In order to receive its full Federal block grant each year, a State must meet a Maintenance of Effort (MOE) requirement equal to 80 percent of State spending in FY 1994 (or 75 percent if the State meets both the all-families and the two-parent family work participation rates). In FY 2009, State MOE expenditures in TANF, including SSPs, totaled $15.4 billion.

Table A provides an overview of FY 2009 expenditures and balances, including emergency funds. Note that the expenditure information in this chapter also includes emergency funds awarded for FY 2009 that were received by the States in early FY 2010 (before the closing of the FY 2009 financial reporting period). As a result, expenditure information in this chapter represents Emergency Fund awards totaling $829 million as reflected in the online TANF financial report.

TANF funds can be spent on "assistance" and "non-assistance." "Assistance" includes payments directed at ongoing, basic needs as well as child care and transportation assistance for those who are not employed. These amounts also include expenditures previously permitted under the AFDC program and allowed to continue under TANF (such as certain expenditures for children involved in foster care or the juvenile justice system). "Non-assistance" includes child care, transportation assistance and other supports for those who are employed, non-recurrent short-term benefits, Individual Development Accounts, refundable earned income tax credits, work subsidies to employers, and services such as education and training, case management, job search, and counseling. Additionally, "non-assistance" can include other supports and services designed to meet a TANF purpose. The distinction between "assistance" and "non-assistance" is important because the major TANF program requirements (e.g., work requirements, time limits on Federal assistance, and data reporting) apply only to families receiving "assistance." In FY 2009, total Federal and State TANF expenditures on "assistance" amounted to $10.8 billion, compared with $19.7 billion spent on "non-assistance."

States may transfer up to 30 percent of their annual Federal TANF grant into the Child Care and Development Fund (CCDF) and the Social Services Block Grant (SSBG). Of this 30 percent, during FY 2009 States were limited to transferring no more than 10 percent to the SSBG. In FY 2009, States transferred $1.7 billion into the CCDF and $1.2 billion into the SSBG.

At the beginning of FY 2009, States reported having about $3.2 billion in unspent TANF funds from prior unliquidated or unobligated balances. By the end of FY 2009, almost $2.1 billion remained unobligated and just under $1.6 billion remained unliquidated, leaving about $3.7 billion in Federal TANF funds on hand at year's end. States may reserve unobligated Federal funds for use in future fiscal years. Table B shows beginning and end-of-year Federal TANF balances for each State.

Table B

TANF Financial Data - Combined Federal Funds Spent in FY 2009

	Start of Year Balance							End of Year Balance		
STATE	PRIOR UNLIQUIDATED AND UNOBLIGTED FUNDS	TOTAL NEW FEDERAL FUNDS FY 2009	TOTAL FEDERAL FUNDS AVAILABLE	TOTAL TRANSFERRED TO CCDF	TOTAL TRANSFERRED TO SSBG	AVAILABLE FOR TANF	TOTAL EXPENDITURES (Assistance and Non-Asstance)	UNLIQUIDATED OBLIGATIONS	UNOBLIGATED BALANCE	TOTAL UNDRAWN FEDERAL FUNDS[1]
ALABAMA	26,613,554	104,879,390	131,492,944	2,000,000	10,440,848	119,052,096	87,396,473	4,843,595	26,812,028	31,655,623
ALASKA	52,883,005	53,044,477	105,927,482	10,608,900	5,049,000	90,269,582	31,928,928	0	58,340,654	58,340,654
ARIZONA	25,308,370	264,204,113	289,512,483	0	22,415,757	267,096,726	245,598,194	21,498,532	0	21,498,532
ARKANSAS	87,595,696	74,253,498	161,849,194	5,000,000	0	156,849,194	72,594,744	2,585,681	81,668,769	84,254,450
CALIFORNIA	0	4,075,193,894	4,075,193,894	10,000,000	347,641,949	3,717,551,945	3,346,865,619	370,686,326	0	370,686,326
COLORADO	108,632,070	174,570,108	283,202,177	29,925,276	13,525,884	239,751,017	163,150,446	0	76,600,571	76,600,571
CONNECTICUT	0	266,788,107	266,788,107	0	26,678,810	240,109,297	240,109,297	0	0	0
DELAWARE	10,349,802	37,281,732	47,631,534	6,458,196	2,788,865	38,384,473	33,811,249	0	4,573,224	4,573,224
DIST.OF COLUMBIA	45,796,258	93,567,569	139,363,827	0	3,935,917	135,427,910	96,664,795	3,327,519	35,435,596	38,763,115
FLORIDA	39,775,810	646,088,469	685,864,279	122,549,157	62,274,578	501,040,544	467,842,357	26,320,531	6,877,656	33,198,187
GEORGIA	72,694,260	368,024,967	440,719,227	0	0	440,719,227	348,118,951	59,169,099	33,431,177	92,600,276
HAWAII	107,281,489	110,443,680	217,725,169	18,950,000	9,890,000	188,885,169	121,101,361	19,416,886	48,366,922	67,783,808
IDAHO	7,953,741	33,910,608	41,864,349	7,554,900	1,441,201	32,868,248	20,604,496	12,263,752	0	12,263,752
ILLINOIS	0	585,056,960	585,056,960	0	39,672,230	545,384,730	545,384,730	0	0	0
INDIANA	65,979,938	206,799,109	272,779,047	37,158,599	2,000,000	233,620,448	180,186,593	53,433,853	2	53,433,855
IOWA	28,384,089	131,847,906	160,231,995	26,236,177	12,962,008	121,033,810	92,320,104	6,393,804	22,319,902	28,713,706
KANSAS	16,967,382	120,618,422	137,585,804	20,792,923	7,191,254	109,601,627	64,854,859	0	44,746,768	44,746,768
KENTUCKY	62,934,029	181,287,669	244,221,698	54,386,300	0	189,835,398	141,053,878	0	48,781,520	48,781,520
LOUISIANA	27,153,968	180,998,997	208,152,965	32,526,386	16,397,199	159,229,380	135,647,308	23,582,072	0	23,582,072
MAINE	14,961	78,186,740	78,201,701	0	2,542,709	75,658,992	75,999,004	0	(340,012)	(340,012)
MARYLAND	82,595,937	296,971,331	379,567,268	5,885,667	22,909,803	350,771,798	259,996,523	11,627,690	79,147,585	90,775,275
MASSACHUSETTS	6,190,000	593,012,031	599,202,031	91,874,224	45,937,113	461,390,694	458,393,121	2,997,573	0	2,997,573
MICHIGAN	165,167,612	930,423,430	1,095,591,042	103,526,180	77,535,285	914,529,577	669,852,600	0	244,676,977	244,676,977
MINNESOTA	127,227,731	276,849,391	404,077,122	34,061,000	4,790,000	365,226,122	261,873,998	0	103,352,124	103,352,124
MISSISSIPPI	40,086,811	95,803,252	135,890,063	19,116,519	9,235,912	107,537,632	78,994,750	9,900,229	18,642,653	28,542,882
MISSOURI	2,183,465	217,051,740	219,235,205	23,000,000	21,705,174	174,530,031	174,530,031	3	(3)	0
MONTANA	42,852,404	39,538,355	82,390,759	7,676,010	1,998,226	72,716,523	27,581,024	376,000	44,759,499	45,135,499
NEBRASKA	30,557,216	57,513,601	88,070,817	16,000,000	0	72,070,817	28,975,680	100,984	42,994,153	43,095,137
NEVADA	22,871,263	54,227,179	77,098,442	0	1,924,690	75,173,752	66,502,272	0	11,307,608	8,671,480
NEW HAMPSHIRE	24,337,344	42,669,043	67,006,387	3,441,455	2,000,000	61,564,932	44,093,332	0	17,471,600	17,471,600
NEW JERSEY	118,964,034	404,034,823	522,998,857	80,701,284	16,938,000	425,359,573	309,503,590	103,089,519	12,766,464	115,855,983
NEW MEXICO	50,625,091	139,246,824	189,871,915	32,409,714	0	157,462,201	113,682,413	43,779,788	0	43,779,788
NEW YORK	263,209,994	2,999,285,702	3,262,495,696	413,976,257	200,755,328	2,647,764,111	2,019,103,408	317,426,621	311,234,083	628,660,703
NORTH CAROLINA	236,643,448	398,797,467	635,440,915	84,330,900	14,838,807	536,271,208	336,547,779	196,205,778	3,517,651	199,723,429
NORTH DAKOTA	17,200,734	26,399,809	43,600,543	0	0	43,600,543	27,250,914	0	16,349,629	16,349,629
OHIO	196,090,548	786,331,141	982,421,689	0	54,597,620	927,824,069	879,648,628	48,175,441	0	48,175,441
OKLAHOMA	98,166,482	145,375,406	243,541,888	29,056,288	14,528,144	199,957,456	158,264,840	41,692,616	0	41,692,616
OREGON	12,047,134	166,798,629	178,845,763	0	0	178,845,763	178,845,763	0	0	0
PENNSYLVANIA	144,283,418	746,265,140	890,548,558	141,305,000	23,232,750	726,010,808	545,122,631	60,954,690	119,933,487	180,888,177
RHODE ISLAND	4,313,392	95,021,587	99,334,979	15,875,472	8,257,769	75,201,738	75,201,738	0	0	0
SOUTH CAROLINA	35,690,467	119,961,389	155,651,856	0	4,000,000	151,651,856	131,658,291	0	19,993,565	19,993,565
SOUTH DAKOTA	17,602,334	21,630,658	39,232,992	0	2,127,965	37,105,027	17,213,697	0	19,891,330	19,891,330
TENNESSEE	145,681,763	263,601,328	409,283,091	50,600,000	9,000,000	349,683,091	202,036,915	0	147,646,176	147,646,176
TEXAS	173,851,788	538,964,526	712,816,314	0	29,777,490	683,038,824	554,214,846	128,823,978	0	128,823,978
UTAH	85,990,042	99,435,766	185,425,808	0	7,560,948	177,864,860	85,987,738	0	91,877,122	91,877,122
VERMONT	0	47,353,181	47,353,181	9,224,074	4,735,318	33,393,789	33,393,789	0	0	0
VIRGINIA	1,142,980	158,285,172	159,428,152	13,056,465	13,956,375	132,415,312	111,737,587	817,489	19,860,236	20,677,725
WASHINGTON	132,137,423	505,195,134	637,332,557	104,574,062	8,642,000	524,116,495	392,732,225	0	131,384,270	131,384,270
WEST VIRGINIA	76,720,099	110,176,310	186,896,409	0	11,017,631	175,878,778	112,923,047	0	62,955,731	62,955,731
WISCONSIN	0	377,399,225	377,399,225	62,899,870	13,420,500	301,078,855	289,698,655	11,380,200	0	11,380,200
WYOMING	47,777,745	18,500,530	66,278,275	0	0	66,278,275	21,783,923	2,656,276	41,838,077	44,494,352
Total	**3,188,527,120**	**18,559,165,515**	**21,747,692,635**	**1,726,737,255**	**1,212,271,057**	**18,808,684,323**	**15,178,579,134**	**1,585,636,927**	**2,069,978,333**	**3,630,105,189**

[1]The amounts reported under this column include unexpended federal grant funds the States have carried over from prior fiscal years.

Note: Negative expenditures represent an accounting adjustment to prior year expenditures.

In FY 2009, State MOE expenditures totaled $15.4 billion in FY 2009, $1.1 billion of which was spent through SSPs. States need only report MOE spending that is sufficient to meet their MOE obligation, and because of this reported MOE expenditures understate the actual amount of State spending on activities allowable under TANF.

FY 2009 TANF Emergency Fund

TANF Emergency Funds are available to reimburse jurisdictions for 80 percent of the cost of increased spending in three areas:

- basic assistance, i.e., cash or non-cash intended to meet ongoing basic needs for low-income families with children;
- non-recurrent, short-term benefits, i.e. benefits or services that are designed to deal with a specific crisis situation or episode of need; are not intended to meet recurrent or ongoing needs; and will not extend beyond four months; and
- subsidized employment for low-income parents and youth.

A State may use Emergency Fund monies in the same way that annual Federal TANF block grant funds are spent, except a jurisdiction may not transfer emergency funds to either the CCDF or SSBG programs. This means that it may use the funds in any manner reasonably calculated to meet a TANF purpose.

Table C shows FY 2009 Emergency Funds awarded as well as details regarding how these funds were reported as being spent by States.

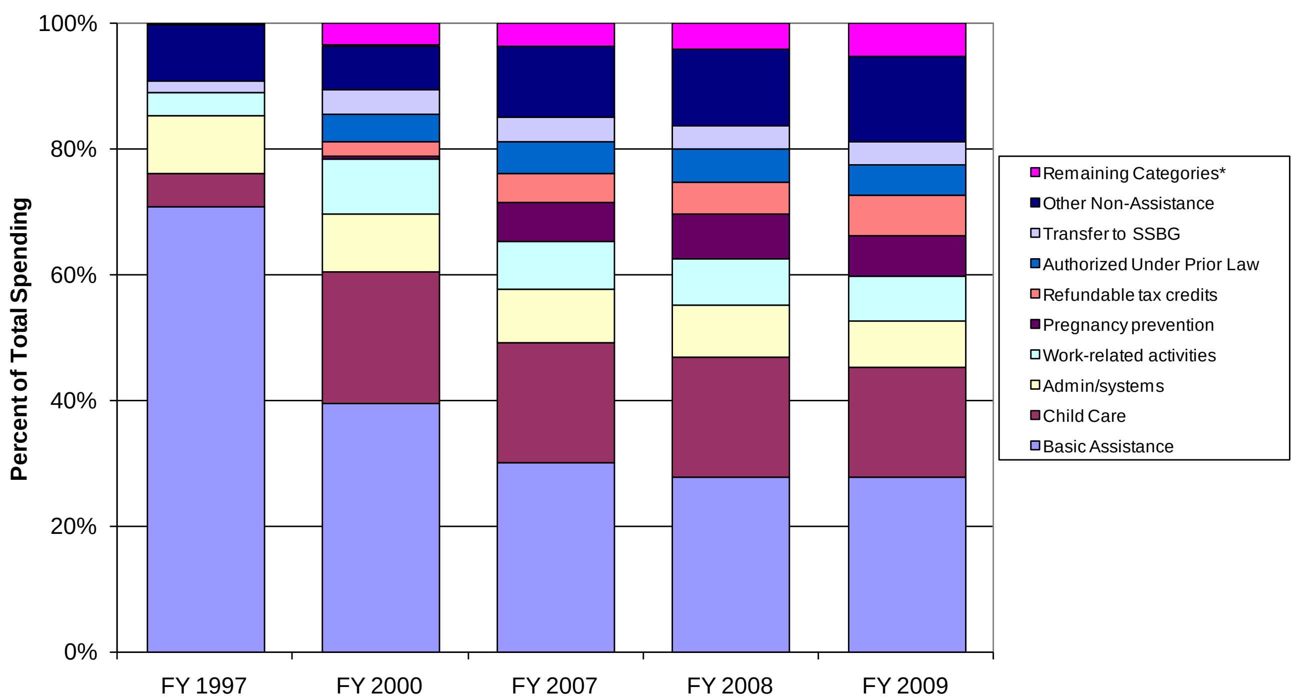
Table C
Expenditure of TANF Emergency Funds in FY 2009

	Line 1	Line 5a	Line 6a	Line 6b	Line 6g	Line 6j		End of Year Balance	
STATE	TOTAL FEDERAL FUNDS	BASIC ASSISTANCE	WORK RELATED ACTIVITIES	CHILD CARE	NON-RECURRENT SHORT-TERM BENEFITS	ADMINISTRATION	TOTAL EXPENDITURES (Assistance and Non-Asstance)	UNLIQUIDATED OBLIGATIONS	UNOBLIGATED BALANCE
ALABAMA	470,929	0	0	0	0	0	0	0	470,929
ALASKA	0	0	0	0	0	0	0	0	0
ARIZONA	0	0	0	0	0	0	0	0	0
ARKANSAS	0	0	0	0	0	0	0	0	0
CALIFORNIA	415,318,852	226,308,000	4,666,264	0	0	0	230,974,264	184,344,588	0
COLORADO	0	0	0	0	0	0	0	0	0
CONNECTICUT	0	0	0	0	0	0	0	0	0
DELAWARE	0	0	0	0	0	0	0	0	0
DIST.OF COLUMBIA	991,963	0	0	0	0	0	0	145,502	846,461
FLORIDA	23,342,681	16,465,025	0	0	0	0	16,465,025	0	6,877,656
GEORGIA	0	0	0	0	0	0	0	0	0
HAWAII	0	0	0	0	0	0	0	0	0
IDAHO	0	0	0	0	0	0	0	0	0
ILLINOIS	0	0	0	0	0	0	0	0	0
INDIANA	0	0	0	0	0	0	0	0	0
IOWA	817,512	0	0	0	0	0	0	0	817,512
KANSAS	0	0	0	0	0	0	0	0	0
KENTUCKY	0	0	0	0	0	0	0	0	0
LOUISIANA	0	0	0	0	0	0	0	0	0
MAINE	65,851	65,851	0	0	0	0	65,851	0	0
MARYLAND	29,690,294	14,703,459	0	0	1,410,145	0	16,113,604	0	13,576,690
MASSACHUSETTS	41,766,692	0	0	30,000,000	8,769,119	0	38,769,119	2,997,573	0
MICHIGAN	0	0	0	0	0	0	0	0	0
MINNESOTA	13,415,321	7,803,000	0	0	3,300,000	0	11,103,000	0	2,312,321
MISSISSIPPI	0	0	0	0	0	0	0	0	0
MISSOURI	0	0	0	0	0	0	0	0	0
MONTANA	366,538	121,161	29,667	0	0	33,601	184,429	0	182,109
NEBRASKA	0	0	0	0	0	0	0	0	0
NEVADA	0	0	0	0	0	0	0	0	0
NEW HAMPSHIRE	4,147,782	4,131,403	0	0	0	0	4,131,403	0	16,379
NEW JERSEY	0	0	0	0	0	0	0	0	0
NEW MEXICO	0	0	0	0	0	0	0	0	0
NEW YORK	149,200,000	0	0	0	130,304,170	0	130,304,170	18,895,830	0
NORTH CAROLINA	0	0	0	0	0	0	0	0	0
NORTH DAKOTA	0	0	0	0	0	0	0	0	0
OHIO	58,362,881	58,204,158	0	0	0	0	58,204,158	158,723	0
OKLAHOMA	93,964	0	158,723	0	0	0	158,723	(64,759)	0
OREGON	0	0	0	0	0	0	0	0	0
PENNSYLVANIA	28,899,513	0	0	0	25,584,486	0	25,584,486	0	3,315,027
RHODE ISLAND	0	0	0	0	0	0	0	0	0
SOUTH CAROLINA	0	0	0	0	0	0	0	0	0
SOUTH DAKOTA	351,007	0	0	0	0	0	0	0	351,007
TENNESSEE	13,029,166	9,000,000	522,525	0	0	683,776	10,206,301	0	2,822,865
TEXAS	0	0	0	0	0	0	0	0	0
UTAH	0	0	0	0	0	0	0	0	0
VERMONT	0	0	0	0	0	0	0	0	0
VIRGINIA	0	0	0	0	0	0	0	0	0
WASHINGTON	48,295,454	0	0	7,802,060	0	0	7,802,060	0	40,493,394
WEST VIRGINIA	0	0	0	0	0	0	0	0	0
WISCONSIN	0	0	0	0	0	0	0	0	0
WYOMING	0	0	0	0	0	0	0	0	0
Total	**828,626,400**	**336,802,057**	**5,377,179**	**37,802,060**	**169,367,920**	**717,377**	**550,066,593**	**206,477,457**	**72,082,350**

Expenditure Detail

Spending patterns have shifted since TANF was enacted, reflecting the decline in assistance caseloads and increased spending on supportive non-assistance services. Figure A compares State spending of Federal TANF and State MOE funds (in the TANF program or in SSPs) by category over time and in the years from FY 2007 – FY 2009. Since the enactment of TANF, States have shifted spending away from assistance and have increased the proportions of expenditures for "non-assistance" benefits and services. Figure B presents a breakdown of State spending of Federal TANF and State MOE funds in FY 2009.

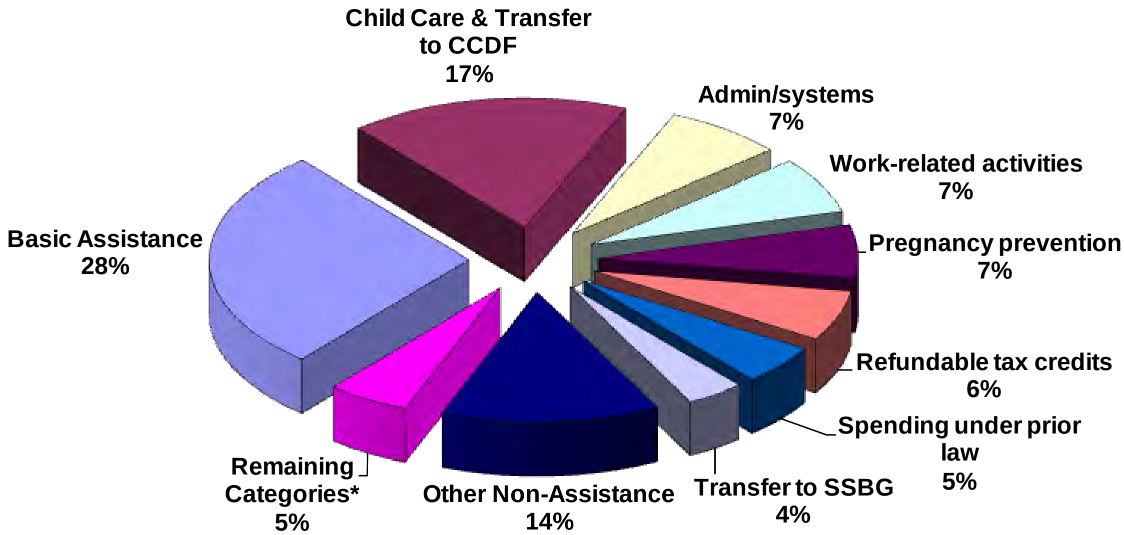
Figure A
TANF Spending by Category, Selected Years FY 1997-FY 2009



*"Remaining categories includes non-recurrent short-term benefits, transportation, two-parent family formation, and Individual Development Accounts.

Source: Multiple appendix tables (See Figure A & B Source Information in the Chapter 2 appendix)

Figure B
TANF Spending by Category, FY 2009



***"Remaining categories includes non-recurrent short-term benefits, transportation, two-parent family formation, and Individual Development Accounts.**

Assistance

States spent $9.3 billion, or 27.8 percent, of the total Federal TANF and State MOE expenditures (including transfers) in FY 2009 on assistance. This represents an increase when compared with the $8.6 billion spent on assistance during FY 2008. The increase between FY 2008 and FY 2009 is due to caseload increases through FY 2009, which allowed some States to apply for and receive TANF Emergency Funds for basic assistance. Basic assistance includes ongoing benefits directed at basic needs such as food, clothing, shelter, utilities, household goods, personal care items, and general incidental expenses.

Child Care

Spending on child care totaled $4.1 billion in FY 2009. This was a decrease from the $4.2 billion reported in the prior year. In addition, States transferred a net of $1.7 billion in Federal TANF funds from the TANF program into the CCDF. Taken together, States continued to spend significant Federal TANF and State MOE funds on child care. During FY 2009, States devoted over $5.8 billion to child care, a decrease from FY 2008, either directly through the State's TANF program or by transferring Federal TANF funds to CCDF (funds transferred to the CCDF are not necessarily spent during the current fiscal year and can be returned to TANF at a later time).

Administrative and Systems Costs

Administrative and information systems expenditures in FY 2009 totaled $2.5 billion, or 7.4 percent of total expenditures and transfers. Of the $2.5 billion, States claimed $2.2 billion for administrative costs that fall within the 15 percent administrative spending cap and $281 million on information systems. Combined, these amounts were $94 million lower than in FY 2008

Work-Related Activities

States spent $2.4 billion in combined funds (7.0 percent) on work-related activities in FY 2009, which includes work subsidies, education and training, and other job readiness activities such as employment counseling, job development, and job placement information and referral services. This is an increase from the $2.3 billion reported for work activities during FY 2008.

Refundable Tax Credits

Refundable tax credit program spending in FY 2009 was $2.1 billion, which was an increase of $530 million over the prior year. This is due to a substantial increase in New York's reporting of other refundable tax credit expenditures (from $188 million in FY 2008 to $497 million in FY 2009), New Jersey's increased spending on a refundable earned income tax credit (from $117 million in FY 2008 to $206 million in FY 2009), and also $72 million reported as spent by Michigan in beginning a refundable earned income tax credit funded through the TANF program. Refundable tax credits include refundable State earned income tax credits paid to families and State and local tax credits, as well as expenditures on any other refundable tax credits provided under State or local law that are consistent with the purposes of TANF.

Expenditures for Remaining Categories of Benefits and Services

Pregnancy prevention and two-parent family formation programs accounted for $2.5 billion in FY 2009, an increase of $79 million over FY 2008 levels. These funds were spent on activities designed to either reduce the incidence of out-of-wedlock pregnancies or encourage increased involvement of both parents in the lives of their children.

Expenditures "authorized solely under prior law" do not meet a TANF purpose, but are allowed pursuant to Section 404(a)(2) of the Social Security Act, which permits States to use TANF funds in any manner that was allowed under the prior Title IV-A (the Aid to Families with Dependent Children [AFDC] Program) or IV-F (Job Opportunities and Basic Skills Training Program) on September 30, 1995, or at State option, August 21, 1996.[3] In FY 2009, this category accounted for about $1.7 billion in total Federal expenditures, with $600 million for assistance and $1.1 billion for non-assistance. (MOE expenditures cannot be used for assistance or non-assistance "authorized solely under prior law" category).

[3] For example, if a State's approved AFDC plan as of September 30, 1995, allowed it to assist children in the juvenile justice system, then it may continue to use TANF funds for such activities even though the child is not living with a parent or other adult caretaker relative.

Spending reported in the category of non-recurrent, short-term benefits increased to $857 million in FY 2009 from $480 million in FY 2008, which allowed some States to apply for and receive TANF Emergency Funds in this category. Non-recurrent short-term benefits include expenditures on one-time, short-term benefits to families in the form of cash, vouchers, subsidies, or similar forms of payment to deal with a specific crisis situation or episode of need, or as a short-term benefit to help a family avoid the need for ongoing assistance.

Spending on transportation benefits (such as allowances, bus tokens, car payments, auto insurance reimbursement, and van services) for working or otherwise participating families totaled $547 million (1.6 percent) in FY 2009. This represents an increase over the $510 million reported in FY 2008. Such services are provided to both recipients of cash assistance as well as other low-income families with children to enable them to work or participate in other activities such as education or training, or for respite purposes (short-term temporary care of persons with disabilities).

States reported spending $4.6 billion on "other non-assistance" in FY 2009, as compared to $3.8 billion reported in this category in FY 2008. Expenditures reported as "other non-assistance" fulfill one of the four purposes of TANF but do not meet the definition of assistance and do not fit into any of the prescribed categories under "non-assistance." These expenditures are for a variety of services, including child welfare services such as family preservation, foster care, and child protective services; education programs including early childhood education and youth programs; personal supports such as mental health, physical health, and domestic violence services; as well as emergency assistance.

Additional State Spending

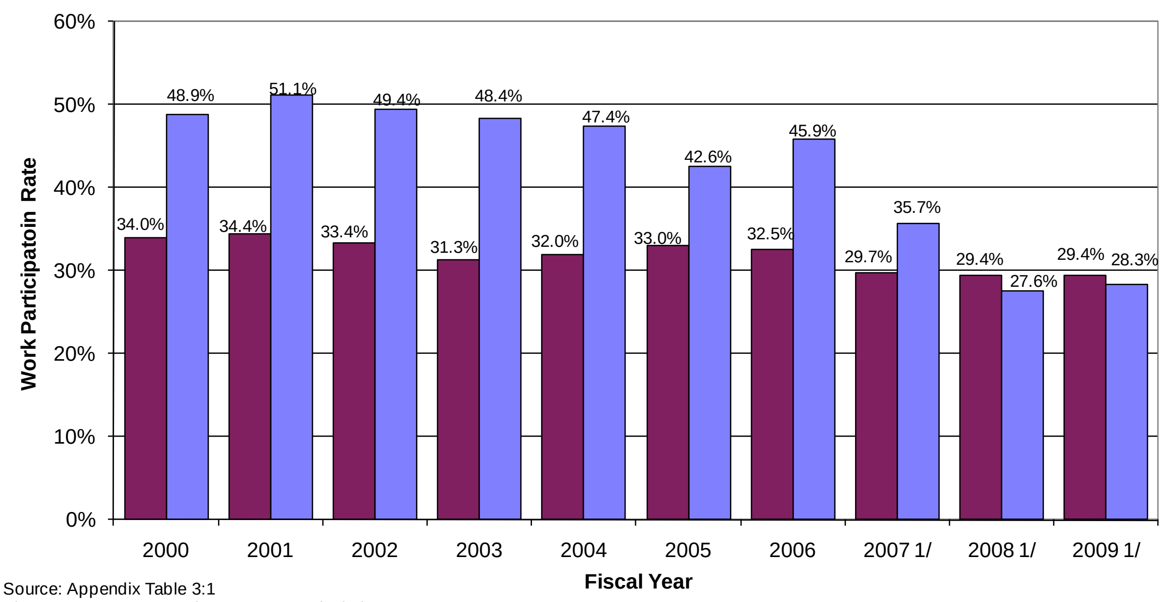
Some States also provided assistance through Solely-State Funded Programs (SSFs), programs that are not funded by either TANF or MOE funds. SSFs often serve two-parent families, families with a head-of-household with barriers to employment, and families with a head-of-household working toward a postsecondary degree.

III. Work Participation Rates

FY 2009 Work Participation Rates

Work participation rates measure the degree to which families receiving assistance in TANF and SSPs are engaged in work activities specified under Federal law. TANF requires that States meet two separate minimum work participation standards each year, one for all families and another for two-parent families. In FY 2009, the national average all-families work participation rate (WPR) was 29.4 percent. To count toward this rate, a family must include a work-eligible individual who is engaged in qualified work activities for at least 30 hours per week, or 20 hours per week if he or she has a child under six years of age (Appendix Table 3:1). Figure A demonstrates the trend in TANF work participation rates from FY 2000 to FY 2009. The FY 2009 national average participation rate of 29.4 percent was consistent with the FY 2008 rate, and represents a 0.3 percentage point decline from the FY 2007 rate of 29.7 percent, reflecting, at least in part, implementation of new Federal definitions of countable activities and new verification and monitoring requirements under the DRA. From FY 2008 to FY 2009, the all-families work participation rate increased in 23 States (Appendix Table 3:3).

Figure A
TANF Work Participation Rates, FY 2000 - FY 2009



Source: Appendix Table 3:1
1/ FY 2007, FY 2008, and FY 2009 rates includes SSP-MOE cases

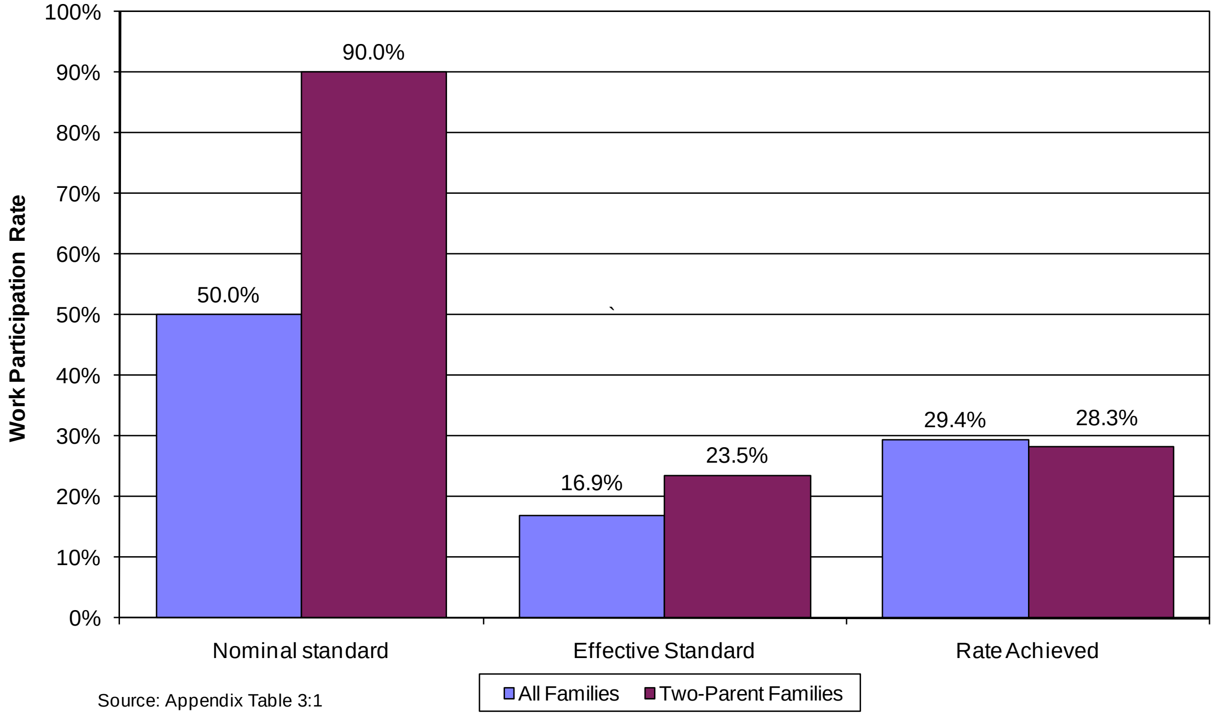
An additional 15.6 percent of TANF families with a work-eligible individual had some hours of participation, but did not attain sufficient hours to qualify toward the work rate. States reported zero hours of participation in qualified activities for 54.6 percent of families, although many participated in non-qualifying activities or were not reported as having any hours of participation because they did not have sufficient hours to count toward the rate. This is 1.5 percentage points lower than in FY 2008 (Appendix Table 3:17). In accordance with the Claims Resolution Act of 2010, ACF prepared a report that provides more detail on Work Eligible Individuals with zero hours of participation and those who do not fully work participation standards. It is available at http://www.acf.hhs.gov/programs/ofa/data-reports/cra-report-to-congress/cra_report-to-congress.html.

While TANF requires States to meet two work participation standards each year, the statutory minimum required rates of 50 percent for all families and 90 percent for two-parent families are nominal only, because jurisdictions may receive a credit against these standards for caseload reductions since FY 2005. A State's caseload reduction credit equals the percentage point decline in its average monthly caseload between FY 2005 and a comparison year. Normally, the comparison year is the previous year (e.g., FY 2008 for the FY 2009 caseload reduction credit) but the American Recovery and Reinvestment Act of 2009 allows a State to opt to use FY 2007 as the comparison year if it is to the State's advantage. For a caseload reduction credit toward the two-parent work participation rate, the State has the option of using its all-families caseload reduction credit or a separate one calculated using the decline in the two-parent caseload.

For FY 2009, as a result of caseload reductions since 2005, including caseload adjustments due to excess MOE spending, the all-families rate requirement was lower than 50 percent for all States and Territories except Guam, and South Dakota. Twenty-one States and one Territory had sufficient caseload reduction credits to reduce their effective required all-families rate to zero. The national effective minimum work participation requirement in FY 2009 was 16.9 percent for all families and 23.5 percent for two-parent families (Please see Appendix Table 3:3 for State-by-State data.).[4] Figure B compares national participation rates achieved with both the nominal and the effective work participation standards for FY 2009.

[4] The national effective standard is calculated by multiplying the adjusted standard for each State in Appendix Table 3:4 by its FY 2005 caseload, summing the results and dividing the total by the total FY 2005 U.S. caseload. The calculation method for the national two-parent effective standard is analogous, using the FY 2005 caseload (either the two-parent or the all-families caseload) that was used to calculate the caseload reduction credit. This is done only for States reporting two-parent cases in FY 2009.

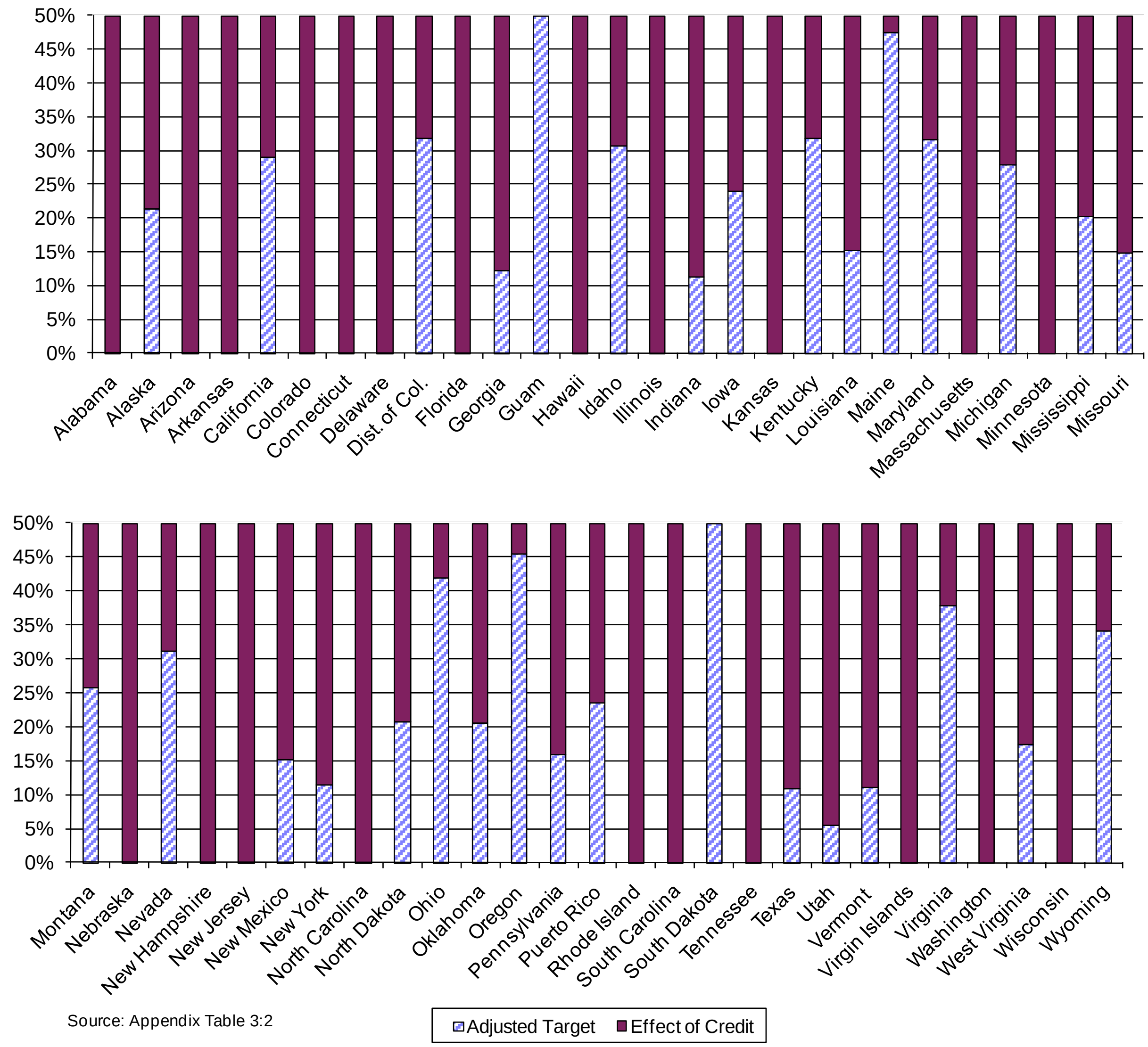
Figure B
U.S. Work Participation Rates and Standards, FY 2009



Source: Appendix Table 3:1

In FY 2009, seven States achieved all-families work participation rates of over 50 percent (Appendix Table 3:2). All States and Territories met their required all-families adjusted standard except for California, District of Columbia, Guam, Maine, Missouri, Ohio, Oregon, and Puerto Rico. The effect of the caseload reduction credits on individual jurisdiction rate requirements for FY 2009 is displayed in Figure C.

Figure C
Effect of Caseload Reduction Credits on All-Families Participation Rates
FY 2009



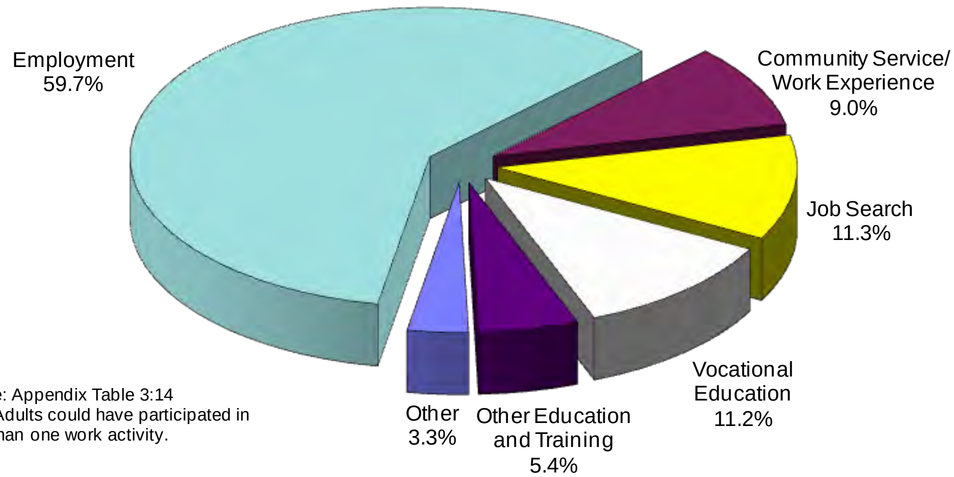
Source: Appendix Table 3:2

The FY 2009 two-parent national average participation rate was 28.3 percent, an increase from 27.6 percent in FY 2008. In FY 2009, of the 26 jurisdictions that did serve two-parent families through either TANF or SSP-MOE Programs, seven (Alaska, Guam, Kentucky, Maine, Nevada, Oregon, and Rhode Island) failed to meet their adjusted two-parent standard in FY 2009 (Appendix Table 3:2).

Some TANF cases are excluded from work rate calculations. Although the DRA applied work participation requirements to many parents in "child-only" cases beginning in FY 2007, specific child-only cases such as families with a head-of-household receiving Supplemental Security Income (SSI) remain exempted from Federal work requirements. Cases where a parent has been sanctioned for non-compliance are not included for up to three months in a 12-month period while sanctioned, and those with children under one can be disregarded at State discretion. Additionally, cases that are participating in a Tribal work program are disregarded (see Appendix Table 3:5). These excluded and disregarded cases accounted for approximately 48 percent of the full TANF caseload in FY 2008, a decrease of approximately three percentage points from FY 2008.

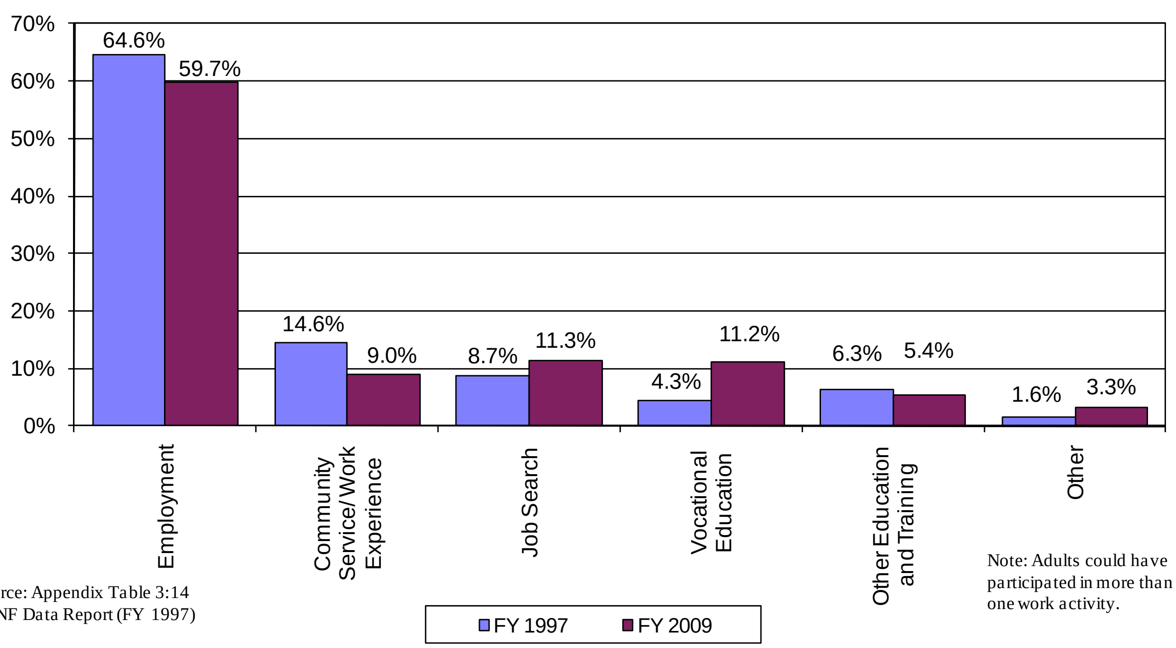
During FY 2009, 41.8 percent of adults nationally were reported to have participated in qualified work activities for at least one hour per week in an average month (Appendix Table 3:11). As a group, they averaged 24.5 hours of qualified participation per week (Appendix Table 3:15). Figure D displays these hours by work activity for FY 2009, and Figure E compares those proportions to the FY 1997 breakdown by work activity. It is important to note that adults could have participated, and generally do participate, in more than one work activity per week.

Figure D
Average Monthly Hours of Participation for All Adults by Work Activity FY 2009



Source: Appendix Table 3:14
Note: Adults could have participated in more than one work activity.

Figure E
Percent of Total Hours of Participation by Work Activity Comparison of FY 1997 and FY 2009



Source: Appendix Table 3:14
TANF Data Report (FY 1997)

Note: Adults could have participated in more than one work activity.

Sixty-nine percent of all hours claimed toward work participation rates involved direct work, mostly in employment but also in community service and work experience (Appendix Table 3:14).

The DRA extended work participation requirements to SSP families with a work-eligible individual beginning in FY 2007. As a result, many States shifted families served in SSPs to the TANF program or to programs completely outside the TANF/MOE structure (i.e., to solely State funded programs). States may have taken this approach either to reduce their risk of penalties or to provide services and activities that could not count or fully count toward Federal participation rate requirements, e.g., education and training programs. In FY 2009, eighteen jurisdictions operated SSPs, and nine States served two-parent families through SSPs. The FY 2009 national average all-family work participation rate for SSPs was 56.2 percent and the FY 2009 national average two-parent work participation rate was 31.0 percent. Appendices to this chapter include the State-by-State data used to calculate work participation rates and other related information.

Work Participation Penalties

Penalty Process

Each year, States submit case-level data to HHS on participation in work activities, as well as information needed to calculate the caseload reduction credits (about half submit sample data, while others submit universe data). HHS calculates the participation rate achieved by each State, and also the caseload reduction credit. HHS then notifies each State of the participation rate it achieved and whether it is subject to a penalty. A State that fails to meet a participation rate has 60 days to submit a request for a reasonable cause exception or submit a corrective compliance plan.

Under HHS regulations, the general factors that a State may use to claim reasonable cause exceptions include: (1) natural disasters and other calamities; (2) Federal guidance that provided incorrect information; and (3) isolated problems of minimal impact. There also are two specific reasonable cause factors for failing to meet the work participation rate: (1) Federally-recognized good cause domestic violence waivers; and (2) alternative services provided to certain groups of refugees.

The statute requires a reduction in the work participation penalty based on the degree of the State's noncompliance. The TANF regulations include a formula for calculating such reductions. This formula incorporates the following: (1) a reduction for failing only the two-parent work participation rate (prorating the penalty based on the proportion of two-parent cases in the State); (2) two tests of achievement for any further reduction; and (3) a reduction based on the severity of failure. The formula combines three measures for determining the severity of a State's failure: (1) the amount by which it failed to meet the rate; (2) the State's success in engaging families in work; and (3) how many consecutive penalties it had and how many rates it failed to meet. In addition to the required penalty reduction, the Secretary also has the discretion to reduce a work participation rate penalty for certain other reasons.

If a State does not demonstrate that it had reasonable cause, it may enter into a corrective compliance plan that will correct the violation and ensure continued compliance with the participation requirements. If a State achieves compliance with work participation rates in the time frame that the plan specifies, then HHS rescinds the penalty. Table A summarizes this information for FY 2004 through FY 2009.

Table A
Work Participation Rate Penalties by Year

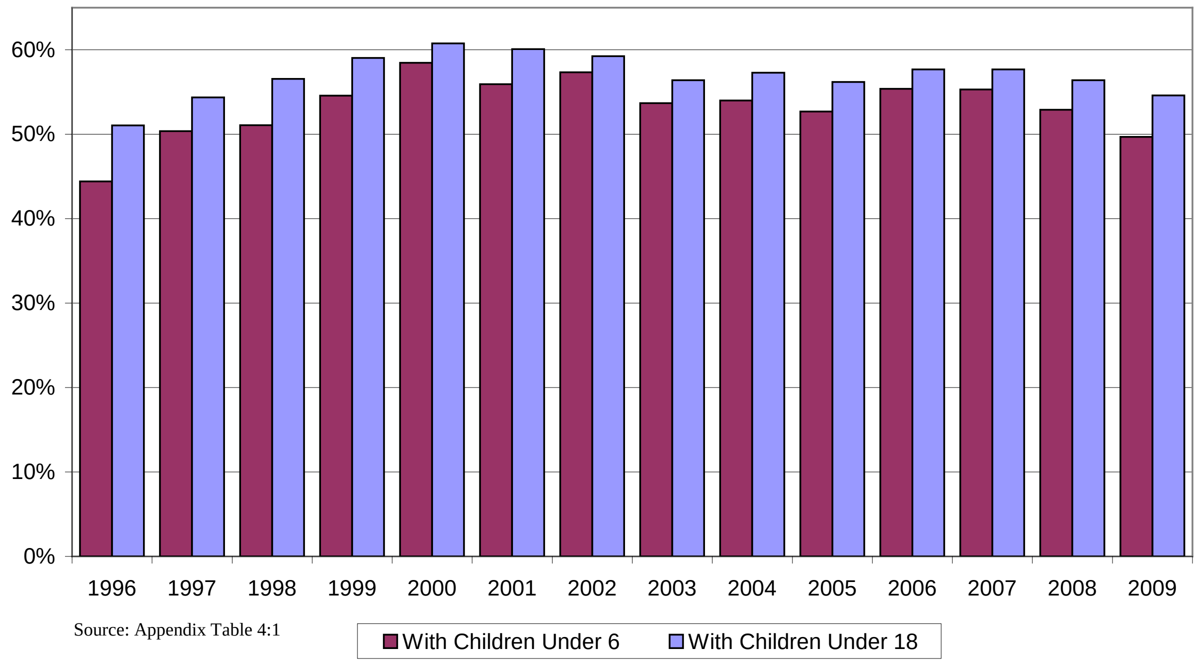
Received Penalty Notice			Reasonable Cause Exception	Submitted Corrective Compliance Plan		Achieved Compliance	Failed Compliance	Other Outcome
FY 2004								
Arkansas	Indiana			Arkansas			Arkansas	Guam - accepted penalty
Dist. of Columbia	Mississippi			Dist. of Columbia			Dist. of Col.	Indiana - revised data, no penalty
Guam	Washington		None					Mississippi, Washington - revised caseload reduction credit, no penalty
FY 2005								
Dist. of Columbia	Indiana							District of Columbia - accepted penalty
Guam			None					Indiana - revised data, no penalty
FY 2006								
Arkansas	Guam					Arkansas		District of Columbia - accepted penalty
Dist. of Columbia	Indiana		None					Indiana - revised data, no penalty
FY 2007								
Alaska	Maine	Oregon		Guam*				
California	Michigan	Puerto Rico		Indiana*				California - no penalty, reduced to $0 by formula
Guam	Minnesota	Vermont	Under review	Minnesota*				Vermont, Virgin Islands - revised caseload reduction credit, no penalty
Indiana	Nevada	Virgin Islands		Nevada*				
Kentucky	New Mexico	West Virginia		West Virginia*				
	Ohio							
FY 2008								
Alaska	Maine	Ohio		Guam*				
California	Michigan	Oregon	Under review	West Virginia*				
Guam	Missouri	Puerto Rico						
Kentucky	Nevada	West Virginia						
FY 2009								
Alaska	Kentucky	Ohio						
California	Maine	Oregon	Under review					Dist. of Col umbia- no penalty, reduced to $0 by formula
Dist. of Columbia	Missouri	Puerto Rico						
Guam	Nevada	Rhode Island						

* Corrective Compliance Plan in effect.

IV. Work and Earnings

This chapter reviews data and research findings on employment among TANF families and low-income single mothers generally. Employment among low-income single mothers (incomes below 200 percent of poverty), reported in the U.S. Census Bureau's Current Population Survey was 51.1 percent in 1996 when TANF was enacted. This employment rate reached its peak of 60.8 percent in 2000, then declined steadily until 2003 (56.4 percent), where it remained relatively stable through 2007 (57.7 percent). Employment rates declined during the most recent economic downturn, falling to 54.6 percent in 2009. Employment among low-income single mothers with children under age six has followed a similar trend. The trends since 1996 are displayed in Figure A.

Figure A
Employment Rates for Single Mothers Under 200% of Poverty
1996 - 2009



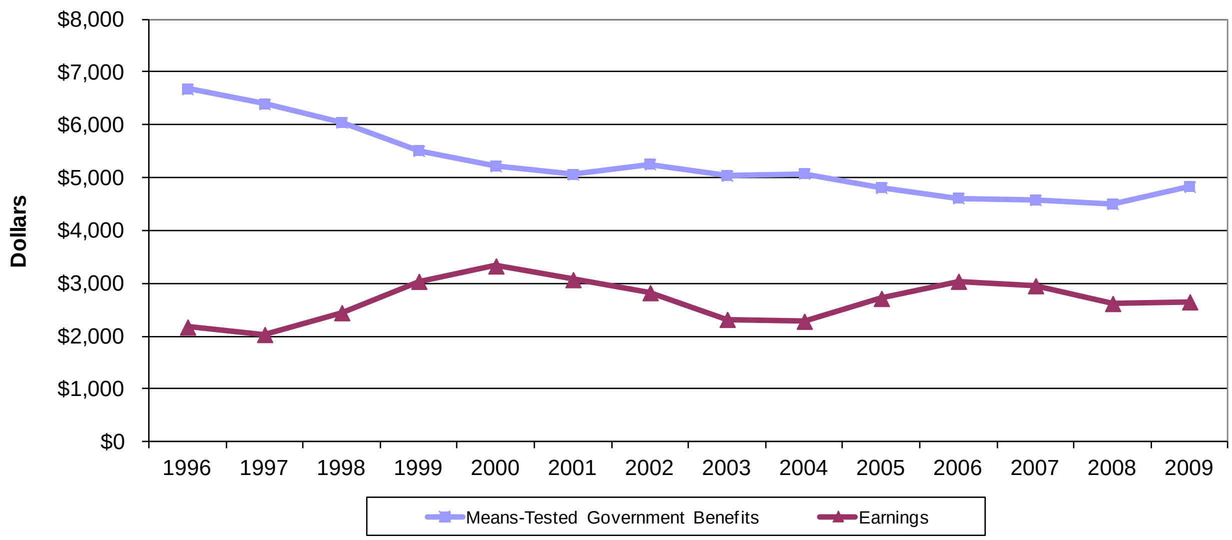
Source: Appendix Table 4:1

Overall, earnings in female-headed families remained higher in 2009 than in 1996 despite various shifts in the economic climate since TANF's enactment. For the one-fifth of families with the lowest income, the average annual earnings of single mother families (including those with and without earnings) rose from $2,174 in 1996 (in 2009 dollars) to $3,687 in 2000 and then declined to $2,319 in 2003. Earnings increased again – to $3,040 in 2006 – but fell with changes in the economy, to $2,651 in 2009. For the next 20 percent, earnings remained well above their 1996 levels when the average was $6,333 (in 2009 dollars).

Average earnings for this quintile group more than doubled in 2000, at $13,963; however, following shifts in economic climate, earnings decreased steadily through 2005 ($10,862). Although they rose again slightly through 2007 ($12,367), earnings declined to $10,968 in 2009.

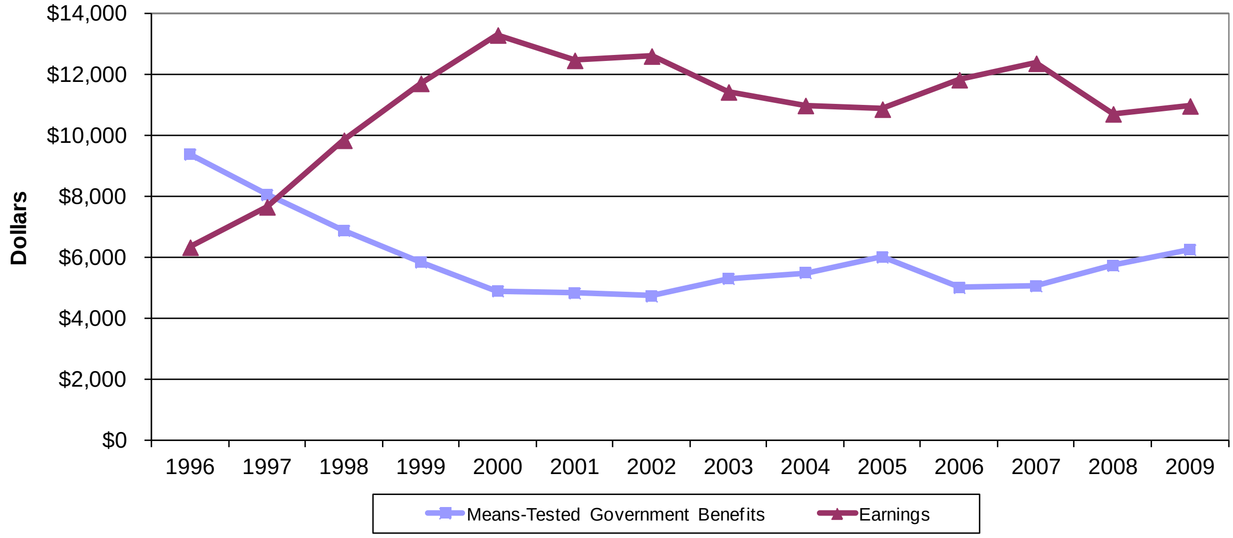
Concomitant with these earnings fluctuations since 1996 are overall declines in total income from means-tested benefits. Means-tested benefits are defined as cash assistance, SSI payments, SNAP and National School Lunch Program benefits, housing benefits and certain veterans' benefits, and do not include the effects of tax credits or liabilities. For the lowest quintile group, the average amount of means-tested benefits declined from $6,679 in 1996 to $4,829 in 2009 (in 2009 dollars), with a period of relative stagnation from 2001 through 2004. For the next 20 percent of single mother families with children, the average declined sharply, from $9,377 in 1996 to $4,525 in 2000, before returning to $6,253 in 2009 (in 2009 dollars). Earnings and government benefits for both quintile groups since 1996 are shown in Figures B and C.

Figure B
Government Benefits and Earnings for Single-Mother Families with Children[1]
with Income in the Lowest 20th Percentile in 2009 dollars
1996 - 2009



Source: Special tabulation of Current Population Survey data by the Office of the Assistant Secretary for Planning and Evaluation, HHS.
[1]Means-tested government benefits is the total of Supplemental Security Income, public assistance, certain veterans' benefits, SNAP, National School Lunch Program, and housing benefits. Means-tested benefits do not include means-tested tax credits or any tax liabilities.

Figure C
Government Benefits and Earnings for Single-Mother Families with Children[1]
with Income Between the 20th and 40th Percentiles in 2009 dollars
1996 - 2009



Source: Special tabulation of Current Population Survey data by the Office of the Assistant Secretary for Planning and Evaluation, HHS.
[1]Means-tested government benefits is the total of Supplemental Security Income, public assistance, certain veterans' benefits, SNAP, National School Lunch Program, and housing benefits. Means-tested benefits do not include means-tested tax credits or any tax liabilities.

Employment While Receiving TANF Assistance

The percentage of adult assistance recipients who were working in subsidized or unsubsidized jobs was 23.0 percent in FY 2009. As mentioned in the previous chapter of this document and described in further detail in Chapter XIV, the use of subsidized employment programs by State TANF agencies began to increase in FY 2009 as a result of money made available through the TANF Emergency Fund.

State-reported data show that the average monthly earnings of those employed while receiving TANF assistance increased (in 2009 dollars) from $683 per month in FY 1996 ($466 in 1996 dollars) to $822 in FY 2009, a 29 percent increase (See Appendix Table 10:45).

V. TANF Performance Measures

HHS is required under Section 413(d) of the Social Security Act to annually measure and rank State performance in moving TANF recipients into private sector employment. Beginning with performance year FY 2001, ACF has calculated State job entry, job retention and earnings gains rates based on matching monthly listings of adult TANF recipients against the quarterly wage files on the National Directory of New Hires. ACF continues to use this data source for measuring employment among TANF recipients, though these rates are affected by economic and demographic factors and State eligibility rules as well as State performance.

The job entry rate measures the percent of the number of unduplicated unemployed adult recipients who entered employment for the first time during the year. An adult is considered to have entered employment for the first time in a calendar quarter if he/she had no earnings in any of the prior quarters of the year.

The job retention rate measures the share of the unduplicated number of employed adult recipients in each quarter of the year who were also employed in the first and second subsequent quarters.

The earnings gain rate measures the rate of change in earnings of employed adult recipients who were employed in both an initial and the second subsequent quarter in each of the four quarters of the year.

Table A shows the national figures for these performance measures in years FY 2005 – FY 2008. State-level results for FY 2007 , FY 2008 and FY 2009 are presented in Appendix Tables 5:2 through 5:6.

Table A
TANF Work-Related Trend Information[5]

	FY 2005	FY 2006	FY 2007	FY 2008
Job Entry Rate	34%	36%	37%	35%
Job Retention Rate:				
One Following Quarter	78%	78%	78%	77%
Two Following Quarters	64%	65%	64%	63%
Earnings Gain Rate	36%	34%	38%	33%
Average Earnings Gain	$796	$785	$835	$771

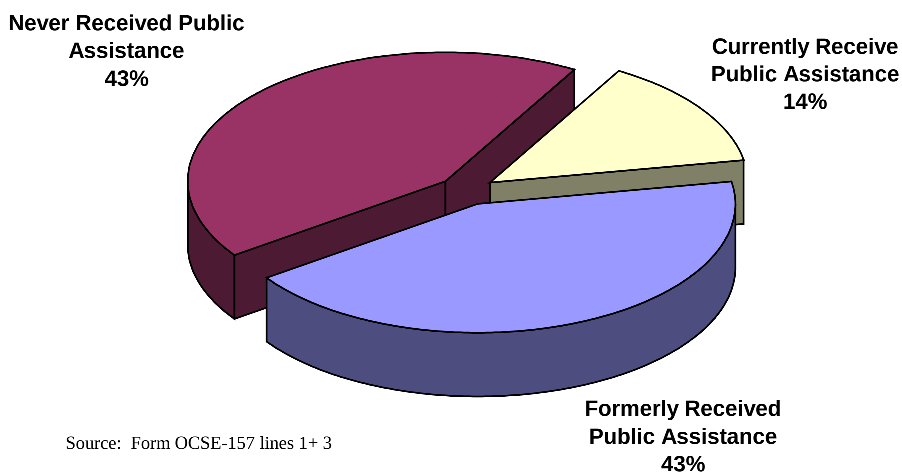
[5] Although the sample size used for federal reporting is adequate for program purposes, the sub-samples used for the job entry, job retention, and earnings gain measures are not large enough to ensure comparability of FY 2008 data with FY 2007 data for some States that switched from universe data in one period to sample reporting in the other (or vice versa). As a result, these states have been excluded from the calculation of the national rates for FY 2008 (these States are AR, CA, CT, MS, NH, NY, OH, and TX).

VI. TANF and Child Support

The goal of the nation's Child Support Enforcement Program is to ensure that children are supported financially and emotionally by both of their parents. Child support services consist of locating parents, establishing paternity and support obligations, and monitoring and enforcing those obligations. These services are automatically offered to TANF families, and custodial parents receiving TANF assistance are required to cooperate with child support enforcement efforts.

In FY 2009, there were 15.8 million child support cases. Figure A shows that the vast majority of child support services are now provided to non-public assistance cases. Cases in which the children were formerly receiving public assistance[6] and cases in which the children have never received public assistance shared an equal portion of the FY 2009 caseload (each were 43 percent). Over the previous three year period, the percentage of former assistance cases declined from 46 percent in FY 2007 to 43 percent in FY 2009, while the percentage of cases that had never received assistance increased from 41 percent in FY 2007 to 43 percent in FY 2009. There were 2.2 million child support cases in which the child was currently receiving public assistance in FY 2009, accounting for 14 percent of the total caseload.

Figure A
Total Child Support Caseload, FY 2009



Source: Form OCSE-157 lines 1+ 3

[6] Public assistance in this paragraph is defined as those families where the children are either recipients of TANF or entitled to Foster Care maintenance payments (IV-E).

Federal regulations require families that receive TANF assistance to assign their child support income to the State. States can then decide what portion, if any, of those collections to transfer back to TANF families and how much of that income should be considered during benefit and eligibility calculations. Table A describes each State's treatment of child support income for TANF recipients, as of July 2009 (this table and the following paragraph describing the table have been extracted from the Welfare Rules Databook, prepared by the Urban Institute under contract with ACF and ASPE).

The first column of the table displays the amount of collected child support that is counted for recipients' eligibility determination. Typically, States count all child support collected or all but $50 of the amount when considering eligibility, even if the State does not transfer any support directly to the family. Those States that do not count the child support for eligibility typically establish some method to ensure that families with high and continuing child support amounts do not remain on the rolls indefinitely. The second column of the table shows what portion of the collected child support is transferred to the family as unearned income, while the third column indicates how much of that transferred amount is disregarded for benefit computation. For example, if "$50" is coded in both the second and third columns, then $50 is transferred to the unit as unearned income, and of that amount, all $50 is disregarded for benefit computation.

Table A
Treatment of Child Support Income for Recipients, July 2009[1]

State	Amount of child support collection counted for recipients' eligibility determination[2]	Portion of Collection Transferred to the Family:	
		Amount transferred	Amount of transfer disregarded for benefit computation
Alabama	No income eligibility tests	—-	—-
Alaska	All but $50	$50	$50
Arizona	None[3]	—-[4]	—-[4]
Arkansas	All	—-	—-
California	No income eligibility tests	$50 [4]	$50 [4]
Colorado	All	—-	—-
Connecticut	All but $50	$50	$50
Delaware	All but $50	$50 plus child support supplement[5]	All
D.C.	No income eligibility tests	$150	$150
Florida	All	—-	—-
Georgia	None[3]	Amount of unmet need[6]	All
Hawaii	All	State supplement[7]	All
Idaho	No income eligibility tests	—-	—-
Illinois	No income eligibility tests	$50	$50
Indiana	None[3]	—-	—-

Iowa	None[3]	—-	—-
Kansas	No income eligibility tests	—-	—-
Kentucky	All but $50	—-	—-
Louisiana	No income eligibility tests	—-	—-
Maine	All but $50	$50 plus amount of unmet need[8]	All
Maryland	No income eligibility tests	—-	—-
Massachusetts	All but $50	$50 [9]	$50 [9]
Michigan	No income eligibility tests	$50	$50
Minnesota	No income eligibility tests	All	$0
Mississippi	All	—-	—-
Missouri	All	—-	—-
Montana	None[3]	No transfer, up to $100 added to TANF payment[10]	—-
Nebraska	No income eligibility tests	—-	—-
Nevada	All	—-	—-
New Hampshire	No income eligibility tests	—-[11]	—-[11]
New Jersey	No income eligibility tests	$100	$100
New Mexico	All but $50	$50	$50
New York	All but $100	$100	$100
North Carolina	No income eligibility tests	—-	—-
North Dakota	No income eligibility tests	—-	—-
Ohio	No income eligibility tests	—-	—-
Oklahoma	All	—-	—-
Oregon	All	—-	—-
Pennsylvania	All but $100/$200 [12]	$100/$200 [12]	$100/$200 [12]
Rhode Island	No income eligibility tests	$50	$50
South Carolina	All	Amount of unmet need[13]	All
South Dakota	No income eligibility tests	—-	—-
Tennessee	None[3]	Amount of unmet need[14]	All
Texas	All but $75	No transfer, up to $75 added to TANF payment[15]	—-
Utah	All	—-	—-
Vermont	No income eligibility tests	All	$50
Virginia	All but $100	$100 transfer, plus TANF match payment[16]	$100
Washington	All but $100/$200 [12]	$100/$200 [12]	$100/$200 [12]
West Virginia	All but $50	No transfer, $25 child support incentive[17]	—-
Wisconsin	None[3]	42% of child support payment	All
Wyoming	No income eligibility tests	—-	—-

Source: The Urban Institute's Welfare Rules Database, funded by HHS/ACF and HHS/ASPE.

[1] This table describes the treatment of child support collected by the State on behalf of a TANF recipient, and does not cover the treatment of child support received by the family directly from the absent parent. Child support collections may be counted as income for eligibility purposes regardless of whether they are transferred to the family;

however, child support retained by the State is never counted for purposes of benefit computation. Although many States have created unique child support policies, some States still provide families with the traditional $50 pass-through used under AFDC. The traditional pass-through is represented in this table with "All but $50" in the first column, and "$50" in the second and third columns. Also, this table does not cover the transfer of child support payments in excess of current or total TANF benefits.

[2] Some States with values displayed in this column do not have income eligibility tests for recipients according to table IV.A.4 in the Welfare Rules Databook. In table IV.A.4 of the Welfare Rules Databook, net income tests are not displayed if the calculation of the test and the disregards allowed for the test do not differ from those used to calculate the benefit. However, for families with child support income, the net income eligibility test may differ from the benefit computation. For purposes of calculating eligibility when the family receives child support income, the net income test for recipients is equivalent to the benefit calculation in the State (see tables II.A.1, II.A.2, and II.A.3 in the Welfare Rules Databook).

[3] States that do not count any child support collections for calculating recipients' eligibility generally use other methods to ensure that families with high and continuing child support amounts do not remain on the rolls indefinitely.

[4] Any child support collected on behalf of a child subject to a family cap is transferred to the family and treated as exempt income.

[5] In addition to the $50 pass-through payment, Delaware provides a supplemental child support payment. This payment is calculated by subtracting a recipient's current disposable income from his or her disposable income as it would have been calculated in 1975.

[6] The amount of child support collected or the amount of unmet need, whichever is smaller, is transferred to the family as unearned income and disregarded for benefit determination. The unmet need, also called the gap payment, is calculated as (the Standard of Need for the unit's family size) minus (the Family Maximum for the unit's family size) minus (the unit's net income). For units affected by the family cap, the amount of unmet need is calculated using the Standard of Need for the family size that includes the capped child, but using the Family Maximum that excludes the capped child.

[7] The State Supplement is equal to (the amount of child support received) times (1 minus Hawaii's Medicaid Match Rate). In 2009, the portion of child support passed through to each recipient was 44.89 percent.

[8] In addition to the $50 pass-through, the amount of unmet need, also known as the gap payment, is transferred to the family as unearned income and disregarded for benefit determination. The unmet need is (the Standard of Need for the unit's family size) minus (the Maximum Benefit for the unit's family size) minus (the unit's net income). After the pass-through, the State transfers child support in the amount of the unmet need for the family, up to the amount of child support collected.

[9] All child support collected on behalf of a child subject to the family cap is transferred to the family. For children subject to the family cap, the first $90 of unearned income, including child support, is disregarded for eligibility and benefit computation; the rest is counted.

[10] The State will add any child support collected up to $100 to the TANF payment. This money is considered an addition to the TANF payment, not a pass-through of child support income, and is disregarded for eligibility purposes.

[11] Two-parent families are funded under a separate State program and are not required to assign child support to the State. The family keeps all child support, and it is counted as unearned income for eligibility and benefit computation purposes.

[12] The total pass-through amount is up to $100 if there is one child in the family and up to $200 if there is more than one child in the family.

[13] The gap payment equals 63.7 percent of the smaller of (retained child support for the month) or (the maximum amount that would not make the family ineligible for TANF if counted as income). The State defines the term "retained child support" as the amount equal to the smaller of (the current month's collection), (the basic TANF award for the month), or (the current monthly obligation excluding arrears).

[14] The amount of child support collected or the amount of unmet need, whichever is smaller, is transferred to the family as unearned income and disregarded for benefit determination. In Tennessee, the unmet need, also known as the gap payment, is calculated as (the Consolidated Need Standard for the unit's family size) minus (the unit's TANF grant) minus (the unit's net income).

[15] The State will add to the TANF payment the smaller of the court-ordered payment amount, the amount the Office of the Attorney General received during that month, or $75. This money is considered an addition to the TANF benefit, not a pass-through of child support income, and is disregarded for eligibility purposes.

[16] The TANF Match Payment equals all the child support collected in excess of the $100 pass-through. It is added to the TANF payment and is considered an addition to the TANF benefit, not a pass-through of child support income.

[17] A $25 Child Support Incentive Payment is added to the monthly TANF benefit whenever any child support is collected, regardless of the amount. It is considered an addition to the TANF benefit, not a pass-through of child support income.

Until October 1, 2008, States were required to send the Federal government a share (based on the Medicaid match rate) of all child support collected on behalf of TANF recipients regardless of whether the support was passed through to the families. However, the Deficit Reduction Act of 2005 waived the Federal government's share of collections that are transferred back to TANF families and disregarded in benefit calculations (up to $100 per month for one child and $200 per month for two or more children) beginning October 1, 2009, or as early as October 1, 2008.

More detailed information about the Child Support Enforcement Program's collections, expenditures, services, and caseload can be found on the Publications webpage for the Office of Child Support Enforcement (http://www.acf.hhs.gov/programs/cse/pubs/).

VII. Formation and Maintenance of Two-Parent Families

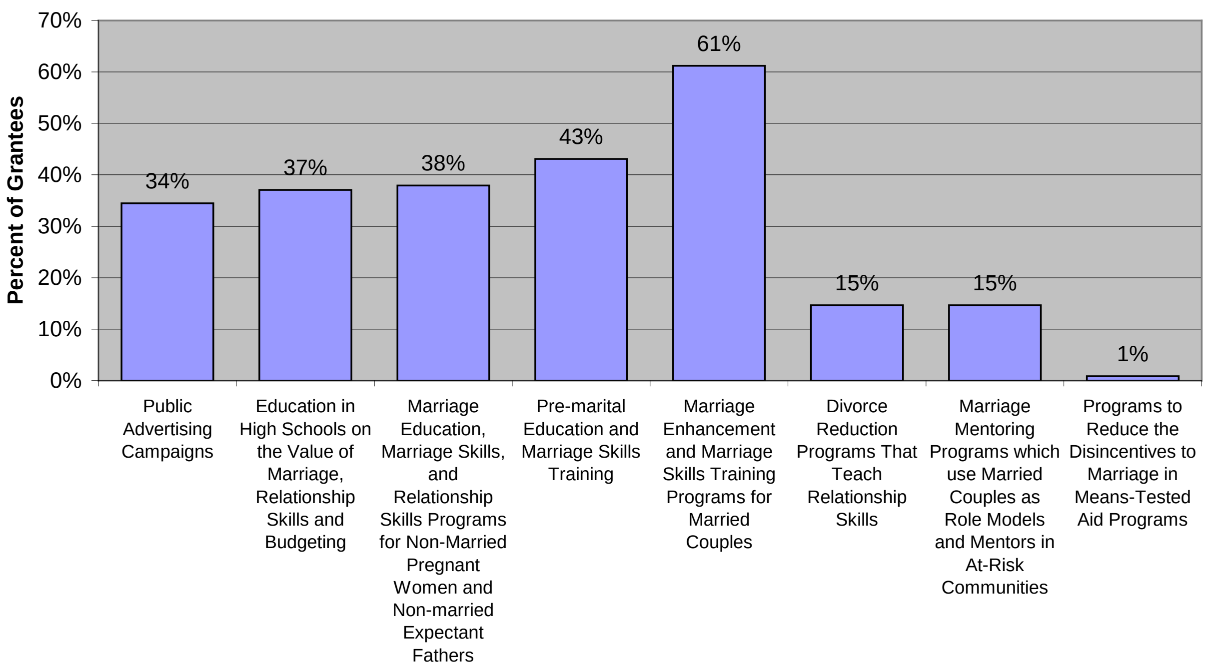
Congress specified promotion of "the formation and maintenance of two-parent families" as one of the purposes of the TANF program. In the DRA of 2005, Congress established a $150 million program to fund grants for a range of activities to promote Healthy Marriages and Responsible Fatherhood.

This chapter provides information on grantees receiving funding under the Healthy Marriage and Responsible Fatherhood Grants program established by the DRA.

<u>Healthy Marriage Initiative</u>

In implementing the DRA Healthy Marriage grants, ACF funded projects to deliver healthy marriage education and services in one or more of eight allowable activities specified in the authorizing legislation (see Figure A for the percentage of grantees conducting these activities). In total, there were 118 federally funded healthy marriage grantees[7] providing community-based services in FY 2009. Over three quarters of the healthy marriage grantees operate in community-based/nonprofit organizations (see Figure B). These programs operate in communities across the nation as displayed in Figure C. Note that the data presented in this chapter was collected from grantee surveys conducted in January 2010.

Figure A
Percentage of Healthy Marriage Grantees Engaging in Each Allowable Activity



[7] Note that Figures may reflect different totals (e.g., 118 versus 116) throughout this document. Differences are the result of unreported data for 2 grantees.

Figure B
Healthy Marriage Grantees by Organization Type

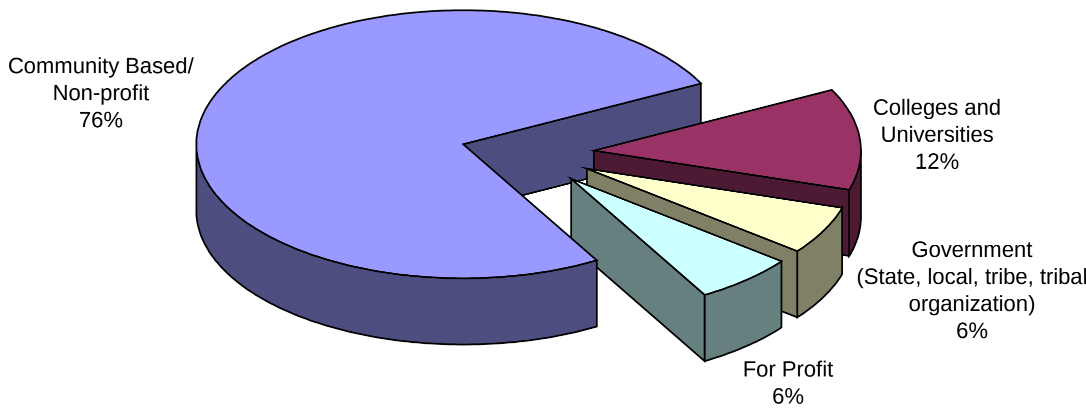
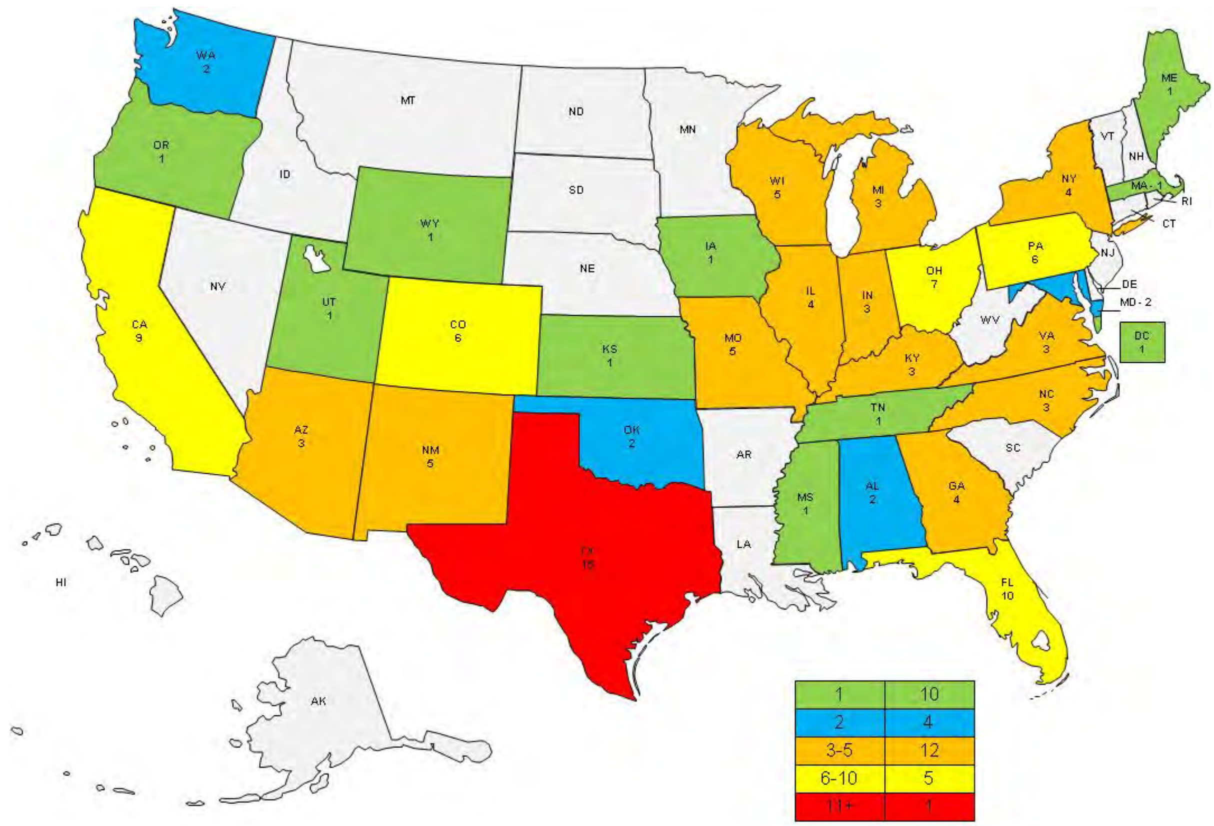


Figure C
Healthy Marriage Grantees by State



Note: The column on the left indicates the number of healthy marriage grantees within a given State and the column on the right indicates the number of States with that number of grantees. For healthy marriage, there are 10 States with only 1 healthy marriage grantee, 4 States with 2 healthy marriage grantees, 12 States with between 3-5 healthy marriage grantees, 5 States with between 6-10 healthy marriage grantees, and only 1 State with more than 11 healthy marriage grantees.

Responsible Fatherhood Initiative

In addition to healthy marriage projects, the DRA authorized competitive responsible fatherhood grants for States, territories, Indian tribes, tribal organizations, and public and non-profit community entities, including faith-based organizations, to develop and implement projects that promote fatherhood.

In addition to the important role of mothers in ensuring the well-being of their children, there also is growing evidence of the critical role that fathers play in ensuring the well-being of their children. The Responsible Fatherhood Initiative was developed as a complement to other activities that promote responsible parenting.

The purpose of the Responsible Fatherhood Initiative is to promote responsible fatherhood by funding projects that implement authorized activities, including those that provide healthy marriage activities, encourage responsible parenting, and foster economic stability. The program is designed to help fathers overcome barriers that impede their efforts to become effective and nurturing parents while helping them improve their relationships with their children. (See Figure D[8] for the percentage of grantees conducting the various authorized activities). In total, there were 96 federally funded responsible fatherhood grantees providing community-based services in FY 2009. Nearly 8 in 10 responsible fatherhood grantees operate in community-based/nonprofit organizations (see Figure E). These programs operate in communities across the nation (see Figure F for the geographic locations of these of ACF funded responsible fatherhood grantees, by State).

[8] Please note that Figure D does not include the Fatherhood Community Access (FCA) and Fatherhood Capacity Building (FCB) grantees.

Figure D
Percentage of Responsible Fatherhood Grantees Engaging in Each Allowable Activity

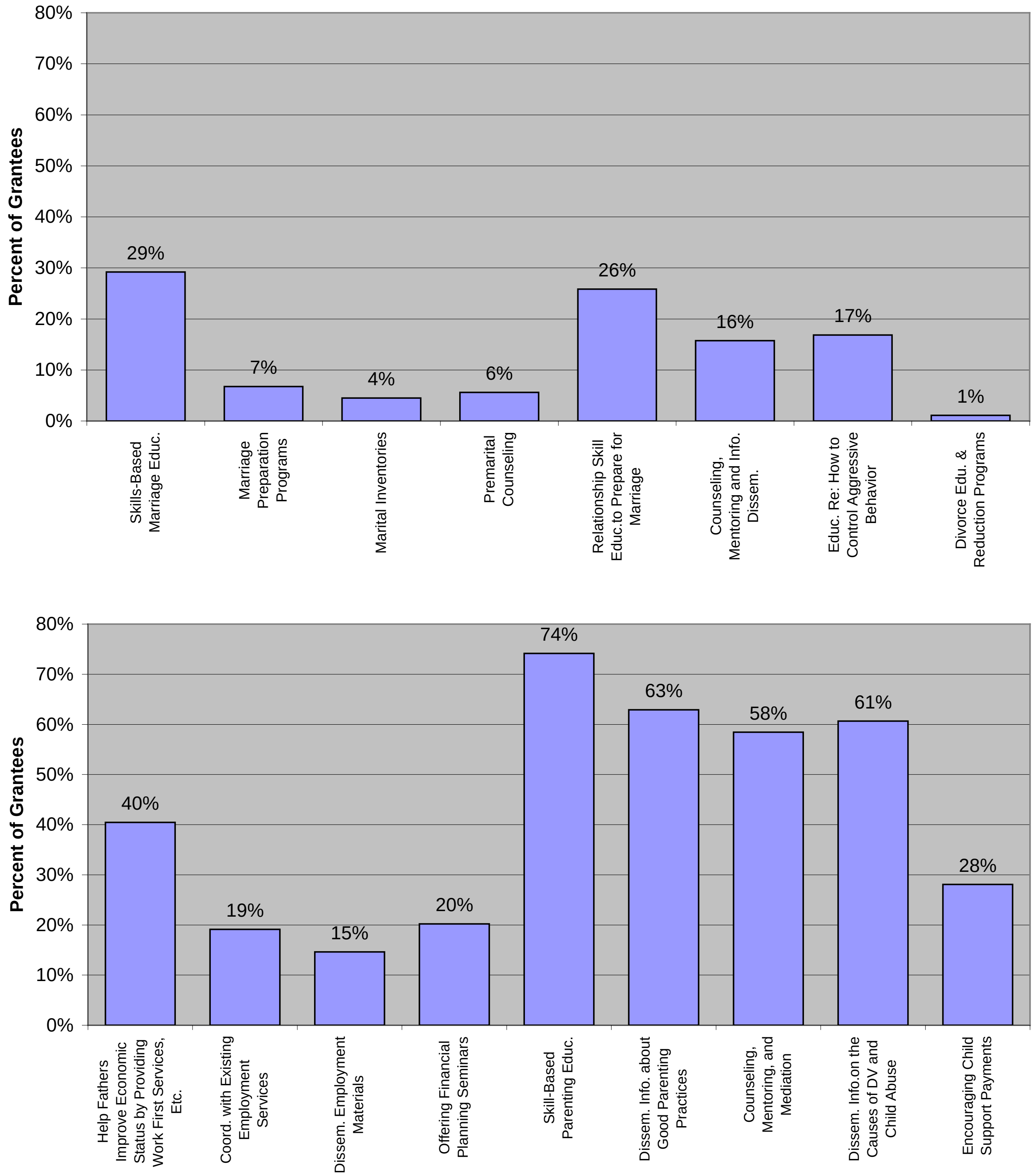


Figure E
Responsible Fatherhood Grantees by Organization Type

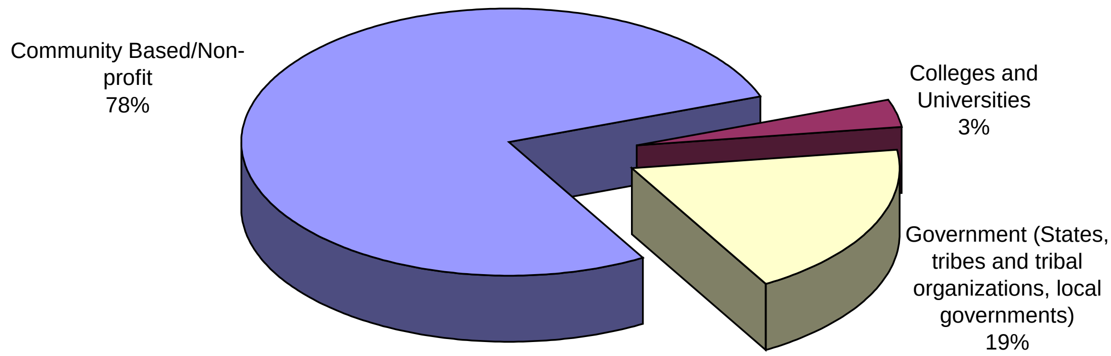
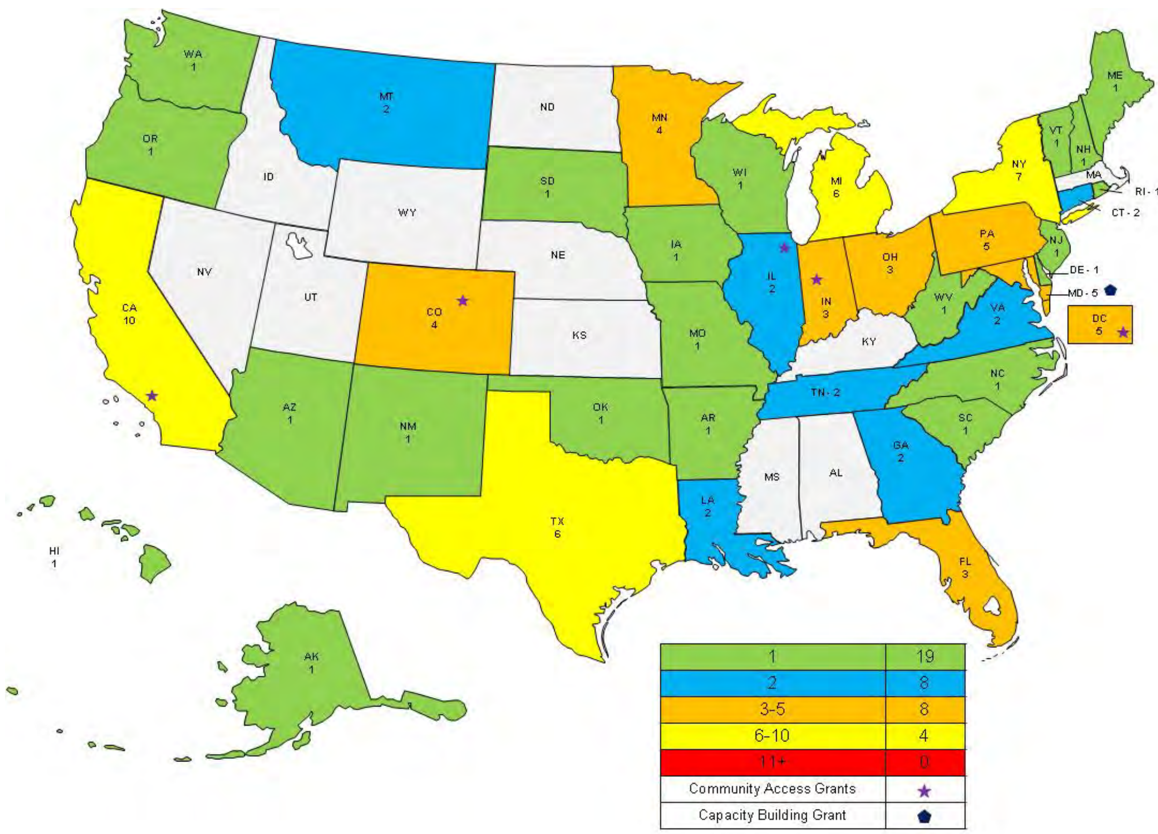


Figure F
Responsible Fatherhood Grantees by State



Note: The column on the left indicates the number of responsible fatherhood grantees within a given State and the column on the right indicates the number of States with that number of grantees. For responsible fatherhood, there are 19 States with only 1 responsible fatherhood grantee; 8 States with 2 responsible fatherhood grantees; 8 States with between 3-5 responsible fatherhood grantees; and 4 States with between 6-10 responsible fatherhood grantees. Finally, the map also shows the location for the 5 responsible fatherhood community access grants and the 1 fatherhood capacity-building grantee, described below

The National Responsible Fatherhood Capacity Building Initiative

ACF also has invested in the creation and management of the National Responsible Fatherhood Capacity-Building Initiative (NRFCBI). ACF awarded funds to the National Fatherhood Initiative to deliver organizational capacity building services to 25 community-based organizations (i.e., sub-awardees) focusing on empowering lives, fostering families and contributing to community wellbeing. The NRFCBI identifies and provides assistance to local community-based fatherhood organizations engaged in fatherhood initiatives to improve their programs in four critical areas including: (1) leadership development, (2) organizational development, (3) program development, and (4) community engagement. These activities are expected to increase an organization's sustainability and effectiveness, enhance its ability to provide responsible fatherhood services, reach underserved and fragile populations, and create collaborations to better serve those most in need. Specifically, the team: (1) identifies and performs needs assessments for local community organizations to expand organizational capacity, (2) provides training and technical assistance to build the capacity of local fatherhood programs, and (3) supports the development of an infrastructure capable of building and expanding new and existing programs. NRFCBI also delivers on-site training and technical assistance in areas including organizational, professional, program and fund development.

Promoting Responsible Fatherhood Community Access Program

Finally, in implementing the DRA, ACF created the 5-year Fatherhood Community Access (FCA) Program in September 2006. The FCA's purpose is to promote responsible fatherhood by funding programs that support healthy marriage activities, promote responsible parenting, and foster economic stability. Different from the other programs, the FCA focuses on awarding grants to State agencies or other large organizations that have the capacity to ensure the delivery of services by developing and supporting faith-based and community organizations that promote responsible fatherhood at the local community level. Awards were made to organizations in the following five States: Colorado, Indiana, District of Columbia, California, and Illinois. These organizations serve as the lead for a network of faith-based and community organizations, who formally work together to coordinate the development and implementation of services at the grass-roots level. Furthermore, the lead organization provides technical and financial support through a collaborative approach with grass roots organizations and the Federal government, to support the development of a fatherhood service delivery network capable of expanding new and existing programs and services at the local level. Each FCA grantee coordinates with local organizations to ensure the delivery of services that help fathers overcome obstacles and barriers that often prohibit them from being the most effective and nurturing parents. While the primary goal of the initiative is to promote responsible fatherhood in all of its various forms, an essential point is to provide services that encourage responsible fatherhood within the context of marriage.

Grantee Performance and Evaluation

The ACF healthy marriage and responsible fatherhood grantees were not required to conduct any formal or rigorous program evaluation. The Program Announcements required only that all grantees fully participate in quantitative or monitoring activities that capture measurable indicators and outcomes. This means that they were only required to collect data related to their proposed targets and program implementation. Grantees reported these benchmarks as part of their semi-annual reports. Grantees also reported baseline performance measures during the second semi-annual reporting period in FY 2009. They will continue to report these measures with each semi-annual report through the close-out report.

For the period of April – September 2009, in the self-reported data, an average of 53% of participants in Responsible Fatherhood Programs offering Parenting activities cited improved parenting skills, a stronger commitment to fatherhood, and greater contact with children. Among Responsible Fatherhood programs conducting Healthy Marriage activities, 74 percent of participants reported improved communication skills. Responsible Fatherhood grantees with Economic Stability activities found that more than 70 percent of participants reported gains in job search skills and financial planning. Among Healthy Marriage grantees, for those participants completing all allowable Healthy Marriage activities, more than half reported improved communication and conflict resolution skills as well as relationships with a spouse, partner, fiancé, or co-parent.

There are, however, rigorously designed evaluations of healthy marriage and responsible fatherhood programs (some of which are ACF-funded) that are underway. These evaluations are being conducted by the Office of Planning, Research, and Evaluation (OPRE) in ACF and the Office of the Assistant Secretary for Planning and Evaluation (ASPE).

National Healthy Marriage and Responsible Fatherhood Evaluations

Through OPRE and in partnership with national research firms, ACF is supporting major evaluations of Healthy Marriage that focus on the target population and activities that grantees were allowed to conduct under the ACF funding: programs for unmarried new parents and programs for low-income married parents. These large-scale research studies involve multiple programs across the country and over 5,000 couples in each study with the goal of increasing confidence and strength in the findings of these studies.

In addition, ACF is supporting an evaluation of community-wide Healthy Marriage initiatives involving multi-agency partnerships working together to provide services for a mix of populations such as youth, unmarried parents, engaged couples, or married couples. This evaluation uses a quasi-experimental design that compares outcomes across six well-matched communities.

Through ASPE, ACF is supporting an evaluation of projects through Responsible Fatherhood funding that are providing relationship and family strengthening programming in correctional settings. This evaluation is measuring the effectiveness of the program through site-specific experimental or quasi-experimental impact evaluations based on the parameters of the individual project designs and institutional constraints. Initial findings from these national evaluations, also referenced in Chapter 13 of this report, include:

- OPRE and ASPE have several reports describing how these new programs have been planned and implemented. For more information or to view the reports, please go to: http://www.acf.hhs.gov/programs/opre/project/strengthFamilyProjects.jsp.
- In FY2010, OPRE released findings about short-term impacts of programs for unmarried new parents. Reports on these findings are located at http://www.acf.hhs.gov/programs/opre/strengthen/build_fam/index.html. Impact findings on programs for community initiatives will be available in 2011 and in 2012 on programs for married couples.
- All six of the ASPE MFS-IP reports can be accessed at the following web address: http://aspe.hhs.gov/hsp/08/MFS-IP/index.shtml.
- ASPE expects to have impact findings for the family strengthening evaluation in correctional settings in 2014.

Grantee Supports: Training and Technical Assistance

ACF and its technical assistance (TA) team, comprised of contractor and Federal staff, provided a variety of training and TA supports to both healthy marriage and responsible fatherhood grantees in FY 2009, contributing to grantee reported improvements in service delivery and quality. Through the National Responsible Fatherhood Clearinghouse (NRFC) and the National Healthy Marriage Resource Center (NHMRC), grantees have access to curricula, webinars, research products, and other resources geared toward supporting their work. In addition to these resources, ACF and the TA team convened 12 peer-to-peer roundtables in FY 2009 designed to facilitate peer learning among grantees as well as facilitated an Effective Services Site Exchange Series in which six high-performing grantees hosted other grantees for an examination of strong program partnerships and practices. ACF and the TA team also conducted nationwide training sessions on performance measurements and reporting requirements and provided responsive and customized technical assistance to grantees, with a special emphasis on those experiencing program implementation challenges.

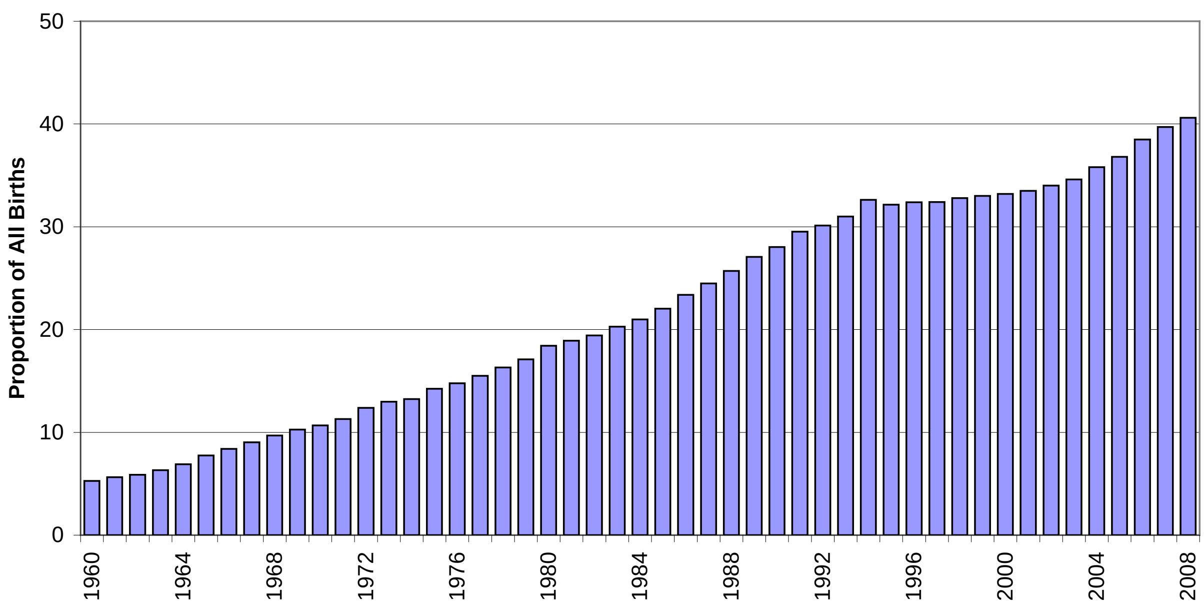
VIII. Out-of-Wedlock Births

An additional statutory purpose of the TANF program is to prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies.

Out-of-Wedlock Births among the General Population

The National Center for Health Statistics (NCHS) at the Centers for Disease Control and Prevention (CDC) is responsible for collecting and analyzing vital statistics data. Based on the final births data for 2008, NCHS data show that the birth rate for unmarried women aged 15-44 years increased slightly in 2008 to 52.5 births per 1,000 women, a slight increase from 2007 and an increase of close to four percent from a rate of 50.6 in 2006. Preliminary data for 2009 indicate that this birth rate declined to 50.6, representing the first decline since 2001-2002. As shown in Figure A, the proportion of births to unmarried women rose to 40.6 percent in 2008, compared with 39.7 percent in 2007. Preliminary data for 2009 indicate that the proportion of out-of-wedlock births continued to increase, reaching 41.0 percent. Between 1996 and 2008, the proportion has increased 8.2 percentage points from 32.4 to 40.6 (Appendix Tables 8:2 through 8:4).

Figure A
Percent of Births to Unmarried Women
1960 to 2008



Source: Source: Division of Vital Statistics, National Center for Health Statistics

Out-of-Wedlock Births in TANF Families

The TANF statute (Section 413(e) of the Social Security Act) requires HHS to rank States based on a ratio of the total number of out-of-wedlock births in TANF families to the total number of births in TANF families, and also to show the net changes in the ratios between the current year and the previous year. Figure B presents FY 2008 data and net changes between FY 2007 and FY 2008.

Note that some States that do not report serving two-parent families in TANF also report that less than 100 percent of births to women already receiving TANF are to unmarried parents. This is possible for two reasons. First, States may not report all two-parent families as part of the "two-parent" caseload if the household does not contain two work-eligible adults. For example, if a State is serving a married family but one spouse is receiving SSI benefits, they may not be reported as a two-parent case, as the spouse would not be subject to work requirements. In addition, an individual may be married but their spouse may be absent for a variety of reasons that would cause them to be reported as married but not counted as a two-parent case.

Figure B

Number of Total and Out-of-Wedlock Births in TANF Families for Fiscal Year 2008, Ratio of Out-of-Wedlock to Total Births for Fiscal Years 2007 and 2008, and Change in Net Ratios from Fiscal Year 2007 to Fiscal Year 2008, with State Ranks from Low to High[1]

State	Fiscal Year 2008				Fiscal Year 2007		Change from FY 2007 to FY 2008	
	Total Births in TANF Families	Out-of-Wedlock Births among TANF Families	Ratio of Out-of-Wedlock to Total Births	State Rank (High to Low)	Ratio of Out-of-Wedlock to Total Births	State Rank (High to Low)	Net Change in Ratio	State Rank Low to High)
U.S. Totals	193,708	155,715	80.4%		82.9%		-2.6%	
Alabama	546	453	83.0%	32	82.7%	30	0.3%	26
Alaska	262	228	87.0%	19	71.8%	41	15.2%	2
Arizona	212	193	91.0%	13	89.1%	13	1.9%	13
Arkansas	1,986	118	5.9%	50	9.7%	50	-3.8%	50
California	83,415	69,520	83.3%	30	94.4%	5	-11.1%	52
Colorado	417	326	78.2%	38	77.4%	36	0.8%	19
Connecticut[2]	2,410	2,208	91.6%	10	91.0%	8	0.6%	22
Delaware[2]	414	361	87.2%	17	84.5%	23	2.7%	10
Dist. of Col.[2]	98	93	94.9%	4	100.0%	1	-5.1%	51
Florida	1,534	1,292	84.2%	27	84.3%	24	0.0%	37
Georgia[2]	472	402	85.2%	25	84.0%	26	1.1%	17
Guam	0	0				51	0.0%	32
Hawaii	545	471	86.4%	22	88.9%	14	-2.5%	49
Idaho[2]	63	58	92.1%	9	84.7%	22	7.4%	3
Illinois[2]	7,564	6,053	80.0%	36	80.9%	33	-0.9%	43
Indiana	9,274	7,769	83.8%	28	81.1%	32	2.6%	11
Iowa	1,430	1,220	85.3%	24	83.1%	28	2.2%	12
Kansas	3,458	2,834	82.0%	33	80.9%	34	1.1%	18
Kentucky	2,507	1,968	78.5%	37	77.1%	37	1.4%	16
Louisiana[2]	1,529	1,415	92.5%	7	92.0%	7	0.5%	24
Maine	37	4	10.8%	49	11.9%	49	-1.1%	44
Maryland[2]	3,342	2,897	86.7%	20	86.0%	20	0.7%	21
Massachusetts	6,162	5,475	88.9%	15	89.1%	12	-0.3%	38
Michigan[2]	11,555	10,563	91.4%	12	90.8%	9	0.6%	23
Minnesota[2]	2,782	2,408	86.6%	21	86.9%	18	-0.3%	39
Mississippi[2]	3,753	3,143	83.7%	29	83.6%	27	0.1%	31
Missouri[2]	1,444	823	57.0%	47	87.0%	16	-30.0%	54
Montana	254	180	70.9%	43	67.1%	46	3.7%	9
Nebraska[2]	523	322	61.6%	45	73.0%	40	-11.5%	53
Nevada	715	649	90.8%	14	90.0%	10	0.7%	20
New Hampshire	58	47	81.0%	35	82.2%	31	-1.2%	45
New Jersey[2]	71	61	85.9%	23	86.5%	19	-0.6%	42
New Mexico	1,943	0	0.0%	51	0.0%	51	0.0%	32
New York	12,048	7,341	60.9%	46	59.1%	47	1.8%	15
North Carolina	853	282	33.1%	48	32.6%	48	0.4%	25
North Dakota[2]	203	171	84.2%	26	85.7%	21	-1.4%	47
Ohio	3,889	3,177	81.7%	34	79.8%	35	1.8%	14
Oklahoma[2]	1,203	1,000	83.1%	31	83.0%	29	0.2%	29
Oregon	1,646	1,450	88.1%	16	84.2%	25	3.9%	7
Pennsylvania	5,430	3,989	73.5%	41	68.4%	43	5.0%	6
Puerto Rico[2]	170	0	0.0%	51	0.0%	51	0.0%	32
Rhode Island	874	825	94.4%	5	87.9%	15	6.5%	4
South Carolina	163	155	95.1%	3	89.5%	11	5.6%	5
South Dakota[2]	285	263	92.3%	8	92.9%	6	-0.6%	41
Tennessee[2]	9,828	8,558	87.1%	18	86.9%	17	0.2%	28
Texas[2]	341	335	98.2%	2	100.0%	1	-1.8%	48
Utah[2]	371	275	74.1%	40	74.0%	39	0.2%	30
Vermont	279	261	93.5%	6	94.9%	4	-1.3%	46
Virgin Islands[2]	7	7	100.0%	1	100.0%	1	0.0%	32
Virginia[2]	750	687	91.6%	11	67.4%	44	24.2%	1
Washington	3,571	2,689	75.3%	39	75.0%	38	0.3%	27
West Virginia[2]	260	189	72.7%	42	68.9%	42	3.8%	8
Wisconsin	758	507	66.9%	44	67.2%	45	-0.3%	40
Wyoming[2]	4	0	0.0%	51	0.0%	51	0.0%	32

[1]Data may be taken from samples for some States.

[2]These States did not serve two-parent families in their TANF programs during FY 2008.

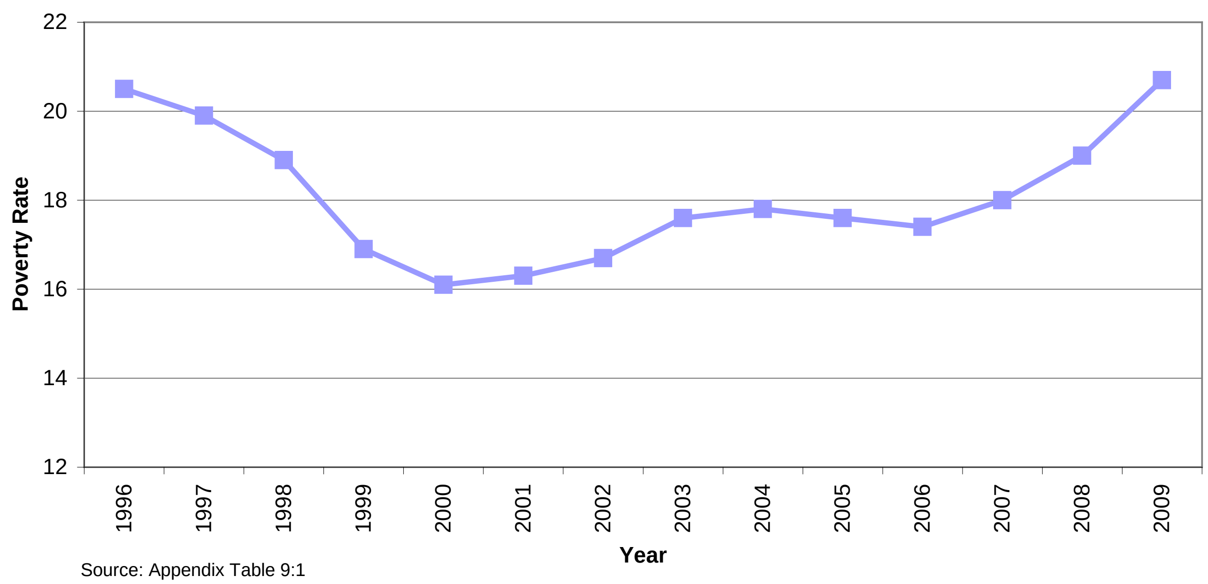
Source: TANF Data Report.

IX. Child Poverty and TANF

The official Federal poverty statistics are generated from Census Bureau surveys of household income by looking at the amount of cash income received by the individual or family. Non-cash transfers (e.g., SNAP benefits and housing subsidies) are not included in the income definition, nor are subtractions or additions to income made through the tax system, nor are adjustments made for work- or health-related expenses. An individual's or a family's poverty status is assessed by comparing its total cash income to a poverty threshold which varies by the size and composition of the family. In 2009, the Federal poverty threshold for a family of four (two adults plus two children) was $21,756.

The 2009 child poverty rate stood at 20.7 percent, up 1.7 percentage points from the prior year. The African-American child poverty rate was 35.4 percent in 2009 compared with 39.9 percent in 1996, and the Hispanic child poverty rate was 33.1 percent in 2009 – down from 40.3 percent in 1996.

Figure A
Official U.S. Poverty Rate for All Children
1996 - 2009



Source: Appendix Table 9:1

While the poverty rate indicates the proportion of the population that is poor, the poverty gap measures the amount of money that would be required to raise all poor families to the poverty line. Table A displays the poverty gap for families with children from 1997 to 2008 using a poverty gap measure that does not include any means-tested transfer benefits (pre-transfer poverty gap shown in column 1) and the official measure of income poverty (official poverty measure gap shown in column 2).

Table A
Income Poverty Gap[1] for All Families with Children 1997 - 2008
Official Measure of Income Poverty[2]
(Dollars in Billions)

YEAR	Pre-Transfer Poverty Gap	Official Poverty Measure Gap	Reduction in Gap Between Pre-Transfer and Official (pretransfer - official)
1997	92.6	58.3	-34.3
1998	82.0	54.8	-27.2
1999	74.5	49.4	-25.1
2000	69.5	48.2	-21.3
2001	73.0	50.5	-22.5
2002	76.8	52.2	-24.6
2003	82.7	57.1	-25.6
2004	82.4	58.0	-24.4
2005	81.4	57.0	-24.4
2006	80.4	57.3	-23.1
2007	81.2	58.2	-23.0
2008	89.2	62.4	-26.8

[1]The poverty gap indicated the income deficit for those in poverty, that is, it is the amount of money that would be required to raise all poor families to the poverty line.

[2]constant 2008 dollars

Source: Special tabulation of Current Population Survey data by the Office of the Assistant Secretary for Planning and Evaluation, HHS.

The TANF Child Poverty Regulation

Section 413(i) of the Social Security Act requires HHS to monitor changes in the child poverty rate relative to TANF. If a State determines that it has experienced an increase in its child poverty rate of five percent or more as a result of the TANF program(s) in the State, it must submit and implement a corrective action plan to reduce the State's child poverty rate.

HHS published a final rule to implement this section of the law on June 23, 2000 (65 FR 39233). To date, no State has been required to submit a corrective action plan or any additional information for these child poverty assessment periods. Child poverty rates by State are presented in Table 9:2 in the Appendix.

X. Characteristics and Financial Circumstances of TANF Recipients

States spend considerable shares of their TANF funds on families who receive benefits and services other than traditional assistance. The data discussed in this chapter are limited to those who received assistance at some time during FY 2009 given that States only report detailed data on traditional assistance.

The FY 2009 data referenced in this report were obtained from a statistically valid sample of TANF and Separate State Program-Maintenance of Effort (SSP-MOE) cases within the national TANF/SSP-MOE database. Data are presented for all States, the District of Columbia, Puerto Rico, and the Virgin Islands (hereafter referred to as States).

States are required to collect monthly TANF data and report them to HHS quarterly. These data include disaggregated case record information on the families receiving assistance, families no longer receiving assistance, and families newly-approved for assistance from programs funded by TANF funds.

Tables 10:60 through 10:75 in the Appendix contain data on SSP-MOE recipient characteristics for the 17 States that reported on their SSP-MOE families. SSP-MOE eligible families may be quite different among the 17 States, as well as within a State where there are multiple SSP-MOE programs.

Under the TANF data reporting system, States have the option to submit either sample data or universe data to HHS. Thirty-two States submitted universe data, from which HHS randomly selected approximately 275 active cases and 100 closed cases each month from each State to analyze. The remaining 22 States submitted sample data. A total sample of 210,847 active cases and 63,927 closed cases was used to compile the tables describing TANF recipient characteristics. The statistical data are estimates derived from samples and are therefore subject to sampling and non-sampling errors, and because of this they may differ from data presented in other parts of the report. Statistical specifications can be found under the section titled "Reliability of Estimates."

Trends in AFDC/TANF Characteristics

TANF Families

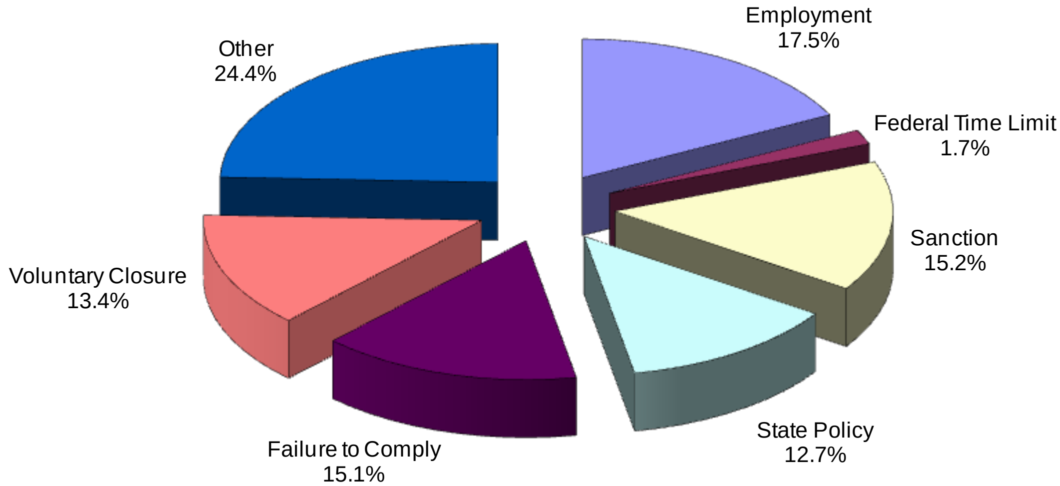
The average monthly number of TANF families was 1,726,560 in FY 2009. The estimated average monthly number of TANF recipients was 973,580 adults and 3,067,764 children. The average monthly number of TANF families increased in 40 States and reflects an overall six percent increase from 1,629,345 families in FY 2008. California had the largest number of TANF families in FY 2009 with a monthly average of 532,907, accounting for 31 percent of the U.S. total. New York ranked second with an average monthly caseload of 116,693. California and New York had a combined monthly average of 649,600 TANF families, accounting for close to 38 percent of U.S. totals. The average number of persons in TANF families was 2.3, including an average of 1.8 recipient children. One in two recipient families had only one child. Less than eight percent of families had more than three children. The average number of children in closed-case families was 1.8. Nearly one in two closed-case families had one child, and only seven percent had more than three children.

Almost half of TANF families had no adult recipients. About 47 percent of TANF families had only one adult recipient, and 4.5 percent included two or more adult recipients. In 23 States, the District of Columbia and two Territories, there were no two-parent family cases aided with Federal TANF funds or State MOE funds. Some of these States served two-parent families with State funds that were not claimed toward the MOE requirement (i.e., in solely State-funded programs).

Eighty-one percent of TANF families received SNAP benefits in FY 2009, which is consistent with previous levels. These families received average monthly SNAP benefits of $352. In addition, 98 percent of TANF families received medical assistance in FY 2009. Of closed-case families, 80 percent received SNAP benefits in the month of closure and 94 percent received medical assistance in the month of closure.

Figure A illustrates the reasons for case closure in FY 2009. However, understanding the reasons for case closure is limited by the fact that States reported 22.3 percent of all cases as closed due to "other" unspecified reasons. For example, while independent studies have typically found that half or more of families that stop receiving assistance leave as a result of employment, States reported only 17.5 percent of cases closing due to employment. Many closures due to employment are coded as failure to cooperate or as some other category because at the point of closure, the agency often is unaware that the client became employed.

Figure A
TANF Families by Reason for Closure
FY 2009



Source: Appendix Table 10:48

The percentage of African-American TANF families has slowly decreased since 2001, and the percentage of TANF Hispanic families has increased since 2004. The trends in the racial/ethnic composition of TANF families since 2000 are presented in Table A.

Table A Trend in TANF Families by Race/Ethnicity FY 2000 - FY 2009			
	White	Black or African-American	Hispanic*
2000	31.2%	38.6%	25.0%
2001	30.1%	39.0%	26.0%
2002	31.6%	38.3%	24.9%
2003	31.8%	38.0%	24.8%
2004	32.9%	37.6%	24.1%
2005	32.1%	37.1%	25.5%
2006	33.4%	35.7%	26.1%
2007	32.4%	35.5%	27.0%
2008	31.5%	34.2%	28.0%
2009	31.2%	33.3%	28.8%

*Can be of Any Race

Source: Appendix Table 10:8

Child-Only Families

The number of child-only families (those where no adult is receiving assistance) reached a peak of 978,000 families in FY 1996. In FY 2000, the number of child-only families had decreased to 782,000, but their proportion of the caseload had increased significantly to 34.5 percent from 21.5 percent in FY 1996. In the early 2000s, both the number of child-only families and their proportion of the caseload increased. Later in the decade, the number of child-only families began to decrease; yet, the proportion of the total caseload continued to increase. This trend changed in FY 2009 when there was an increase of one percent in the number of child only cases, and a decrease of two percentage points in the child-only proportion of the total caseload (see Table A). In FY 2009, there were about 831,100 child-only cases, which accounted for 48.1 percent of the total caseload.

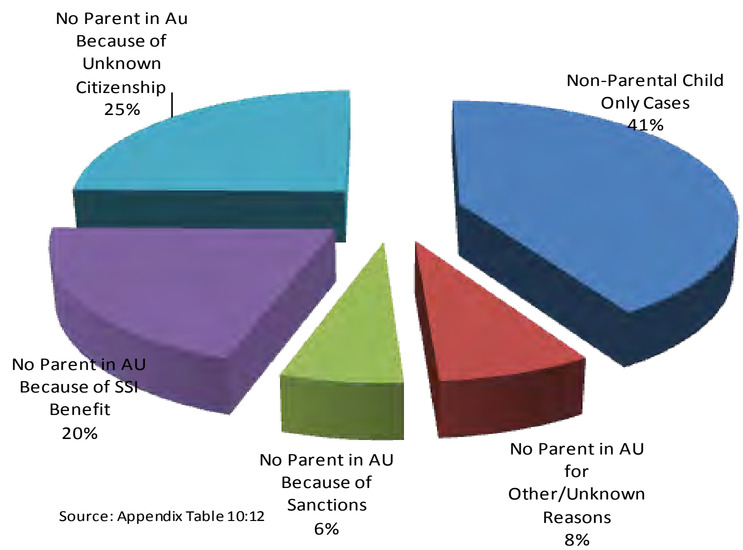
Table B Trend in Proportion of TANF Child-Only Cases FY 2000 - FY 2009										
Fiscal Year	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**
Child-Only Cases*	782	787	803	830	864	870	851	823	819	831
Percent of Total Caseload	34.5%	37.2%	38.9%	40.8%	43.5%	45.3%	47.1%	48.4%	50.3%	48.1%

Source: Appendix Table 1:3

* Numbers in Thousands

Of the total families with no adult recipients, over half had a parent living in the household but not receiving benefits. These parents did not receive benefits for a number of reasons, including receipt of SSI benefit, an unknown citizenship/alienage status, or a sanction status for failure to comply with work requirements, attend school, or cooperate with child support. Figure B illustrates the reasons that parents who are living in the household are not included in the assistance unit, as a percentage of all child-only cases.

Figure B
FY2009 Child-Only Families By Reason for No Adult in the Assistance Unit (AU)



Source: Appendix Table 10:12

TANF Adults

There were about 1.88 million adults living in TANF households in FY 2009. Of all those adults, 51.7 percent were TANF recipients and 48.3 percent were not. Of those not receiving assistance, 67.9 percent were parents, 30.0 percent were non-parent caretakers, and 2.1 percent were other persons whose income was considered in determining eligibility (see Appendix Table 10:9).

Most TANF adult recipients were women, as men only represented 14.1 percent of adult recipients. Ninety-one percent of adult recipients were the head of the household. There were about 84,650 teen parents whose child also was a member of the TANF family, representing 11 percent of recipients aged 13-19. Fourteen percent of adult recipients were married and living together. The number of married adult recipients has decreased as many States have moved two-parent families to SSF or SSP-MOE programs.

About two of three TANF adult recipients were members of minority groups. Thirty-five percent of adult recipients were white, 34 percent were African-American, 24 percent were

Hispanic, 2.3 percent were Asian, and 1.4 percent were Native American. Most TANF adult recipients were U.S. citizens. There were about 69,100 non-citizens (i.e., 7.1 percent of TANF adults) residing legally in this country who met the other immigrant eligibility criteria for assistance. Table C displays the trend in adult TANF recipients by age group from FY 2000 through FY 2009.

Table C
Trend in TANF Adult Recipients by Age Group
FY 2002 - 2009

	Under 20	20-29	30-39	Over 39
2000	7.1%	42.5%	32.1%	18.3%
2001	7.4%	42.4%	31.2%	19.0%
2002	7.5%	44.9%	29.9%	17.7%
2003	7.7%	46.8%	28.7%	16.8%
2004	7.4%	47.6%	28.2%	16.8%
2005	7.3%	47.1%	28.1%	17.4%
2006	7.2%	48.5%	26.8%	17.5%
2007	7.3%	48.7%	27.0%	17.0%
2008	7.3%	50.1%	26.4%	16.1%
2009	8.0%	50.0%	26.0%	16.0%

Source: Appendix Table 10:19

In FY 2009, work participation was mandatory for three of every five adult recipients. Overall, 42.4 percent of all TANF adult recipients participated in some type of work activity during the reporting month. Eleven percent of TANF adult recipients met work activity requirements by either being a teen parent attending school or being a single parent with a child under 6 participating for 20 hours per week (parents with children ages 6 and over are required to participate for 30 hours per week). Additionally, eleven percent of adult recipients were disregarded from work participation because they were single custodial parents with a child less than 12 months old. One percent were exempt because of a sanction, 11 percent were exempt because of a good cause exception (e.g., disabled, in poor health, or other), and one percent of adult recipients were exempt from the work participation requirements because they were single custodial parents with a child under age six who did not have access to child care.

Among all TANF adult recipients, about thirty percent worked in unsubsidized or subsidized jobs, 10.8 percent were engaged in job training or educational activities, 8.4 percent participated in job search activities, and another 4 percent were engaged in other statutorily listed work activities. Some TANF adults were involved in two or three work activities. Those participating did so for an average of 23.4 hours per week, and some adults participated even though they were work exempt.

TANF Children

More than 72 percent of children were under the age of 11. Sixteen percent of recipient children were under two years of age, while 27 percent were between the ages of two and five. Less than 10 percent of the children were 16 years of age or older. Table D displays the trend in TANF recipient children by age group from FY 2000 through FY 2009.

Table D
Trend in TANF Recipient Children by Age Group
FY 2002 - FY 2009

	Under 2	2-5	6-11	12-15	16-19
2000	13.1%	25.6%	36.2%	17.4%	7.6%
2001	13.4%	24.9%	35.8%	18.4%	7.5%
2002	14.6%	25.1%	34.4%	18.3%	7.6%
2003	14.6%	25.4%	33.4%	18.8%	7.7%
2004	14.7%	25.7%	32.2%	19.4%	8.0%
2005	14.5%	25.0%	31.8%	19.9%	8.8%
2006	14.5%	25.5%	31.1%	19.7%	9.2%
2007	15.4%	25.3%	30.5%	19.2%	9.5%
2008	16.0%	25.5%	30.4%	18.5%	9.5%
2009	16.1%	26.9%	29.9%	17.9%	9.2%

Source: Appendix Table 10:33

Most recipient children were children of the head of the household in TANF families, and only 10.4 percent were grandchildren of the head of the household. Of all recipient children in TANF families with no adult recipients, 68.8 percent lived with parents and 20.4 percent with grandparents who did not themselves receive assistance. Most TANF recipient children were U.S. citizens, and only 1.4 percent were qualified aliens.

Hispanic children comprised 33.5 percent of recipient children in FY 2009; while 33.1 percent of TANF recipient children were African-American, and 26.1percent were white.

Financial Circumstances

The average monthly amount of assistance for TANF recipient families was $389 in FY 2009. Monthly cash payments to TANF families averaged $324 for one child, $408 for two children, $496 for three children, and $592 for four or more children. Some TANF families who were not employed received other forms of assistance such as child care, transportation and other supportive services.

In FY 2009, about 17 percent of TANF families had non-TANF income. The average monthly amount of non-TANF income for those with non-TANF income was $683 per family. Twelve percent of the TANF families had earned income with an average monthly amount of $822, while six percent of the TANF families had unearned income with an average monthly amount of $322. Of all closed-case families, 32 percent had non-TANF income with an average monthly amount of $1,018 in the month the case closed.

Of TANF adult recipient, 22 percent had earned income with an average monthly amount of $809. Less than five percent of adult recipients had unearned income averaging about $153 per month, and less than three percent of recipient children had unearned income with an average monthly amount of $331.

Nine percent of TANF families received child support in FY 2009, with an average monthly amount of $227. Ten percent of TANF families had some cash resources (e.g., cash on hand, bank accounts, or certificates of deposit) with an average amount of $220. States define what counts toward cash resources for purposes of eligibility determinations.

Employment Rate

The employment rate of adult recipients increased significantly during the 1990s. The employment rate went from 6.6 percent in FY 1992 to 27.6 percent in FY 1999, reflecting both increases in employment and changes in state earnings disregard rules that affected whether an adult entering employment remained eligible for assistance. After this peak in FY 1999, the rate declined to 21.6 percent in 2006 and then rose back to 25.9 percent in FY 2008. In FY 2009, the employment rate of adult recipients dropped more than two percentage points to 23.5 percent (See Table E). There was a slight difference of the employment rate between male recipients (25.5%) and female recipients (23.2%). In closed-case families, 25.7 percent of adults were employed in the month that the case closed, which is about 3.5 percentage points lower than in FY2008.

It is important to note that the employment data presented here is somewhat different from those presented in the "Work Participation Rates" and "Work and Earnings" sections of the report. The data presented here represents the labor market status of adult TANF recipients and classifies individuals as employed, not employed, or not in the labor force. Data presented elsewhere displays the type of work activities TANF adults are participating in using additional activity categories.

Table E Trend in Employment Rate of TANF Adult Recipients FY 1992 - FY 2009	
	Employment Rate
1992	6.6%
1993	6.9%
1994	8.3%
1995	9.3%
1996	11.3%
1997	13.2%[2]
1998	22.8%
1999	27.6%
2000	26.4%
2001	26.7%
2002	25.3%
2003	22.9%
2004	22.0%
2005	23.2%
2006	21.6%
2007	24.9%
2008	25.9%
2009	23.5%

[2]Based on AFDC data from the first three quarters of FY 1997

Source: National Integrated Quality Control System, Emergency TANF Data Report, TANF Data Report

Reliability of Estimates

In cases where a few States submitted questionable data, the data from those States were eliminated. In cases where States reported large numbers in "unknown" or "other" categories, HHS urges caution in drawing conclusions on the basis of the data.

The statistical data are estimates derived from samples and, therefore, are subject to sampling errors as well as nonsampling errors. Sampling errors occur to the extent that the results would have been different if obtained from a complete enumeration of all cases. Nonsampling errors are errors in response or coding of responses and nonresponse errors or incomplete sample frames.

Standard (Sampling) Errors

For FY 2009, the average monthly caseload, annual sample sizes, average monthly sample sizes, sampling fractions and the percentage points by which estimates of the total caseload for each State might vary from the true value at the 95 percent confidence level are shown in Table 10:76 and 10:77.

Table 10:78 indicates the approximate standard error for various percentages for the U.S. total caseload. These standard errors are somewhat overstated because they are calculated assuming a sample of 17,568 cases out of a total of 1,726,560 cases or 1.017515 percent of the average monthly caseload. California is the State with the smallest sampling fraction of the average monthly caseload. To obtain the 95 percent confidence level at each percent in Table 10:78, multiply the standard error by a factor of 1.96.

For example, national estimates of 50 percent should not vary from the true value by more than plus or minus 0.9212 percentage points (0.47 x 1.96) at the 95 percent confidence level. To obtain the 99 percent confidence level, multiply the standard errors by a factor of 2.58.

Non-sampling Errors

Every effort is made to assure that a list of the universe or the sample frame is complete. It is possible, however, that some cases receiving assistance for the reporting month are not included. There is no measure of the completeness of the universe.

Data entries are based on information in the case records. Errors may have occurred because of misinterpretation of questions and because of incomplete case record information. Errors may also have occurred in coding and transmitting the data. Efforts have been made to increase the reliability of the coded information. However, for some data elements, obviously incorrect or missing information was recoded as unknown in the data processing.

Standard Errors of Subsets

For tables based on subsets of the populations (e.g., one-adult or two-adult families), the approximate standard errors can be computed by the following method: (a) determine the assumed sample size of the subset by multiplying the number of cases in the subset by 0.01017515 ; (b) divide the sample size of all families (17,568) by the assumed sample size of the subset; and (c) take the square root of the result and multiply it by the standard errors of the total caseload shown in Table 10:78.

For example, for TANF families with no adult recipients, the approximate standard errors of percentages can be found by multiplying the data in Table 10:78 by the square root of 17,568/8,457 or 1.441. The sample size of 8,457 is determined by 831,134 x 0.01017515.

Standard Errors for State Estimates

The method used above can be adapted to calculate the standard errors of State estimates. First, divide the national sample size of all families (17,568) by the State sample size shown in Table 10:76. Then take the square root of the result and multiply it by the standard errors shown in Table 10:78.

For example, for New York, the approximate standard errors of percentages can be found by multiplying the data in Table 10:78 by the square root of 17,568/3,249 or 2.3253.

Statistically Significant Differences

Table 10:79 shows the percentage values at which differences between national and State estimates become significant at the 5 percent confidence level based on annual State samples of 3,000 active cases.

Table 10:80 shows the percentage values at which differences between State estimates become significant at the 5 percent confidence level based on annual State samples of 3,000 active cases.

XI. Tribal Temporary Assistance for Needy Families and Native Employment Works

Federally-recognized American Indian/Alaska Native (AI/AN)organizations may elect to operate their own TANF programs to serve eligible Tribal families. By the close of FY 2009, 63 Tribal TANF plans were approved to operate on behalf of 298 Tribes, Alaska Native villages, and the non-reservation (AI/AN) populations of 121 counties.

Federally-recognized Tribes and Alaska Native organizations that were Tribal Job Opportunities and Basic Skills Training (JOBS) program grantees under the former AFDC program are eligible to administer Native Employment Works (NEW) grants. NEW program grants support work activities and other employment and training services. During NEW Program Year (PY) 2008-2009 (July 1, 2008 – June 30, 2009), there were 78 NEW grantees.

In addition, ten Tribal TANF grantees operate discretionary grants for coordination of Tribal TANF and child welfare services to tribal families at risk of child abuse or neglect. These Tribal TANF – Child Welfare Coordination grantees were selected through a competitive process in 2006. The project period for these ten grants is September 30, 2006 – September 29, 2011.

The Tribal Temporary Assistance for Needy Families Program

Each eligible Tribe or Alaska Native organization that wants to administer its own TANF program must submit a Tribal TANF Family Assistance Plan (TFAP) to HHS for review and approval. Although no specific format is required, a TFAP must contain elements specified in the law and regulations such as: how Tribes will promote work, the stability and health of families, work activities and support services, time-limited assistance, sanctions for non-compliance with work requirements, and personal responsibility. Unlike State TANF plans, which are reviewed to certify only that they are complete, Tribal TANF plans must be approved by HHS.

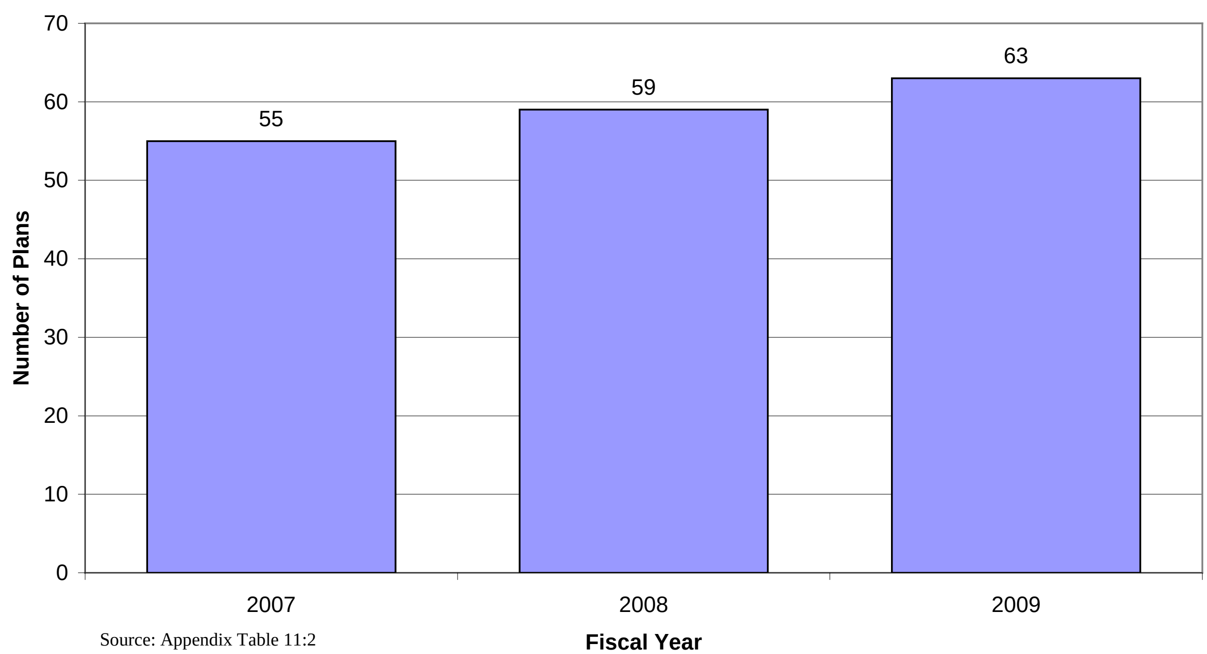
Tribes administering their own TANF program have great flexibility in program design and implementation. They can define elements of their programs such as: service area, service population (e.g., all Indian families in the service area or only enrolled members of the Tribe), time limits, benefits and services, the definition of "family," eligibility criteria, and work and work activities. Tribes have the ability to establish, through negotiation with HHS, program work participation rate targets and required work hours. Also, they can establish what benefits and services will be available and develop their own strategies for achieving program goals, including how to help recipients move off welfare and become self-sufficient.

An important factor in successful administration of Tribal programs has been communication, collaboration, and coordination with States and locally-administered programs. In addition, Tribes can enter into partnerships with States and local governments to ensure that Tribal families continue to receive the support services necessary to become self-sufficient, such as food stamps and Medicaid. Additional relationships are being forged and existing ones are being strengthened. Research conducted by the Washington University School of Social Work and funded by HHS found that Tribal TANF implementation on reservations has “strengthened coordination, communication, and collaboration at all levels – among Tribal social service providers, between Tribes and States, and Tribes and the Federal government.”

In addition to serving on or near-reservation populations, and where applicable those of coalition partners, several programs also are serving significant non-reservation Indian populations in adjacent urban, suburban and rural areas. For example, the Navajo Nation is serving the off-reservation Indian population in several communities in both Arizona and New Mexico. , the Owens Valley Career Development Center Program is serving the non-reservation Indian population of three counties, the Washoe Tribe of Nevada and California is serving the non-reservation Indian population of three counties in California and one county in Nevada, the California Tribal Partnership is serving the non-reservation Indian population in seven counties, and the Mille Lacs Band of Ojibwe in Minnesota is serving the non-reservation American Indian population in nine counties.

The number of approved Tribal TANF Programs from FY 2007 through FY 2009 is displayed in Figure A.

Figure A
Number of Approved Tribal TANF Programs
Fiscal Years 2007 - 2009



Source: Appendix Table 11:2

American Indian/Alaska Native families not served by Tribal TANF programs continue to be served by State TANF programs. In FY 2008, State governments served over 21,000 American Indian families.

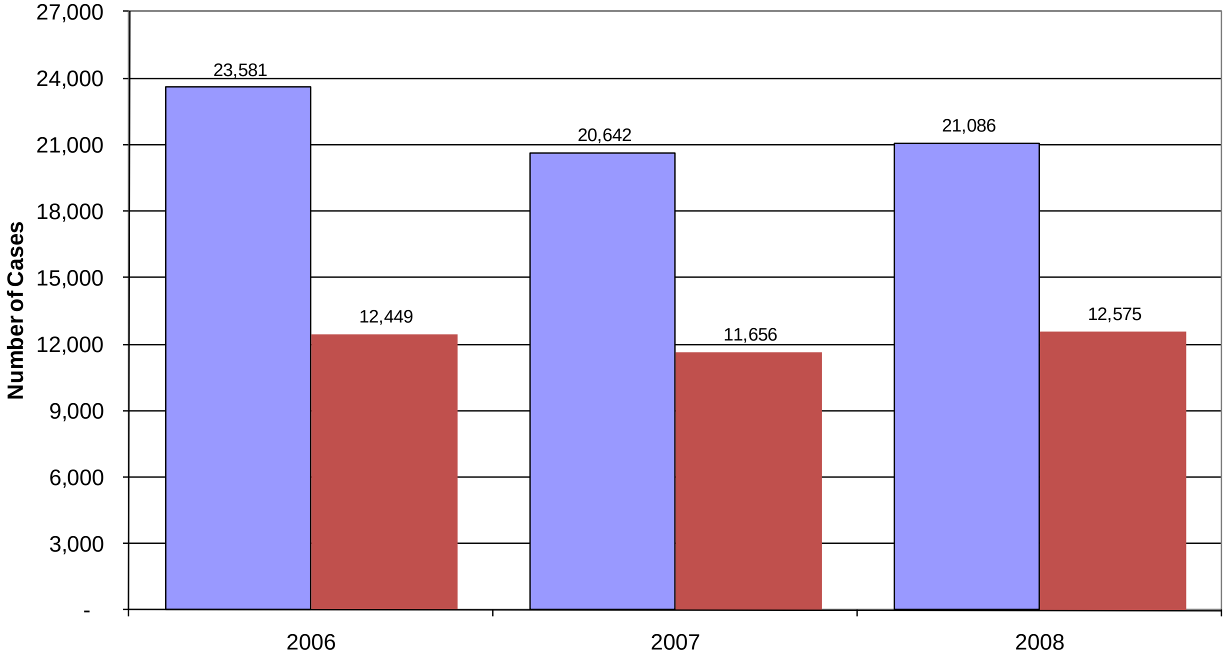
Tribal TANF Background Data

Table 11:1 in the Appendix shows grant amounts allocated to American Indian/Alaska Native (AI/AN) entities for the TANF programs in FY 2009 and NEW programs in PY 2008 – 2009. The TANF amount allocated/approved differs slightly from the grants awarded because for one Tribe the amount awarded was a prorated portion of the approved annual Tribal TANF grant. This prorating occurred because this Tribe's Tribal TANF program was not operational for the full fiscal year. The full-year (not prorated) amount of grants allocated/approved for the 63 approved Tribal TANF programs was $181,697,029. The amount of the approved grants is based on (AI/AN) families served under State AFDC programs in FY 1994 in the Tribal grantee's service area.

Table 11:2 in the Appendix shows the Tribal TANF programs, the number of Tribes served, the date the program started, the Federal grant amount, the estimated monthly caseload in FY 1994 (the caseload which was used to establish the funding level for the Tribe's Family Assistance Grant), and indicates the receipt or non-receipt of State matching funds.

Table 11:3 in the Appendix shows the number of (AI/AN) families served by State TANF programs from FY 2004 through FY 2008. Figure B illustrates the national trend over the most recent three years with available data. The figure also includes the number of families served by Tribal TANF programs in those years.

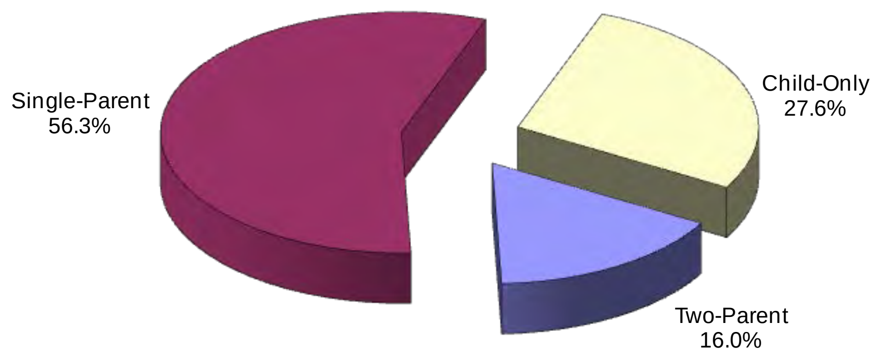
Figure B
American Indian Families Served by State TANF Programs and Tribal TANF Caseloads, FY 2006 - 2008



Source: Apendix Tables 11:3 and 11:5

Figure C indicates that of the 12,575 Tribal TANF families reported in FY 2008 (the most recent year for which detailed data is available), 7,082, or 56.3 percent were single parent families and 3,476 or 27.6 percent were child-only cases.

Figure C
Tribal TANF Families, FY 2008
By Type of Family



Source: Appendix Table 11:7

The Native Employment Works Program

The statutory purpose of the NEW program is to make work activities available to grantee service populations. The NEW program complements TANF programs by preparing participants for employment and self-sufficiency, and helping them find unsubsidized employment. While NEW programs are not required to serve TANF participants, the majority of NEW participants are Tribal TANF or State TANF participants. Thus NEW is an important partner with both Tribal and State TANF programs within the TANF initiative.

The NEW program was authorized by Section 412(a)(2) of the Social Security Act, as amended by PRWORA in 1996. The NEW program began July 1, 1997, replacing the Tribal JOBS program. Federal regulations for the NEW program are found in 45 CFR Part 287.

By law, eligibility to administer NEW programs is limited to Federally-recognized Tribes, Alaska Native organizations, and Tribal consortia that operated JOBS programs in FY 1995. As of June 30, 2009, there were 78 NEW grantees, 30 of which also operated Tribal TANF programs.

Annual NEW program amounts are set by law at the FY 1994 Tribal JOBS funding levels for each eligible Tribe/Tribal organization. In NEW PY 2008 – 2009 (July 1, 2008 – June 30, 2009), a total of $7,558,020 was awarded to NEW grantees.

NEW programs provide work activities, supportive services, and job retention services to help clients prepare for and obtain permanent, unsubsidized employment. NEW grantees have the flexibility to design their programs to meet their needs, to select their service population and service area, and to determine the work activities and related services they will provide, consistent with statutory and regulatory requirements. In designing their NEW programs, Tribes consider the unique economic and social conditions in their communities and the needs of individual clients. Clients generally have low levels of education and job skills, and often face serious shortages of job opportunities and lack of supportive services such as transportation and child care. Some clients have additional barriers to employment, including substance abuse and domestic violence issues. Working with related programs, NEW programs help Tribes address these problems, bridge service gaps, and provide coordinated employment, training, and related services. Primary coordination linkages are with Tribal and State TANF programs, other employment and training programs (for example, the Department of Labor's Workforce Investment Act program), Head Start and child care programs, other Tribal programs, Tribal and other colleges, and local businesses.

NEW work activities include (but are not limited to):

- Educational activities, including GED preparation and remedial, vocational, post-secondary, and alternative education;
- Training and job readiness activities, including job skills training, job readiness training, on-the-job training (OJT), entrepreneurial training, and management training; and
- Employment activities, including work experience, job search, job development and placement, community work experience, community service programs, and unsubsidized and subsidized public and private sector employment.

NEW program supportive and job retention services help enable a client to participate in the employment program or to obtain or retain employment. These services include transportation, child care, counseling, medical services, and other services such as providing eyeglasses, tools/gear, and uniforms and other clothing needed for jobs. NEW program activities also may include labor/job market assessments, job creation, and economic development leading to job creation.

Grantees' NEW Programs and Program Data

Grantees report that their NEW programs coordinated education, training, work experience, job search, and job referral with other Tribal programs and with local educational institutions and employers. They provided intensive case management, behavioral, health, and financial management counseling, and life skills training. Many Tribes with NEW programs located training, employment, and social services in "one-stop" centers where staff assessed clients' needs and then provided targeted activities and services to meet those needs. Information/resource/technology centers and learning centers containing resource materials, classrooms, and computer labs provided job preparation and job search services, including individual needs assessments, case management, and classroom instruction.

Many NEW grantees helped clients achieve educational goals to prepare for employment, such as receiving their General Education Degree (GED) or Associate of Arts degree (AA). Grantees provided basic education and GED preparation classes and enrolled clients in nearby colleges, including Tribal colleges, where clients took courses in nursing, child care, teaching, accounting, business, management, etc. Grantees helped clients take vocational courses/training to prepare for careers as certified nursing assistants, office workers, fire fighters, forestry workers, auto mechanics, machinists, carpenters, plumbers, electricians, cooking/catering/food service workers and providers, tourism and casino workers, bus drivers, and construction workers.

NEW programs established on-the-job training and work experience placements for clients and helped them locate and apply for permanent employment. They helped clients prepare to run small arts and crafts, woodcutting, and fishing businesses. They provided transportation in vans and other transportation assistance such as vouchers and bus tickets to enable clients to attend classes, training, and work experience, and to help with job search. They helped clients purchase eyeglasses, clothing, and tools/gear needed for training and employment, and they helped clients pay costs for job-related tests and licenses. They provided child care and other needed supportive and job retention services, and they operated programs and made referrals to help clients overcome barriers including substance abuse and domestic violence. They coordinated with, and referred clients to, other providers of supportive and job retention services.

Program Year (PY) 2008 - 2009

Seventy-eight Indian Tribes, Alaska Native organizations, and Tribal consortia operated NEW programs during PY 2008-2009 (July 1, 2008 – June 30, 2009).

In PY 2008-2009, 32 of the 78 NEW grantees included their NEW programs in demonstration projects under Pub. L. 102-477, the Indian Employment, Training, and Related Services Demonstration Act of 1992. These grantees reported to the lead agency for Pub. L. 102-477 projects, the Department of the Interior. The remaining NEW grantees did not include their NEW programs under a Pub. L. 102-477 project. These grantees reported directly to HHS on their NEW programs.

Tables 11:7 through 11:10 in the Appendix contain data reported for PY 2008-2009 by the NEW grantees that did not include their NEW programs in Pub. L. 102-477 projects.

In PY 2008-2009, 46 of the 78 NEW grantees did not include their NEW programs in a Pub. L. 102-477 project. These 46 grantees served a total of 5,495 participants. Of these participants, about 57.3 percent (3,148 clients) were adult females, 26.7 percent (1,467 clients) were adult males, 11.6 percent (639 clients) were females under age 21, and 4.4 percent (241 clients) were males under age 21 (See Appendix Table 11:7).

Most NEW program participants also received TANF assistance. In PY 2008-2009, about 62.2 percent of NEW participants (3,419 clients) also received TANF cash assistance and/or other

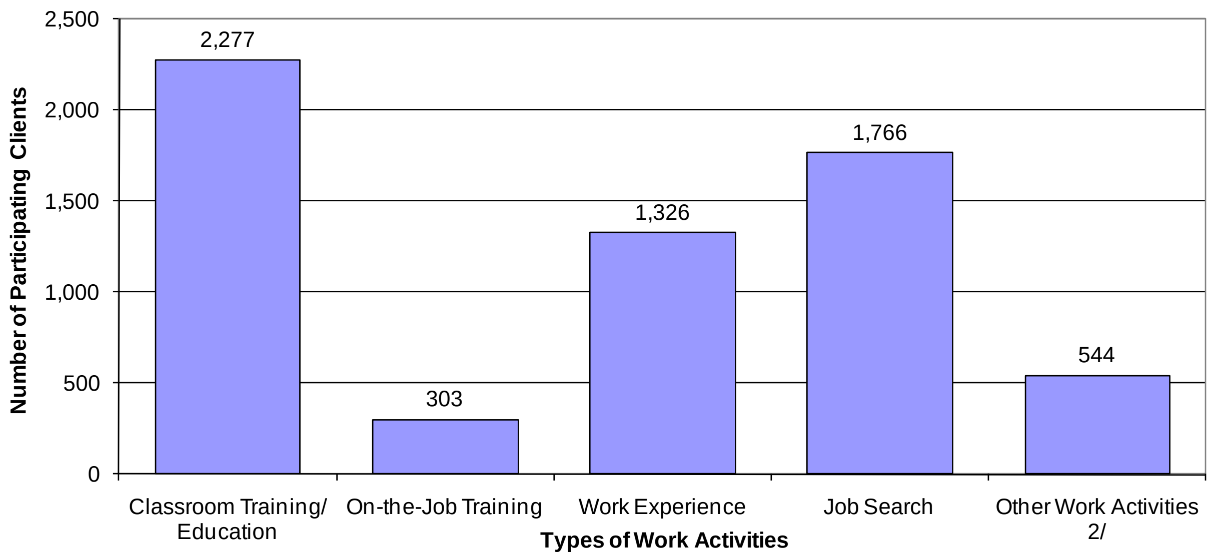
TANF services through Tribal or State TANF programs. About 18.2 percent of NEW program participants (1,002) completed the program by entering unsubsidized employment. Of those who entered unsubsidized employment, 55.9 percent (560 clients) were TANF recipients (See Appendix Table 11:8).

The most frequently provided NEW program work activities were classroom training/education, job search/job placement, and work experience, as reported in Appendix Table 11:9. In PY 2008-2009, about 41.4 percent of participants (2,277 clients) participated in classroom training/education, 32.1 percent (1,766 clients) engaged in job search/job placement, and 24.1 percent (1,326 clients) participated in work experience.

The most frequently provided supportive and job retention services in PY 2008-2009 were transportation assistance services. About 39.4 percent of participants (2,164 clients) received transportation assistance through the NEW program, and an additional 14.1 percent (775 clients) received clothing/tools needed for training or employment (See Appendix Table 11:10).

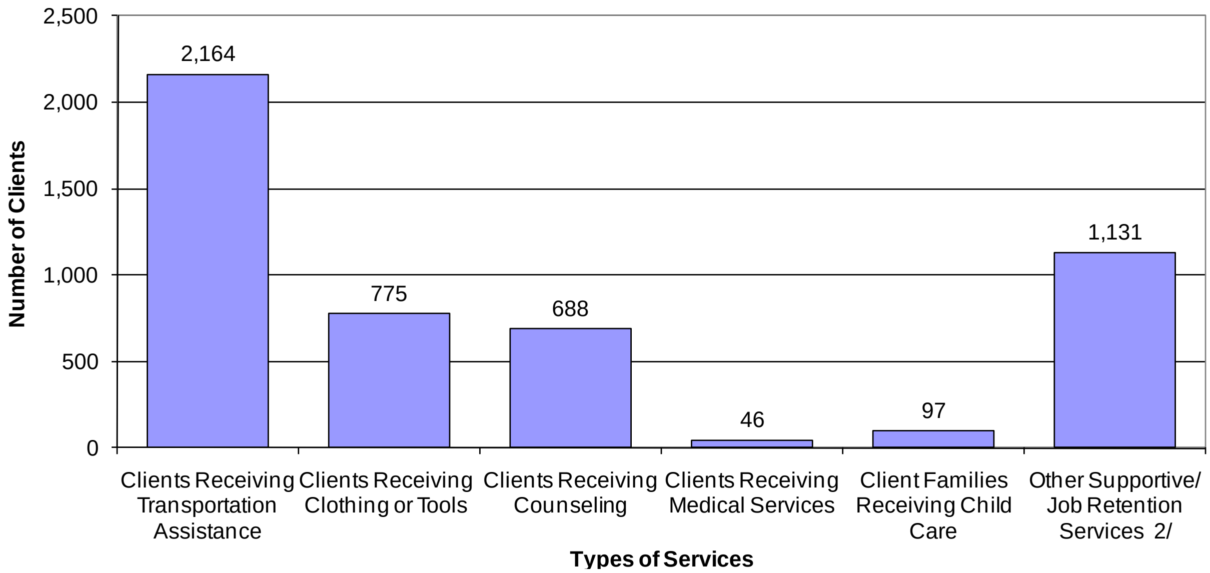
Figures D and E show the number of NEW clients participating in work activities and receiving supportive and job retention services provided by NEW programs in PY 2008-2009, as reported by grantees that did not include their NEW programs in Pub. L. 102-477 projects. Most NEW clients participated in/received more than one NEW program activity or service.

Figure D
NEW Clients Participating in Work Activities
Program Year 2008 - 2009[1]



Source: Appendix Table 11:9
1/Includes data reported to HHS by the 46 grantees that did not include their NEW programs in Pub. L. 102-477 projects in PY 2008 - 2009.
2/ Includes other work activities such as volunteer work, employment seminars, entrepreneurial training, and traditional activities such as hunting and fishing, etc.
Note: Some NEW clients participated in more than one work activity.

Figure E
NEW Clients Receiving Supportive and Job Retention Services, Program Year 2008 - 2009[1]



Source: Appendix Table 11:10
1/Includes data reported to HHS by the 46 grantees that did not include their NEW programs in Pub. L. 102-477 projects in PY 2008 - 2009.
2/ Includes other supportive/job retention services such as work-related expenses including books/educational materials, driver's license fees, etc.
Note: Some NEW clients received more than one supportive or job retention service.

Lack of jobs is a major problem for NEW programs, which often are located on isolated, rural reservations. Eight of the 46 non-102-477 grantees were able to place 50 percent or more of their NEW clients in permanent, unsubsidized employment in PY 2008-2009.

Tribes participating in Pub. L. 102-477 projects did not report separate data on the NEW program. Instead, they reported combined data for all of the programs included in their Pub. L. 102-477 projects to the Department of the Interior.

Assuming that the 32 NEW grantees that reported to the Interior Department in PY 2008-2009 each served about the same number of persons under the NEW program as the 46 grantees that reported directly to HHS, the total number of persons served by all 78 grantees under the NEW program in PY 2008-2009 was about 9,300.[9]

Program Years 2006-2007 and 2007-2008

There were 78 NEW grantees during PY 2006-2007 (July 1, 2006 – June 30, 2007). Thirty of these grantees included their NEW programs in Pub. L. 102-477 projects. The 48 grantees that did not include NEW in a Pub. L. 102-477 project reported to HHS that they served a total of

[9] This estimate is calculated as follows: 5,495 participants served by 46 grantees ÷ 46 = an average of about 119.5 persons served by each grantee that reported to HHS; 119.5 x 78 = 9,321 or about 9,300 persons served by all 78 grantees.

5,637 participants in PY 2006-2007, and about 67.9 percent of these participants (3,829 clients) also received TANF assistance/services. These 48 grantees reported that about 18.7 percent of NEW participants (1,056 clients) entered unsubsidized employment, and of those who entered unsubsidized employment, 57.9 percent (611 clients) also were TANF recipients.

There were 77 NEW grantees during PY 2007-2008 (July 1, 2007 – June 30, 2008). Thirty-two of these grantees included their NEW programs in Pub. L. 102-477 projects. The 45 grantees that did not include NEW in a Pub. L. 102-477 project reported to HHS that they served a total of 5,714 participants in PY 2007-2008, and about 68.2 percent of these participants (3,895 clients) also received TANF assistance/services. These 45 grantees reported that about 20.8 percent of NEW participants (1,186 clients) entered unsubsidized employment, and of those who entered unsubsidized employment, 59.9 percent (711) clients) also were TANF recipients.

Twelve of the 48 non-102-477 grantees were able to place 50 percent or more of their NEW clients in permanent, unsubsidized employment in PY 2006-2007 and fourteen of the 45 non-102-477 grantees were able to place 50 percent or more of their NEW clients in permanent, unsubsidized employment in PY 2007-2008.

Using the same calculation method as above, the totals for PY 2006-2007 are about 117.4 persons served by each grantee that reported to HHS, and 9,160 or about 9,200 persons served by all 78 grantees and the totals for PY 2007-2008 are about 127 persons served by each grantee that reported to HHS, and 9,777 or about 9,800 persons served by all 77 grantees.

XII. Specific Provisions of State Programs

Each State must submit a State plan to the Secretary that outlines how it intends to conduct a program in all political subdivisions of the State (not necessarily in a uniform manner) that provides cash aid to needy families with (or expecting) children and provides parents with job preparation, work, and support services. States may determine what benefit levels to set and what categories of families are eligible. States have the flexibility to design and operate a program that best matches their residents' needs and helps families gain and maintain self-sufficiency.

Through a series of contracts, ACF has provided resources to facilitate updating and expanding the Welfare Rules Database (WRD). The Urban Institute began developing the WRD in early 1997, as part of the Assessing New Federalism project. The database was conceived as a single location where information on program rules could be researched across States and/or across years, without the need to consult multiple documents, and it was intended to provide a resource for researchers working on both descriptive and quantitative projects. ACF has funded updates to the database, as well as publication of tables summarizing State TANF policies for each year since then. Unless otherwise noted, the information in the following tables is current as of July 2009.

Form of Administration

The chart below (Table 12:1) outlines how each State administers its TANF program.

Table 12:1
State TANF Implementation

State	Form of Administration	State or County Discretion	
		Eligibility and Benefits	**Available Services**
Alabama	State	State	State
Alaska	State	State	State
Arizona	State	State	State
Arkansas	State	State	State
California	State Supervised/ County Administered	State	State
Colorado	State Supervised/ County Administered	County	County
Connecticut	State	State	State
Delaware	State	State	State
District of Columbia	State	State	State
Florida	State	State	State
Georgia	State	State	County
Guam	Territory	Territory	Territory
Hawaii	State	State	State
Idaho	State	State	State
Illinois	State	State	State
Indiana	State	State	State
Iowa	State	State	County
Kansas	State	State	County
Kentucky	State	State	State
Louisiana	State	State	State
Maine	State	State	State
Maryland	State	State	County
Massachusetts	State	State	State
Michigan	State	State	State
Minnesota	State Supervised/ County Administered	County	State or County
Mississippi	State	State	State
Missouri	State	State	State
Montana	State	State	State
Nebraska	State	State	State
Nevada	State	State	State
New Hampshire	State	State	State
New Jersey	State Supervised/	State	State

Table 12:1
State TANF Implementation

State	Form of Administration	State or County Discretion	
		Eligibility and Benefits	Available Services
	County Administered		
New Mexico	State	State	State
New York	State Supervised/ County Administered	State	County
North Carolina	County	County[1]	County
North Dakota	State Supervised/ County Administered	State	State
Ohio	State Supervised/ County Administered	State	County
Oklahoma	State	State	State
Oregon	State	State	County
Pennsylvania	State	State	State
Puerto Rico	Territory	Territory	Territory
Rhode Island	State	State	State
South Carolina	State	State	State
South Dakota	State	State	State
Tennessee	State	State	State
Texas	State	State	State[1]
Utah	State	State	State
Vermont	State	State	State
Virginia	State Supervised/ County Administered	State	State
Virgin Islands	Territory	Territory	Territory
Washington	State	State	State
West Virginia	State	State	State
Wisconsin	State Supervised/ Locally Administered	State	County/Other[2]
Wyoming	State	State	State

[1] Services related to cash assistance are at State discretion. However, policies related to all aspects of work activities are established at the State level while Local Workforce Development Boards have discretion over the service delivery approach and the methods and limitations for the provision of work-related expenses.

[2]Wisconsin Works contracts with county human/social service agencies, private for profit, and private not for profit agencies to administer the program. For Kinship Care and child only cases, the State contracts with counties (except for Kinship Care in Milwaukee County, which is administered through the State's Bureau of Milwaukee Child Welfare).

TANF Assistance Eligibility

Table 12:2 describes States' income eligibility tests for determining whether an applicant can begin receiving assistance. The table indicates which State income standard is used for each test.

Under the former AFDC program, States developed "need" and "payment" standards to determine eligibility and benefit amounts. These standards generally varied by the size of the assistance unit. The standard of need was the maximum amount of income allowed for a family to be considered "needy," and thus eligible for the program. It was usually based on some estimate of the minimum amount necessary for subsistence. The "payment standard" was the maximum benefit that a State would pay. In the early years of the program, the need and payment standards were the same in many States, but over time the payment standard in most States fell below the need standard, often by significant amounts.

Under TANF, States may compare an assistance unit's income against multiple standards, depending on the type or amount of income. Therefore, the term "need standard" is not used in Table 12:2 unless the State explicitly uses it to refer to its eligibility standard.
Table 12:3 explains the value of the particular standard for a three-person family. States that impose a net income test generally disregard a portion of the unit's earned income before comparing the income to the State's income standard. These maximum earnings for initial eligibility are captured in table 12:4.

For example, in Alabama, a family's net income must be less than 100 percent of the payment standard, which in 2009 was $215 for a family of three. In determining net income, a State could disregard 20 percent of earnings; thus, the maximum income (counting only earnings) eligibility threshold is $269. Subtracting 20 percent, or $54, leaves the $215 eligibility threshold for maximum earnings for an applicant. (In many States, income limits and disregards are different for applicants than recipients.)

Table 12:2
Income Eligibility Tests for Applicants, July 2009

State	Type of test	Income must be less than
Alabama	Net income	100% of Payment Standard
Alaska	Gross income	185% of Need Standard
	Net income	100% of Need Standard
Arizona	Gross income	185% of Need Standard
	Net income	100% of Need Standard
Arkansas	Net income	100% of Income Eligibility Standard
California	Net income	100% of Minimum Basic Standard of Adequate Care

Table 12:2
Income Eligibility Tests for Applicants, July 2009

State	Type of test	Income must be less than
Colorado	Gross income	185% of Need Standard
	Net income	100% of Need Standard
Connecticut	Net income	100% of Need Standard
	Unearned income	100% of Payment Standard
Delaware	Gross income	185% of Standard of Need
	Net income	100% of Payment Standard
District of Columbia	Net income	100% of Payment Level
Florida	Gross income	185% of Federal Poverty Level
	Net income	100% of Payment Standard
Georgia	Gross income	185% of Standard of Need
	Net income	100% of Standard of Need
Hawaii	Gross income	185% of Standard of Need
	Net income	100% of Standard of Need
Idaho	No explicit tests	
Illinois	Net income	100% of Payment Standard
Indiana	Gross income	185% of Need Standard
	Net income	100% of Net Income Standard
Iowa	Gross income	185% of Need Standard
	Net income	100% of Need Standard
Kansas	Net income	100% of Budgetary Standards
Kentucky	Gross income	185% of Standard of Need
Louisiana	Net income	100% of Flat Grant Amount
Maine	Gross income	100% of Gross Income Test
Maryland	Net income	100% of Allowable Payment
Massachusetts	Gross income	185% of Need Standard and Payment Standard
	Net income	100% of Need Standard and Payment Standard
Michigan	No explicit tests	
Minnesota	Net income	100% of Transitional Standard
Mississippi	Gross income	185% of Need Standard and Payment Standard
	Net income	100% of Need Standard and Payment Standard
Missouri	Gross income	185% of Need Standard
	Net income	100% of Need Standard
Montana	Gross income	185% of Net Monthly Income Standard
	Net income	100% of Benefit Standard
Nebraska	No explicit tests	
Nevada	Gross income	130% of Federal Poverty Level
	Net income	100% of Need Standard
New Hampshire	Net income	100% of Payment Standard
New Jersey[1]	Gross income	150% of Maximum Benefit Payment Schedule
New Mexico	Gross income	85% of Federal Poverty Level
New York	Gross income	185% of Need Standard and 100% of Federal Poverty Level

Table 12:2
Income Eligibility Tests for Applicants, July 2009

State	Type of test	Income must be less than
	Net income	100% of Need Standard
North Carolina	No explicit tests	
North Dakota	No explicit tests	
Ohio	Net income	100% of Allocation Allowance Standard
Oklahoma	Gross income	185% of Need Standard
	Net income	100% of Need Standard
Oregon All, except JOBS Plus	Gross income	100% of Countable Income Limit
JOBS Plus	Gross income	100% of Food Stamp Countable Income Limit
Pennsylvania	Net income	100% of Family Size Allowance
Rhode Island	No explicit tests	
South Carolina	Gross income	185% of Need Standard
	Net income	100% of Need Standard
South Dakota	No explicit tests	
Tennessee	Gross income	185% of Consolidated Need Standard
Texas	Net income	100% of Budgetary Needs Standard[2]
	Net income	100% of Recognizable Needs[3]
Utah	Gross income	185% of Adjusted Standard Needs Budget
	Net income	100% of Adjusted Standard Needs Budget
Vermont	No explicit tests	
Virginia VIEW[4]	Gross earnings	100% of Federal Poverty Level
	Unearned income	100% of Standard of Assistance
All, except VIEW	Gross income	185% of Standard of Need
	Net income	100% of Standard of Assistance
Washington	Gross earnings	100% of Maximum Gross Earned Income Limit
West Virginia	Gross income	100% of Standard of Need
Wisconsin	Gross income	115% of Federal Poverty Level
Wyoming	No explicit tests	

Source: Table I.E.1 Income Eligibility Tests for Applicants, July 2009 from the Urban Institute's Welfare Rules Database, funded by DHHS/ACF and DHHS/ASPE.

Notes: "No explicit tests" indicates that either the State imposes no income tests on applicants or the State imposes an income test, but the calculation of the test and disregards allowed for the test are no different from those used to calculate the benefit. See table II.A.2 in the Welfare Rules Database for information on benefit computation policies. See table I.E.3 in the Welfare Rules Database for information on the value of the standards for a family of three.

[1] In households where the natural or adoptive parent is married to a non-needy stepparent, the gross household income may not exceed 150 percent of the Federal Poverty Level.

[2] Apply only the $120 disregard for this test.

[3] Apply both the $120 disregard and the 33.3 percent disregard for this test.

[4] Two-parent units' gross earned income must be below 150 percent of the Federal Poverty Level and their unearned income must be below 100 percent of Standard of Assistance.

Table 12:3
Eligibility Standards

State	State name	Amount for a family of three
Alabama	Payment Standard	$215
Alaska	Need Standard	$1,464
Arizona	Need Standard	$964
Arkansas	Income Eligibility Standard	$223
California	Minimum Basic Standard of Adequate Care	$1097
Colorado	Need Standard	$421
Connecticut	Federal Poverty Level	$1,526
	Need Standard	$768
	Payment Standard	$560
Delaware	2008 Federal Poverty Level	$1,467
	Standard of Need	$1,100
	Payment Standard	$338
District of Columbia	Standard of Assistance	$712
	Payment Level	$428
Florida	Federal Poverty Level	$1,526
	Payment Standard	$303
Georgia	Standard of Need	$424
Hawaii	Standard of Need	$1,590
Idaho	— —	— —
Illinois	Payment Standard	$432
Indiana	Federal Poverty Level	$1,526
	Need Standard	$320
	Net Income Standard	$288
Iowa	Need Standard	$849
Kansas	Budgetary Standards	$429
Kentucky	Standard of Need	$526
Louisiana	Flat Grant Amount	$240
Maine	Gross Income Test	$1,023
Maryland	Allowable Payment	$574
Massachusetts Exempt	Federal Poverty Level	$1,526
	Need Standard and Payment Standard	$633
Nonexempt	Federal Poverty Level	$1,526
	Need Standard and Payment Standard	$618
Michigan	— —	—
Minnesota	Federal Poverty Level	$1,526

Table 12:3
Eligibility Standards

State	State name	Amount for a family of three
	Transitional Standard	$1,005
Mississippi	Need Standard and Payment Standard	$368
Missouri	Need Standard	$846
Montana	Net Monthly Income Standard	$583
	Benefit Standard	$458
Nebraska	Federal Poverty Level	$1,526
Nevada	Federal Poverty Level	$1,526
	Need Standard	$1,144
New Hampshire	Standard of Need	$3,055
	Payment Standard	$675
New Jersey	Maximum Benefit Payment Schedule	$424
	Federal Poverty Level	$1,526
New Mexico	Federal Poverty Level	$1,526
New York	Federal Poverty Level	$1,526
	Need Standard	$721
North Carolina	— —	—
North Dakota	Standard of Need	$477
Ohio	Allocation Allowance Standard	$980
Oklahoma	Need Standard	$645
Oregon		
All, except JOBS Plus	Countable Income Limit	$616
	Adjusted Income/Payment Standard	$471
JOBS Plus	Food Stamp Countable Income Limit	$1,698
	Adjusted Income/Payment Standard	$471
Pennsylvania	Standard of Need	$587
	Family Size Allowance	$403
Rhode Island	Cash Assistance Monthly Standard	$554
South Carolina	Need Standard	$733
South Dakota	Payment Standard	$539
Tennessee	Consolidated Need Standard	$1,066
Texas	Budgetary Needs Standard	$751
	Recognizable Needs	$188
Utah	Adjusted Standard Needs Budget	$568
Vermont	— —	—
Virginia		
VIEW	Standard of Need	$322
	Federal Poverty Level	$1,526
	Standard of Assistance	$320
All, except VIEW	Standard of Need	$322
	Standard of Assistance	$320
Washington	Maximum Gross Earned Income Limit	$1,124
	Need Standard	$1,767

Table 12:3 Eligibility Standards		
State	**State name**	**Amount for a family of three**
West Virginia	Standard of Need	$991
Wisconsin	Federal Poverty Level	$1,526
Wyoming	Maximum Benefit	$546

Source: Table I.E.3 Eligibility Standards, July 2009 from the Urban Institute's Welfare Rules Database, funded by DHHS/ACF and DHHS/ASPE.

Notes: The values in this table represent all standards used during the eligibility process, including those used for grandparent deeming, stepparent deeming, applicant income eligibility tests, and recipient income eligibility tests. See Tables I.D.1, I.D.2, I.E.1, (Table 12:2 in this report) and IV.A.4 in the Welfare Rules Database for more information on how these standards are used. Note that this table provides information on the standards only; to determine how the standards are applied, see the companion tables listed above.

The amounts in the table are based on the following assumptions about the assistance unit: there is one adult and two children; the children are not subject to a family cap; and the unit has no special needs, pays for shelter, and lives in the most populated area of the State.

Table 12:4
Maximum Income for Initial Eligibility for a Family of Three, 2009[1]

State	Maximum earnings an applicant can receive and still be eligible for assistance
Alabama	$269
Alaska	$1,554
Arizona	$585
Arkansas	$279
California	$1,187
Colorado	$511
Connecticut	$858
Delaware	$428
District of Columbia	$588
Florida	$393
Georgia	$514
Hawaii	$1,640[2]
Idaho	$648
Illinois	$522
Indiana	$378
Iowa	$1,061
Kansas	$519
Kentucky	$908
Louisiana	$360
Maine	$1,023
Maryland	$718
Massachusetts	
Exempt	$723
Nonexempt	$708
Michigan	$815
Minnesota	$1,108
Mississippi	$458
Missouri	$557
Montana	$811
Nebraska	$886
Nevada	$1,430
New Hampshire	$781
New Jersey	$636
New Mexico	$1,056[3]
New York	$811
North Carolina	$681
North Dakota	$1,252
Ohio	$980
Oklahoma	$824
Oregon	$616
Pennsylvania	$493

Table 12:4
Maximum Income for Initial Eligibility for a Family of Three, 2009[1]

State	Maximum earnings an applicant can receive and still be eligible for assistance
Rhode Island	$1,277
South Carolina	$733
South Dakota	$762
Tennessee	$1,315
Texas	$401
Utah	$668
Vermont	$1,052
Virginia	
VIEW	$1,526
All, except VIEW	$532
Washington	$1,122
West Virginia	$565
Wisconsin	—[4]
Wyoming	$745

Source: Table I.E.4 Maximum Income for Initial Eligibility for a Family of Three, July 2009 from the Urban Institute's Welfare Rules Database, funded by DHHS/ACF and DHHS/ASPE.
Note: Initial eligibility is calculated assuming that the unit is employed at application, has only earned income, has no child care expenses, contains one adult and no children subject to a family cap, has no special needs, pays for shelter, and lives in the most populated area of the State.

[1] The values in this table represent the maximum amount of earnings an applicant can have and still be "technically" eligible for assistance in each State. Technical eligibility does not mean that the unit will necessarily receive a cash benefit, but they will have passed all of the eligibility tests and are eligible for some positive benefit. Most States only distribute a cash benefit equaling $10 or more.

[2] Applies to units that have received assistance for no more than two months in a lifetime. For units applying for their third and subsequent months of benefits, the eligibility threshold for a family of three is $1,363.

[3] For purposes of the State's earned income disregard, the adult head is assumed to be working 40 hours a week.

[4] Units with earnings at application will not receive a cash benefit in the State. However, applicants may earn up to $1,755 and still be eligible for nonfinancial assistance.

Treatment of Earnings

TANF does not specify how States should treat earnings in calculating TANF benefits. Thus, States have the flexibility to establish rules regarding the treatment earnings. Most States disregard a portion of a family's earned income when determining benefit levels (see Table 12:5).

Table 12:5
Earned Income Disregards for Benefit Computation

State	Earned Income Disregards
Alabama	100% for first 6 months
	20% in subsequent months[1]
Alaska	$150 and 33% of the remainder for first 12 months
	$150 and 25% of the remainder in months 13-24
	$150 and 20% of the remainder in months 25-36
	$150 and 15% of the remainder in months 37-48
	$150 and 10% of the remainder in months 49-60
	$150 thereafter[2]
Arizona	
All, Except JOBSTART	$90 and 30% of remainder
JOBSTART	100% of subsidized wages[3]
Arkansas	No disregards--flat grant amount
California	$225 and 50% of the remainder
Colorado	66.7% in first 12 months
	$120 and 33.3% of remainder in next 4 months
	$120 in next 8 months
	$90 thereafter
Connecticut	100% up to the Federal Poverty Level
Delaware	$120 and 33.3% of remainder in first four months
	$120 in next 8 months
	$90 thereafter
District of Columbia	$160 and 66.7% of the remainder
Florida	$200 and 50% of the remainder
Georgia	$120 and 33.3% of the remainder in first 4 months
	$120 in next 8 months
	$90 thereafter
Hawaii	20%, $200, and 36% of the remainder
Idaho	40%
Illinois	66.7%
Indiana	75%
Iowa	20% and 50% of the remainder
Kansas	$90 and 60% of the remainder
Kentucky	100% for 2 months[4]

Table 12:5
Earned Income Disregards for Benefit Computation

State	Earned Income Disregards
	$120 and 33.3% of the remainder in next 4 months
	$120 in next 8 months
	$90 thereafter
Louisiana	$1,020 in first 6 months[5]
	$120 thereafter
Maine	$108 and 50% of the remainder
Maryland	40%
Massachusetts	
Exempt	$120 and 33.3% of remainder
Nonexempt	$120 and 50% of remainder
Michigan	$200 and 20% of the remainder
Minnesota	39%[6]
Mississippi	100% in first 6 months[6]
	$90 thereafter
Missouri	66.7% and $90 of remainder in first 12 months
	$90 thereafter[7]
Montana	$200 and 25% of remainder
Nebraska	20%
Nevada	100% in first 3 months
	85% in months 4-6
	75% in months 7-9
	65% in months 10-12
	$90 or 20% (whichever is greater) thereafter
New Hampshire	50%
New Jersey	100% in the first month
	75% in next 6 months
	50% thereafter[8]
New Mexico	
	$125 and 50% of the remainder [9]
New York	$90 and 52% of the remainder
North Carolina	100% in first 3 months of employment[10]
	27.5% thereafter
North Dakota	$180 or 27% (whichever is greater) and 50% of the remainder in first 6 months
	$180 or 27% (whichever is greater) and 35% of the remainder in months 7-9
	$180 or 27% (whichever is greater) and 25% of the remainder in months 10-13
	$180 or 27% (whichever is greater) thereafter[11]
Ohio	$250 and 50% of the remainder
Oklahoma	$240 and 50% of the remainder[12]
Oregon	50%
Pennsylvania	50%

Table 12:5
Earned Income Disregards for Benefit Computation

State	Earned Income Disregards
Rhode Island	$170 and 50% of the remainder
South Carolina	50% in first 4 months[13]
	$100 thereafter
South Dakota	$90 and 20% of the remainder
Tennessee	$250[14]
Texas	$120 and 90% of the remainder (up to $1,400) for 4 out of 12 months[15]
	$120 thereafter
Utah	$100 and 50% of the remainder
Vermont	$200 and 25% of the remainder[16]
Virginia	$134[17] and 20% of the remainder
Washington	50%
West Virginia	40%
Wisconsin	No disregards--flat grant amount
Wyoming	$200[18]

Source: Table II.A.1 Earned Income Disregards for Benefit Computation, July 2009 from the Urban Institute's Welfare Rules Database, funded by DHHS/ACF and DHHS/ASPE.
Notes: Only earned income disregards are described in the table. Child care disregards and other special disregards, such as deductions for units subject to time limits and family caps, are not included.

The table describes the earned income disregards used to compute a recipient's benefit. If different disregards are used to compute an applicant's benefit in the first month, they are footnoted.

When no duration is specified for the disregards, they remain for the entire period of receipt.
[1] The earned income disregard cannot be applied to the earnings of an individual receiving assistance beyond the 60th month under an exemption or extension.
[2] These disregards also apply to applicants who have received assistance in one of the previous four months.
[3] In addition to the 100 percent disregard of all subsidized JOBSTART wages, recipients can also disregard the standard $90 and 30 percent of the remainder for any non-JOBSTART earned income.
[4] Recipients are eligible for the one-time 100 percent disregard if they become newly employed or report increased wages acquired after approval.
[5] The six months in which the extra $900 is disregarded need not be consecutive; however, the recipient may use this extra disregard in no more than six months over the course of his or her lifetime.
[6] Recipients are eligible for the one-time 100 percent disregard if they find employment of 35 hours per week within 30 days of either their initial approval for TANF or the beginning of job readiness training. If work is not found, the recipient will never be eligible to receive the disregard again. An additional 100 percent disregard is available to units for three months when the unit's case is subject to closure due to increased earnings and the individual is employed for at least 25 hours a week at the Federal minimum wage or higher. The recipient may not have already received the six-month disregard, unless there has been at least a 12-month break in receipt of TANF benefits. The three-month disregard may be received more than once during the 60-month TANF benefit period, provided that there is a period of at least 12 consecutive months in which a family does not receive TANF benefits before the family reapplies for assistance. If a recipient marries for

the first time, his or her new spouse may receive a one-time, 100 percent disregard for six consecutive months.
[7] These disregards only apply to recipients who become employed while receiving TANF. Applicants and those recipients who gained employment before receiving TANF are allowed to disregard $120 and 33.3 percent of remainder for first four months, $120 the next eight months, and $90 thereafter.
[8] These disregards apply to individuals working 20 or more hours a week. Individuals employed fewer than 20 hours a week may disregard 100 percent in the first month of employment and 50 percent thereafter. However, if an individual's hours increase to 20 hours during the first six months, he or she may disregard 75 percent for the remainder of the six-month period. The 100 percent disregard is only applicable once every 12 months, even if employment is lost and then regained.
[9] Two-parent units may disregard $225 and 50 percent of the remainder.
[10] The 100 percent disregard is only available once in a lifetime and may be received only if the recipient is newly employed at a job that is expected to be permanent for more than 20 hours a week.
[11] If a parent marries while receiving assistance, the income of his or her new spouse is disregarded for the first six months. The disregard for the new spouse only applies if his or her needs were not previously included in the unit.
[12] These disregards apply to individuals working full time, defined as 20 hours a week for recipients caring for a child under age six and 30 hours a week for all other recipients. Individuals working less than full time may disregard $120 and 50 percent of the remainder.
[13] The 50 percent disregard is only available once in a lifetime and may only be applied to consecutive months.
[14] If a parent marries while receiving assistance, the unit may choose to exclude the new spouse from the unit for a period of three months. At the end of the three-month period, however, the new spouse becomes a mandatory member of the assistance unit and his or her income is counted in benefit computation calculations.
[15] Once the recipient has received four months (they need not be consecutive) of the 90 percent disregard, he or she is not eligible to receive the disregard again until the TANF case has been denied and remains denied for one full month, and 12 calendar months have passed since the denial. The 12-month ineligibility period begins with the first full month of denial after the client used the fourth month of the 90 percent disregard. Also, the earnings of a TANF recipient's new spouse are disregarded for six months if the total gross income of the budget group does not exceed 200 percent of the Federal Poverty Level.
[16] These disregards apply to recipients with income from unsubsidized employment or a combination of subsidized and unsubsidized employment. For recipients with earnings from subsidized employment only, the disregard is $90.
[17] The disregard varies by family size; for one to three family members, the disregard is $134. For four members, the disregard is $143; for five members, the disregard is $167, and for six or more family members, the disregard is $191.
[18] Married couples with a child in common may disregard $400.

Resource Limits

PRWORA does not specify the total resource or the vehicle asset levels that States are to use to determine eligibility for families. States have the flexibility to determine whether to use an asset limit for TANF assistance, and if the State has an asset limit, to determine its level and the resources that should count against that limit (see Table 12:6).

Table 12:6
Asset Limits for Applicants

State	Asset Limit	Vehicle Exemption
Alabama	$2,000/$3,000[1]	All vehicles owned by household
Alaska	$2,000/$3,000[1]	All vehicles owned by household [2]
Arizona	$2,000	All vehicles owned by household
Arkansas	$3,000	One vehicle per household
California	$2,000/$3,000[1]	$4,650[F]/One vehicle per licensed driver[3]
Colorado	$15,000	One vehicle per employed adult
Connecticut	$3,000	9,500[4E]
Delaware	$1,000	4,650[E]
District of Columbia	$2,000/$3,000[1]	All vehicles owned by household
Florida	$2,000	$4,500[E]
Georgia	$1,000	$1,500/$4,650[5E]
Hawaii	$5,000	All vehicles owned by household
Idaho	$2,000	$4,650[6F]
Illinois	$2,000/$3,000/+50[8]	One vehicle per household[8]
Indiana	$1,000	$5,000[E]
Iowa	$2,000	One vehicle per household[9]
Kansas	$2,000	All vehicles owned by household
Kentucky	$2,000[12]	All vehicles owned by household
Louisiana	$2,000	All vehicles owned by household
Maine	$2,000	One vehicle per household
Maryland	$2,000	All vehicles owned by household
Massachusetts	$2,500	$10,000[F]/$5,000[12E]
Michigan	$3,000	All vehicles owned by household
Minnesota	$2,000	$15,000[13F]
Mississippi	$2,000	All vehicles owned by household[14]
Missouri	$1,000	One vehicle per household[15]
Montana	$3,000	One vehicle per household
Nebraska	$4,000/$6,000[16]	One vehicle per household[17]
Nevada	$2,000	One vehicle per household
New Hampshire	$1,000	One vehicle per licensed driver
New Jersey	$2,000	All Vehicles Owned By Household[F]
New Mexico	$3,500[18]	All vehicles owned by household[19]

Table 12:6 Asset Limits for Applicants		
State	**Asset Limit**	**Vehicle Exemption**
New York	$2,000/$3,000[1]	$4,650[F]/$9,300[20F]
North Carolina	$3,000	All vehicles owned by household
North Dakota	$3,000/$6,000/+25[21]	One vehicle per household
Ohio	No limit	All vehicles owned by household
Oklahoma	$1,000	5,000[E]
Oregon	$2,500[22]	$10,000[E]
Pennsylvania	$1,000	One vehicle per household
Rhode Island	$1,000	One vehicle per adult[23]
South Carolina	$2,500	One vehicle per licensed driver[24]
South Dakota	$2,000	One vehicle per household[25]
Tennessee	$2,000	$4,650[E]
Texas	$1,000	$4,650 of all vehicles owned by household[26F]
Utah	$2,000	All vehicles owned by household
Vermont	$2,000	One vehicle per adult
Virginia	No limit	All vehicles owned by household
Washington	$1,000	$5,000[28E]
West Virginia	$2,000	One vehicle per household
Wisconsin	$2,500	$10,000[E]
Wyoming	$2,500	One vehicle per household[29]

Source: Table I.C.1 Asset limits for applicants, July 2009 from the Urban Institute's Welfare Rules Database, funded by DHHS/ACF and DHHS/ASPE.

[E] Equity value of the vehicle.

[F] Fair market value of the vehicle.

Note: Many States have separate policies regarding different types of vehicles, such as income-producing vehicles, recreational vehicles, and vehicles that are used as a home. See the Welfare Rules Database for more information on these policies.

[1] Units including an elderly person may exempt $3,000; all other units exempt $2,000.

[2] Vehicles are exempt if used to meet the family's basic needs such as getting food, medical care, or other essentials; to go to and from work, school, training, or work activity (such as job search or community service); or to transport a disabled family member, whether or not he or she is a part of the assistance unit. If the vehicle does not meet one of these requirements, the equity value of the vehicle is counted in the determination of resources.

[3] Each vehicle must be evaluated for both its equity and fair-market values; the higher of the two values counts against the family's asset limit. Before this calculation, all the following vehicles are completely excluded: (1) is necessary for long-distance travel that is essential for employment; (2) is necessary to transport a physically disabled household member; (3) would be exempt under previously stated exemptions but the vehicle is not in use because of temporary unemployment; (4) used to carry fuel or water to the home and is the primary method of obtaining fuel or water; and (5) the equity value of the vehicle is $1,501 or less. To determine the countable fair market value of each remaining vehicle, exclude $4,650 from the vehicle's fair-market value. To determine the countable equity value of each remaining vehicle, exclude one additional vehicle per adult and one additional vehicle per licensed child who uses the vehicle to travel to school, employment, or job search. The full equity value of each remaining vehicle is

counted. For each vehicle not completely excluded, the higher of the fair market value or the equity value counts against the family's asset limit.

[4] The unit may exempt $9,500 of the equity value of a vehicle or the entire value of one vehicle used to transport a handicapped person.

[5] If the vehicle is used to look for work, or to travel to work or education and training, the unit may exclude $4,650 of the value. If the vehicle is not used for these purposes, $1,500 of the equity value is excluded.

[6] The value of one specially equipped vehicle used to transport a disabled family member is exempt. Also, all vehicles with a fair market value under $1,500 are exempt.

[7] The asset limit is based on unit size: one person receives $2,000, two people receive $3,000, and three or more people receive $3,000 plus $50 for every additional person.

[8] If a vehicle has special equipment for the disabled, the added value of the special equipment is exempt and does not increase the vehicle's value. When there is more than one vehicle, the equity value of the vehicle of greater value is exempt.

[9] Additionally, $4,658 of the equity value of an additional vehicle is exempt for each adult and working teenager whose resources must be considered in determining eligibility.

[10] Only liquid resources are considered for eligibility determinations. Liquid resources include cash, checking and savings accounts, CDs, stocks and bonds, and money market accounts.

[11] Count only a client’s cash on hand, checking account, and savings account.

[12] The State compares the value of the vehicle to two standards: $10,000 of the fair market value and $5,000 of the equity value. If the value of the vehicle exceeds either limit, the excess counts towards the asset limit; if the value of the vehicle exceeds both limits, only the excess of the greater amount counts toward the asset limit.

[13] The amount is the loan value of the vehicle with the highest loan value, which has not already been totally excluded under the following provisions: (1) exclude all motor vehicles essential to operating a self-employment business; (2) exclude any vehicle used as the unit's home; (3) exclude one vehicle per physically disabled person needed to transport the disabled unit member; (4) exclude the value of special equipment added to a vehicle for a handicapped member of the assistance unit; (5) exclude any vehicle used for certain long-distance traveling for the employment of a unit member; and (6) exclude any vehicle if at least 50 percent of its use is to produce income. $7,500 of the loan value of additional vehicles is also exempt. Minnesota uses the loan value of the vehicle as listed in the current NADA Used Car Guide, Midwest edition instead of the fair market value. The loan value is generally slightly less than the estimated fair market value.

[14] Determination of whether to count a vehicle is made on a case-by-case basis.

[15] $1,500 of the equity value of the unit's second vehicle is exempt.

[16] The asset limit is based on unit size: one person receives $4,000; two or more people receive $6,000.

[17] The entire vehicle is exempt only if used for employment, training, or medical transportation; If a unit has more than one vehicle that meets the exemption criteria, only the vehicle with the greatest equity value will be exempt.

[18] The total limit is $3,500 but only $1,500 of that amount can be in liquid resources and only $2,000 can be in nonliquid resources.

[19] The entire vehicle is exempt only if used for transportation to work, work activities, or daily living requirements. If the vehicle is not used for these purposes, the entire equity value of the vehicle is subject to the asset test.

[20] If the vehicle is needed to seek or retain employment, $9,300 of the vehicle is exempt. Otherwise, $4,650 of the full market value is exempt.

[21] The asset limit is based on unit size: one person receives $3,000, two people receive $6,000, and another $25 is allowed for each additional person thereafter.

[22] There is more than one phase of the application process in Oregon. The asset limit for applicants first applying for TANF is $2,500. If the applicant makes it through the first stage of application, he or she must participate in the "Assessment Program" in which he or she is assessed and given a case plan to follow. If the applicant does not follow the case plan, he or she maintains the $2,500 asset limit as long as he or she is in the Assessment Program. If the applicant complies with the case plan, he or she is allowed a $10,000 asset limit.

[23] Exemptions for adult drivers cannot exceed two vehicles per household. Additionally, the entire value of a vehicle used primarily to provide transportation for a disabled family member is exempt.
[24] Vehicles owned by or used to transport disabled individuals or that are essential to self-employment are also exempt.
[25] In addition to one primary vehicle, an assistance unit may totally exclude a vehicle used to transport water or fuel to the home when it is not piped in or to transport a disabled member or SSI recipient in the household. The assistance unit may also exclude $4,650 of the fair-market value of a vehicle used to transport members of the unit for education or employment.
[26] All licensed vehicles used for transporting a disabled household member are exempt.
[27] The asset test has been eliminated.
[28] The entire equity value of a vehicle used to transport a disabled household member is also exempt.
[29] This exemption applies to a single-parent unit. Two vehicles are exempt for a married couple.

Benefits

States are free to set the benefit levels that apply under their TANF assistance programs. State benefit levels for a family of three with no other income are shown below in Table 12:7 for the years 1996, 2000, 2004, and 2009.

Table 12:7
Maximum Monthly Benefit for a Family of Three with No Income

State	1996	2000	2004	2009
Alabama	$164	$164	$215	$215
Alaska	$923	$923	$923	$923
Arizona	$347	$347	$347	$278
Arkansas	$204	$204	$204	$204
California	$596			
Nonexempt		$626	$723	$694
Exempt		$699	$808	$776
Colorado	$356	$356	$356	$462
Connecticut	$543	$543	$543	$560
Delaware	$338	$338	$338	$338
District of Columbia	$415	$379	$379	$428
Florida	$303	$303	$303	$303
Georgia	$280	$280	$280	$280
Hawaii	$712	$570[1]	$570[1]	$636[2]
Idaho	$317	$293	$309	$309
Illinois	$377	$377	$396	$432
Indiana	$288	$288	$288	$288
Iowa	$426	$426	$426	$426
Kansas	$429	$429	$429	$429
Kentucky	$262	$262	$262	$262
Louisiana	$190	$240	$240	$240
Maine	$418	$461	$485	$485
Maryland	$373	$417	$477	$574
Massachusetts				
Exempt	$579	$633	$633	$633
Nonexempt	$565	$618	$618	$618
Michigan	$459	$459[3]	$459[3]	$492
Minnesota	$532	$532	$532	$532
Mississippi	$120	$170	$170	$170
Missouri	$292	$292	$292	$292
Montana	$425	$477	$375	$504
Nebraska	$364	$364	$364	$364
Nevada	$348	$348	$348	$383

Table 12:7
Maximum Monthly Benefit for a Family of Three with No Income

State	1996	2000	2004	2009
New Hampshire	$550	$600	$625	$625
New Jersey	$424	$424	$424	$424
New Mexico	$389	$439	$389	$447
New York	$577	$577	$691	$721
North Carolina	$272	$272	$272	$272
North Dakota	$431	$457	$477	$477
Ohio	$341	$373	$373	$434
Oklahoma	$307	$292	$292	$292
Oregon	$460	$503	$503	$514
Pennsylvania	$403	$403	$403	$403
Rhode Island	$554	$554	$554	$554
South Carolina	$200	$203	$205	$270
South Dakota	$430	$430	$501	$539
Tennessee	$185	$185[4]	$185[4]	$185[4]
Texas	$188	$201	$217	$244
Utah	$426	$451	$474	$474
Vermont	$597	$622	$640	$640
Virginia	$291	$320	$320	$320
Washington	$546	$546	$546	$562
West Virginia	$253	$353	$453	$340
Wisconsin				
W-2 Transition	----	$628	$628	$628
Community Service Jobs	----	$673	$673	$673
Trial Jobs/Unsubsidized Employment		----[5]	----[5]	----[5]
Wyoming	$360	$340	$340	$546
Mean[6]	$394	$405	$413	$431
Median[6]	$377	$379	$389	$429

Source: Table L5 Maximum Monthly Benefit for a Family of Three with No Income, 1996-2009 (July) from the Urban Institute's Welfare Rules Database, funded by DHHS/ACF and DHHS/ASPE.

Note: Maximum benefits are calculated assuming that the unit contains one adult and two children who are not subject to a family cap, has no special needs, pays for shelter, and lives in the most populated area of the State.

[1] Applies to units that have received assistance for two or more months in a lifetime. For units applying for their first or second months of benefits, the maximum monthly benefit for a family of three is $712.

[2] Applies to units that have received assistance for two or more months in a lifetime. For units applying for their first or second months of benefits, the maximum monthly benefit for a family of three is $795.

[3] Applies to units that have at least one employable adult. For units where all adults either receive SSI or are exempt from work requirements for reasons other than caring for a child under three months old, the maximum monthly benefit for a family of three is $477.

[4] For units where the caretaker is over 60, disabled, caring full-time for a disabled family member, or excluded from the assistance unit, the maximum monthly benefit for a family of three is $232.

[5] The benefits in these components are based on the wages earned by individual recipients.

[6] The calculations only include one value per State (the policy affecting the largest percent of the caseload).

Diversion Payments

The majority of States offer applicant diversion assistance to families as an alternative to ongoing TANF assistance. Generally, this assistance comes in the form of benefit payments designed to provide short-term financial assistance to meet critical needs in order to secure or retain employment.

Typically, States provide several months of benefits in one lump sum. A few States provide a flat amount. By accepting the diversion payment, the family generally agrees not to re-apply for cash assistance for a specified period of time, e.g., receipt of a diversion payment equal to three months of benefits results in a family agreeing to not re-apply for benefits for three months. A number of diversion programs provide applicants with job search services, other services, and/or referral to alternative assistance programs. (Table 12:12 highlights what TANF diversion programs the States administer).

Table 12:12
Formal Diversion Payments

State	Diversion program	Maximum diversion payment[1]	Form of payment	How often recipient can receive maximum payment	Period of TANF ineligibility without penalty after payment	Payment counts toward the time limit
Alabama	No	—	—	—	—	—
Alaska	Yes	3 months	Vendor or cash payment	Four times in a lifetime, but no more than once every 12 months	3 months[2]	No
Arizona	Yes[3]	3 months	Cash payment	Once every 12 months	3 months[4]	No
Arkansas	Yes	3 months	Cash loan[5]	Once in a lifetime	100 days	No[5]
California[6]	Yes	Varies[7]	Vendor or cash payment or services	As often as needed, up to maximums[8]	Immediately eligible	Varies[9]
Colorado[10]	Yes	Varies [11]	Vendor or cash payment	Three times in a lifetime but no more than twice every 12 months	Determined by Denver County[12]	No
Connecticut	Yes	3 months	Cash payment	Three times in a lifetime, but no more than once every 12 months	3 months	Yes
Delaware	Yes[13]	$1,500	Vendor payment	Once every 12	Varies[14]	No

Table 12:12 Formal Diversion Payments						
State	**Diversion program**	**Maximum diversion payment[1]**	**Form of payment**	**How often recipient can receive maximum payment**	**Period of TANF ineligibility without penalty after payment**	**Payment counts toward the time limit**
				months		
District of Columbia	Yes	3 months	Vendor or cash payment	Once every 12 months	Diversion payment divided by the monthly benefit the unit would receive	No
Florida	Yes[15]	Varies[15]	Cash payment	Varies[15]	Varies[15]	Varies[15]
Georgia	Yes[16]	4 months	Cash payment	Once in a lifetime	12 months[17]	No[17]
Hawaii	No	—	—	—	—	—
Idaho	Yes	3 months[18]	Cash payment	Once in a lifetime	Twice the number of months included in the payment	Yes
Illinois	Yes[19]	*	Cash payment	*	*	No
Indiana	No	—	—	—	—	—
Iowa	No	—	—	—	—	—
Kansas	No	—	—	—	—	—
Kentucky	Yes	$1,300	Vendor payment	Twice in a lifetime but no more than once in 24 months	12 months	No
Louisiana	No[20]	—	—	—	—	—
Maine	Yes[21]	3 months	Vendor payment	Once every 12 months	3 months[22]	No
Maryland	Yes	3 months	Cash payment or vendor payment	As often as needed	The number of months included in the payment	No
Massachusetts	No	—	—	—	—	—
Michigan	Yes[23]	3 months	Cash payment	Once every 12 months	4 months[24]	No
Minnesota	Yes[25]	Varies[26]	Vendor and cash payment	Once every 12 months	4 months[27]	No
Mississippi	No	—	—	—	—	—
Missouri	No	—	—	—	—	—
Montana	No	—	—	—	—	—
Nebraska	No	—	—	—	—	—
Nevada	No	—	—	—	—	—
New Hampshire	No	—	—	—	—	—
New Jersey	Yes[28]	$1,550 [29]	Cash payment	As often as needed[29]	Immediately eligible[30]	No
New Mexico	Yes[31]	$2,500	Cash payment	Twice in 60 months	12 months[33]	No

Table 12:12 Formal Diversion Payments						
State	**Diversion program**	**Maximum diversion payment**[1]	**Form of payment**	**How often recipient can receive maximum payment**	**Period of TANF ineligibility without penalty after payment**	**Payment counts toward the time limit**
New York	Yes[34]	Varies[35]	Vendor or cash payment[35]	Once in a lifetime	Immediately eligible	No
North Carolina	Yes	3 months	Cash payment	Once every 12 months	Immediately eligible	No
North Dakota	Yes[36]	$1,000[37]	Vendor or cash payment	Four out of every 12 months	Immediately eligible	No
Ohio	No	—	—	—	—	—
Oklahoma	Yes[38]	3 months	Vendor payment	Once in a lifetime	12 months	No
Oregon	No	—	—	—	—	—
Pennsylvania[39]	Yes[40]	3 months	Cash payment	Once every 12 months	12 months[41]	No
Rhode Island	Yes[42]	3 months	Cash payment	Once in a lifetime	6 months[43]	No
South Carolina	No	—	—	—	—	—
South Dakota	Yes	2 months	Vendor or cash payment	As often as needed[44]	3 months[4]	No
Tennessee	Yes[45]	$1,200	Cash payment	Once in a lifetime	12 months[46]	No
Texas	Yes[47]	$1,000	Cash payment	Once every 12 months	12 months	No
Utah	Yes	3 months	Cash payment	As often as needed	3 months[4]	Varies[48]
Vermont	Yes[49]	4 months	Cash payment	Once (one 4-month period) every 12 months	Immediately eligible	No
Virginia	Yes	4 months	Vendor or cash payment	Once every 12 months	160 days	No
Washington	Yes	$1,500	Vendor or cash payment	Once every 12 months	12 months[50]	No
West Virginia	Yes	3 months	Cash payment	Once in a lifetime	3 months	No[51]
Wisconsin	Yes[52]	$1,600	Cash loan	Once every 12 months[53]	Immediately eligible	No
Wyoming	No	—	—	—	—	—

Source: Table I.A.1 Formal Diversion Payments, July 2009 from the Urban Institute's Welfare Rules Database, funded by DHHS/ACF and DHHS/ASPE.
* Data not obtained.

[1] The Maximum Diversion Payment is either a flat payment, regardless of the family's size and the State's maximum benefit (represented in the table by a dollar amount), or a multiple of the maximum benefit the family would have received if it were receiving monthly TANF benefits (represented in the table by a number of months of benefits the

family could receive). Note that if the State provides diversion payments based on a multiple of the maximum benefit, the amount will vary by the family size and the generosity of the State's maximum benefits.
[2] If a family applies for assistance during the three-month ineligibility period, the entire amount of the diversion payment is treated as unearned income to the family. The diversion payment is prorated equally over the three-month period, and the prorated amount is counted as monthly income.
[3] To be eligible, applicants must be employed full-time, have an offer of full-time employment, or be likely to gain full-time employment based on education, skills and work history. Applicants must also have a short-term verified financial need that is a barrier to achieving self-sufficiency, such as needing car repairs, child care, work clothes, overdue housing expenses, or transportation assistance.
[4] If the unit applies for benefits during the three-month ineligibility period, the payment will be prorated over a three-month period and the amount will be deducted from the unit's monthly assistance payment.
[5] The diversion payment is considered a loan; therefore the recipient must pay back any amount borrowed. Any amount paid back will not count toward the time limit.
[6] Counties have the option to vary their diversion programs. These policies refer to Los Angeles County.
[7] The maximum diversion cash payment is the greater of $2,000 or three times the Maximum Aid Payment for the family size. In cases where an applicant has a one-time expense that exceeds the standard maximum diversion payment, payments up to $4,000 may be issued if necessary to retain self-sufficiency. Recipients may receive only $4,000 or three times the Maximum Aid Payment for the family, whichever is greater, annually, and no more than $10,000 in a lifetime.
[8] Diversion payments may be made as often as needed, up to a maximum annual amount of the greater of $4,000 or (3 months * Maximum Aid Payment) and a maximum lifetime amount of $10,000.
[9] If the unit applies for monthly TANF benefits after the diversion period (diversion amount divided by the Maximum Aid Payment) ends, the State counts one month toward the time limit. If the unit applies during the diversion period, it can choose to count the diversion payment toward the time limit or to repay the diversion amount at a rate of 10 percent of the monthly benefit each month until the diversion is repaid. The number of months counted toward the 60-month time limit is calculated by dividing the total diversion payment by the Maximum Aid Payment for the apparently eligible assistance unit at the time the diversion payment was made. The month(s) resulting from the calculation less any partial month, is (are) counted toward the 60-month time limit.
[10] Counties have the option to vary their diversion programs. These policies refer to Denver County.
[11] The amount of the payment is determined on a case-by-case basis. If assistance greater than $1,500 is requested, it must be approved by a designated staffing team.
[12] The period of ineligibility is determined by Denver County, but can be no more than four consecutive calendar months. The client may apply for the diversion assistance during the period of ineligibility and it may be approved if circumstances beyond his or her control exist. Such circumstances include but are not limited to: serious or terminal illness of an immediate family member; natural disaster such as fire, flood, etc.;
child protection case involvement with activities that are incompatible with Individual Responsibility Contract; a lack of child care; job lay-off; domestic violence; homelessness; and severe mental or physical disabilities.
[13] The program is related to retaining or obtaining employment and is only for parents living with natural or adopted children.
[14] The period of ineligibility depends on the amount of the diversion payment. Units receiving $1-500.99 are ineligible for one month, units receiving $501-1,000.99 are ineligible for two months, and units receiving $1,001-$1,500 are ineligible for three months.
[15] Florida has three separate diversion programs. An assistance unit may receive a one-time payment of up to $1,000 in Up-Front Diversion or Cash Severance Diversion, or up to the amount needed to relocate in Relocation Assistance. The unit is ineligible to receive assistance for three months after receiving Up-Front Diversion and for six months after receiving Relocation Assistance or Cash Severance Diversion. Up-Front Assistance is for individuals in need of assistance due to unexpected circumstances or emergency situations. Relocation Assistance is available for individuals who reside in an area with limited employment opportunities and experience one of the following:

geographic isolation; formidable transportation barriers; isolation from extended family; or domestic violence that threatens the ability of a parent to maintain self-sufficiency. Cash Severance Diversion is available to TANF recipients if they meet the following criteria: are employed and receiving earnings, are able to verify their earnings, will remain employed for at least six months, have received cash assistance for at least six consecutive months since October 1996, and are eligible for at least one more month of TANF. Up-Front Diversion and Relocation Assistance do not count toward time limits. Cash Severance Diversion does not count toward time limits if the payment is made in a month in which the unit also receives a TANF payment. If the payment is made in a month in which the unit does not receive a TANF payment, the Cash Severance Diversion payment counts as a month toward the time limit.
[16] To receive diversion assistance, a participant must either have a full-time job, be on unpaid leave due to temporary illness (under four months) and meet the gross income test, or be employed, eligible for less than the maximum amount of cash assistance, and decline the assistance for which he or she is eligible for.
[17]. The unit can apply for TANF during the 12-month ineligibility period if they lost their job through no fault of their own and intensive job search does not yield a job. If they do receive TANF payments during the ineligibility period, the diversion payment counts toward their lifetime limit.
[18] All of the unit's income is disregarded for benefit computation, so it will always receive three times the Maximum Benefit.
[19] An applicant who has found a job that will make him or her ineligible for cash assistance or who wants to accept a job and withdraw his or her application for assistance is eligible for a one-time payment in order to begin or maintain employment.
[25] The type and amount of the payment is determined on a case-by-case basis and is dependent upon the needs of the applicant.
[26] Applicants must either be in danger of losing employment or have evidence of barriers to accepting a verified offer of employment. Also, countable income must be at or below 200 percent of poverty.
[27] Additional benefits may be available to an individual who has already received diversion funds if (1) the individual has not already received the $2,000 maximum allowed in the program period; (2) the individual is still in the period of TANF ineligibility; (3) the individual is employed at the time; and (4) the expense is for an unforeseen job-related expense.
[28] Iowa calculates the period of TANF ineligibility in days rather than months. The total period of ineligibility is equal to two times the diversion payment divided by (maximum benefit for family size divided by 30 days).
[20] Although it still exists in the law, Louisiana's diversion program has not received funding since September 2002. According to the legislation authorizing the program, a recipient can receive a cash payment worth up to four months of TANF benefits, and is subsequently ineligible for TANF for four months without a penalty after receiving diversion. An individual can receive diversion payments twice in a lifetime, but no more than once every 12 months.
[21] To be eligible, applicants must be employed or looking for employment.
[22] Units that apply for benefits during the three-month ineligibility period must repay any diversion payment received for any period that was covered by both diversion and TANF.
[23]To receive diversion assistance, applicants must meet cash assistance eligibility criteria in the application month or the following month, except participation in required work activities. The program targets families who are normally self-sufficient, have not received cash or diversion assistance payments from any State in the last 12 months, expect to need assistance only for a short time, and are able to return to self-sufficiency without further assistance. Decisions about diversion eligibility criteria are made on a case-by-case basis.
[24] If the family applies for TANF assistance during the four-month period of ineligibility, the diversion payment is treated as a loan and the family is obligated to repay the entire amount.
[25] Minnesota's four month Diversionary Work Program (DWP) is mandatory for all TANF applicants, unless exempt. Recipients receive financial assistance and must participate in four months of intensive employment services focused on helping the participant obtain an unsubsidized job before entering welfare. Failure to comply with the employment services, which may include a structured job search, results in ineligibility for both DWP and TANF until compliance. After completing the four month program, participants still requiring assistance may apply for

TANF as applicants. See table I.A.2 in the Welfare Rules Database for more information.
[26] DWP benefits are provided on a monthly basis and are equal to the difference between the unit's countable income and the sum of its actual housing costs, utility costs, $35 per month for telephone services, and up to $70 per unit member for personal needs. The total monthly grant amount cannot exceed the cash portion of the TANF Transitional Standard (see Table II.A.3 in the Welfare Rules Database). DWP recipients are eligible to receive food stamp benefits in addition to their diversion benefits (unlike the TANF calculation which combines the cash and food stamp benefits, see table II.A.2 for more details on the combine food stamp and TANF benefit). Also, they are not required to assign child support payments over to the State.
[27] The unit may apply for TANF at the completion of the four-month diversion program. If a unit applies to TANF anytime within 12 months of receiving either TANF or DWP assistance, the unit moves directly into TANF and is not eligible to participate in diversion.
[28] New Jersey's diversion program, Early Employment Initiative (EEI), is mandatory for applicants who have a work history that equals or exceeds four months of full time employment in the last 12 months, appear to meet TANF eligibility requirements, are not in immediate need, and do not meet criteria for a deferral from work requirements. Participants receive a one-time, lump sum payment and are required to pursue an intensive job search for 15 to 30 days while their application is processed. If participants obtain employment and withdraw their applications, they are eligible to receive a second lump sum payment to assist in the transition to employment. If no employment is secured, the applicant is referred back to the WFNJ/TANF agency for cash assistance. See table I.A.2 in the Welfare Rules Database for more information.
[29] The maximum amount a family would receive is relative to the number of persons in the unit. The amount included in the table is for a unit of eight or more people. The maximum diversion payment for a family of three is $750. If the agency feels an individual may benefit, he or she may be considered suitable for repeated participation in EEI when determining subsequent eligibility for the program.
[30] If a participant is unable to find a job through the diversion program or loses employment and reapplies for TANF benefits within 60 days of the original application, TANF benefits will be retroactive to the date of application. Any lump-sum payment received under the EEI is prorated from the date of the original application to the date of the reactivation and subtracted from the monthly grant amount for which the assistance unit is eligible. If this lump sum exceeds the family's monthly grant amount, the excess is counted as unearned income when calculating the monthly assistance benefits for any subsequent month. If the applicant loses his or her employment after 60 days from the application date, the family will need to reapply for TANF.
[31] The diversion payment is only available to assist applicants in keeping a job, accepting a bona fide offer of employment, or remedying an emergency situation or an unexpected short-term need.
[32] The grant amount is $1,500 for a family of size one to three, and $2,500 for a family of size four or more.
[33] Units may apply for assistance during the 12-month period, but the benefits will be prorated to account for the diversion payment.
[34] New York has three types of diversion payments: Diversion Payments (for crisis needs such as moving expenses, storage fees, or household structural or equipment repairs), Diversion Transportation Payments (for employment-related transportation expenses), and Diversion Rental Payments (for rental housing).
[35] The type and amount of the payment is determined on a case-by-case basis and is dependent on the needs of the applicant.
[36] Eligible individuals include cash assistance applicants or reapplicants who meet eligibility criteria for cash assistance but are deemed unable to meet the work requirements.
[37] Maximum diversion payments vary by the activity for which the individual uses the payment. They include $1,000 for the cost of books, tuition and fees associated with a work activity, $500 for moving expenses related to a job offer or for vehicle repairs, $430 for emergency needs, $250 for employment-related clothing, and $150 for tools or equipment required for employment.
[38] The diversion payment is only available to assist applicants in keeping a job or accepting a bona fide offer of employment.

[39] In addition to the program listed in the table, Pennsylvania operates a mandatory non-assistance diversion program for job-ready applicants. Families participating in this program receive benefits and services equivalent to what they would receive from TANF. Families may remain in the program for up to four months in a 12 month period. Families who require assistance after four months can enroll in TANF. See table I.A.2 in the Welfare Rules Database for more information.
[40] To be eligible for a diversion payment, applicants must be currently employed or have received income from employment within the 90-day period before application.
[41] If the family applies for and receives benefits during the ineligibility period, benefits are reduced by 5 percent each month until any overpayment is recouped.
[42] To be eligible, the applicant must not have received assistance payments during the 12 months prior to the date of application and the adult member of the unit must not have terminated employment within 60 days of application for benefits.
[43] The six month ineligibility period may be reduced by up to three months if it is determined that the family will suffer undue and unforeseeable hardship during all or any portion of months four through six of the ineligibility period.
[44] South Dakota has no formal limit on the number of payments a unit may receive; however, a State source reports that it is unlikely that an assistance unit would receive a diversion payment more than once every 12 months.
[45] To be eligible, the applicant must have an identifiable one-time financial need, have been a resident of Tennessee for six months, have not received cash assistance in any State in the past two years, have never received a diversion payment in any State, have no identifiable barriers to employment, have a high school diploma or GED, and either be currently employed or have been steadily employed in six of the last 12 months, with at least three being consecutive. In two-parent units, both parents must meet the eligibility criteria to qualify for a diversion payment.
[46] Recipients of diversion payments who require emergency assistance may be eligible to apply for cash assistance during the ineligibility period if they meet certain criteria.
[47] To qualify for the State's diversion program, the assistance unit must meet one of the "crisis criteria" including: (1) the caretaker or second parent lost employment in the process month, application month, or two months before application; (2) a dependent child experienced a loss of financial support from the legal parent or stepparent within the past 12 months due to death, divorce, separation, abandonment, or termination of child support and the caretaker was employed within 12 months of the application or process month; (3) the caretaker or second parent graduated from a university, college, junior college, or technical training school within 12 months of the application or process month and was underemployed or unemployed; or (4) the caretaker and/or second parent is currently employed but still meets TANF requirements and is facing the loss or potential loss of transportation and/or shelter or has a medical emergency temporarily preventing them from continuing to work. If the unit is sanctioned and fails to demonstrate cooperation within the allowed time period or is not eligible for a TANF grant of at least $10, the unit is ineligible for diversion assistance
[48] The first diversion payment in a 12-month period will not count as a month of financial assistance against the 36-month time limit; the second and subsequent diversion payments in a 12-month period will count.
[49] To be eligible for diversion assistance, an applicant family must meet cash assistance financial eligibility and diversion eligibility criteria, and, if it has no members who are mandatory applicants, must choose to participate in the diversion program. Families who meet the following criteria are mandatory applicants: at least one member of the family is work-eligible, work-eligible individuals in the family are neither disregarded from nor meeting their cash assistance work requirement, none of the work-eligible individuals has received a diversion assistance payment in the 12 months prior to the application month, and at least one of the work-eligible adults is: either a single-parent, caretaker, an able-to-work adult, or a noncaretaker adult.
[50] If the unit applies for benefits during the 12-month ineligibility period, the diversion payment becomes a loan. The amount of the loan is calculated by dividing the diversion payment by 12 and multiplying the quotient by the number of months remaining of the 12-month period since the diversion payment was received. The unit's monthly benefit is decreased by five percent each month until the loan is repaid.

[51] For units that received diversion assistance before July 2000, three months are counted toward the lifetime limit.
[52] The diversion payment is considered a loan to assist with expenses related to obtaining or maintaining employment and it must be repaid. Repayments are expected within 12 months but may be extended to 24 months. The loan may be paid back in cash or through a combination of cash and volunteer community service (valued at the higher of the State or Federal minimum wage).
[53] The caseworker may issue loans for between $25 and $1,600. In a 12-month period, a unit may receive several loans, but they may not receive more than $1,600 in total loans or have an outstanding loan balance of more than $1,600.

Time Limiting Assistance

States generally may not use Federal funds to provide assistance to a family that includes an adult head-of-household or a spouse of the head-of-household who has received assistance for 60 months (whether or not consecutive). However, States may extend Federally-funded assistance beyond 60 months to 20 percent of the caseload, without penalty, based on hardship or domestic violence. States also have the option to set shorter time limits on the receipt of TANF benefits.

State policies related to time limiting assistance to a family vary greatly. In addition, because time limit restrictions only apply to the use of Federal TANF funds, a State may use segregated or separate State-only funds to provide assistance to families that it wishes to exempt from the time limit or to families that have reached the 60-month Federal time limit, without counting against the 20 percent cap (see Table 12:13 and Table 12:14).

Table 12:13
State Lifetime Time Limit Policies

		Whose Benefits Are Terminated	
State	**Lifetime limit**	**Entire unit**	**Adult only**
Alabama	60 months	X	—
Alaska	60 months	X	—
Arizona	60 months	X	—
Arkansas	24 months	X	—
California	60 months[1]	—	X
Colorado	60 months	X	—
Connecticut	21 months[2]	X	—
Delaware	36 months[3]	X	—
District of Columbia	—[4]	—	—
Florida	48 months	X	—
Georgia	48 months	X	—
Hawaii	60 months	X	—
Idaho	24 months	X	—
Illinois	60 months	X[5]	—
Indiana	24 months	—	X
	60 months	X	—
Iowa	60 months[6]	X	—
Kansas	60 months	X	—
Kentucky	60 months	X	—
Louisiana	60 months	X	—
Maine	—[7]	—	—
Maryland	60 months	X	—
Massachusetts	—	—	—

Table 12:13
State Lifetime Time Limit Policies

State	Lifetime limit	Whose Benefits Are Terminated	
		Entire unit	Adult only
Michigan	48 months	X	—
Minnesota	60 months	X	—
Mississippi	60 months	X	—
Missouri	60 months	X	—
Montana	60 months	X	—
Nebraska			
Time limited assistance	60 months	X	—
Non-time limited assistance	—	—	—
Nevada	60 months	X	—
New Hampshire			
Employment Program	60 months	X	—
Family Assistance Program	—	—	—
New Jersey	60 months	X	—
New Mexico	60 months	X	—
New York	—[8]	—	—
North Carolina	60 months[9]	X	—
North Dakota	60 months	X	—
Ohio	60 months[10]	X	—
Oklahoma	60 months	X	—
Oregon	60 months[11]	—	X
Pennsylvania	60 months	X	—
Rhode Island	60 months	—	X
South Carolina			
All, except CARES	60 months	X	—
CARES	—	—	—
South Dakota	60 months	X	—
Tennessee	60 months	X	—
Texas	60 months	X	—
Utah	36 months	X	—
Vermont	—[12]	—	—
Virginia	60 months	X	—
Washington	—[13]	—	—
West Virginia	60 months	X	—
Wisconsin	60 months	X	—
Wyoming	60 months	X	—

Source: Table IV.C.1 Formal Diversion Payments, July 2009 from the Urban Institute's Welfare Rules Database, funded by DHHS/ACF and DHHS/ASPE.

[1] California's TANF funding began December 1996, but recipients' benefit months did not begin to count against units' 60-month limit until January 1998. Using State funds, California will extend recipients' benefits beyond 60

months if the units received assistance between December 1996 and January 1998. The length of the extension equals the number of months the unit received benefits during this period.

[2] Recipients may apply for extensions after 21 months of benefits, but they may not receive more than 60 total months of assistance. See Table IV.C.4 in the Welfare Rules Database for more information on extensions.

[3] The 36-month time limit applies to assistance units that apply for benefits on or after January 1, 2000. Units that received benefits before this date are eligible for 48 months of assistance.

[4] The District of Columbia uses local money to fund assistance units that have reached the 60-month Federal lifetime time limit. All units that are either in compliance with program requirements or are exempt from requirements are automatically eligible for continued assistance. If the unit is not in compliance upon reaching the 60-month mark, the noncompliant adult(s) will be removed from the grant, while other unit members will continue to receive assistance.

[5] If the adult who has reached the 60-month lifetime limit is not the parent of any child in the assistance unit, only the adult is ineligible for benefits. Children who do not live with a parent can therefore continue to receive assistance after their caretaker reaches the 60-month limit.

[6] In addition to the 60-month lifetime limit, units must establish a time frame, with a specific ending date, during which the recipient expects to become self-sufficient (i.e., when income is above eligibility limits).

[7] Units in compliance with TANF program rules may continue to receive benefits beyond 60 months. If members of the unit have been sanctioned three or more times during their 60 months of assistance, the adult's needs are not considered for benefit computation for an amount of time equal to the length of the adult's last sanction period.

[8] After 60 months, the unit is still eligible to receive noncash assistance through the State's Safety Net Assistance program.

[9] In certain circumstances, a child may be able to continue receiving benefits after the 60 months. Because the time limit follows the adult, a child may enter a new household and become eligible in a new assistance unit.

[10] After receiving 36 months of assistance, the case is closed; however, it is possible to receive 24 additional months of benefits if the unit has not received benefits for at least 24 months and can demonstrate good cause for reapplying.

[11] Oregon's 60-month lifetime limit retroactively impacts recipients; all months of benefit receipt since July, 2003 are counted against a unit's 60-month limit.

[12] Recipients who reach the 60-month Federal time limit are placed in a solely State-funded program.

[13] Units in compliance with TANF program rules may continue to receive benefits beyond 60 months.

Table 12:14
Other State Time Limit Policies

State	Number of Months Eligible	Whose Benefits Are Terminated	
		Entire unit	**Adult only**
Alabama	—	—	—
Alaska	—	—	—
Arizona	—[1]	—	—
Arkansas	—	—	—
California	—	—	—
Colorado	—	—	—
Connecticut	—	—	—
Delaware	—	—	—
District of Columbia	—	—	—

Table 12:14
Other State Time Limit Policies

State	Number of Months Eligible	Whose Benefits Are Terminated	
		Entire unit	Adult only
Florida	—	—	—
Georgia	—	—	—
Hawaii	—	—	—
Idaho	—	—	—
Illinois	—	—	—
Indiana	—	—	—
Iowa	—	—	—
Kansas	—	—	—
Kentucky	—	—	—
Louisiana	24 out of 60 months	X	—
Maine	—	—	—
Maryland	—	—	—
Massachusetts			
Exempt	—	—	—
Nonexempt	24 out of 60 months	X	—
Michigan	—	—	—
Minnesota	—	—	—
Mississippi	—	—	—
Missouri	—	—	—
Montana	—	—	—
Nebraska	—	—	—
Nevada	24 months; followed by 12 months of ineligibility	X	—
New Hampshire	—	—	—
New Jersey	—	—	—
New Mexico	—	—	—
New York	—	—	—
North Carolina	24 months; followed by 36 months of ineligibility	X	—
North Dakota	—	—	—
Ohio	36 months; followed by 24 months of ineligibility[2]	X	—
Oklahoma	—	—	—
Oregon	—	—	—
Pennsylvania	—	—	—
Rhode Island	24 out of 60 months	X	—
South Carolina			
All, except CARES	24 out of 120 months	X	—
CARES	—	—	—
South Dakota	—	—	—
Tennessee	—	—	—

Table 12:14 Other State Time Limit Policies			
		Whose Benefits Are Terminated	
State	**Number of Months Eligible**	**Entire unit**	**Adult only**
Texas	12, 24, or 36 months; followed by 60 months of ineligibility[3]	—	X
Utah	—[4]	—	—
Vermont	—	—	—
Virginia			
VIEW	24 months; followed by 24 months of ineligibility[5]	X	—
All, except VIEW	—	—	—
Washington	—	—	—
West Virginia	—	—	—
Wisconsin	—	—	—
Wyoming	—	—	—

Source: Table IV.C.2 Other State Time Limit Policies, July 2009 from the Urban Institute's Welfare Rules Database, funded by DHHS/ACF and DHHS/ASPE.

[1] Two-parent families in which neither parent is disabled are eligible for only six months of assistance in any 12-month period.

[2] In order to receive benefits after the 24 month period of ineligibility, the family must demonstrate good cause for reapplying. Good cause may include loss of employment, inability to find employment, divorce, domestic violence, or other reasons determined by the caseworker.

[3] The 12-month limit applies to nonexempt recipients who (1) did not complete the 11th grade and have 18 months or more of recent work experience, or (2) have either a high school diploma or GED, certificate from post-secondary school, or a certificate or degree from vocational or technical school, and any work experience. The 24-month limit applies to nonexempt recipients who (1) have not completed the 11th grade and have between six and 17 months of recent work experience, or (2) have completed the 11th grade but not the 12th grade or have a GED, and have completed 17 or fewer months of work experience. The 36-month limit applies to nonexempt recipients who (1) have less than six months of recent work experience and (2) have not completed the 11th grade.

[4] Two-parent families in which the principle wage earner is unemployed are eligible for only seven months of assistance in any 13-month period.

[5] After receiving 24 months of assistance, the unit may receive up to 12 months of transitional benefits. The 24 months of ineligibility begins with the month in which the case was closed or the month in which transitional benefits were terminated, whichever is later.

Adoption of Family Violence Option

Each State has the option to certify in its State plan that it has established and is enforcing standards and procedures to: (1) screen and identify individuals with a history of domestic violence (while maintaining their confidentiality); (2) refer such individuals for counseling and supportive services; and (3) waive program requirements, as appropriate, based on safety and fairness concerns. This provision is commonly referred to as the Family Violence Option (see Table 12:16).

Table 12:16
Domestic Violence Provisions

State	Federal Certification[1] or State Program[2]
Alabama	Federal
Alaska	Federal
Arizona	Federal
Arkansas	Federal
California	Federal
Colorado	Federal
Connecticut	State
Delaware	Federal
District of Columbia	Federal
Florida	Federal
Georgia	State
Guam	Territory
Hawaii	Federal
Idaho	State
Illinois	Federal
Indiana	State
Iowa	Federal
Kansas	Federal
Kentucky	Federal
Louisiana	Federal
Maine	State
Maryland	Federal
Massachusetts	Federal
Michigan	State
Minnesota	Federal
Mississippi	State
Missouri	Federal
Montana	Federal
Nebraska	Federal
Nevada	Federal
New Hampshire	Federal
New Jersey	Federal
New Mexico	Federal
New York	Federal
North Carolina	Federal

Table 12:16
Domestic Violence Provisions

State	Federal Certification[1] or State Program[2]
North Dakota	Federal
Ohio	State
Oklahoma	State
Oregon	Federal
Pennsylvania	Federal
Puerto Rico	Federal
Rhode Island	Federal
South Carolina	Federal
South Dakota	State
Tennessee	Federal
Texas	Federal
Utah	Federal
Vermont	Federal
Virginia	State
Virgin Islands	Territory
Washington	Federal
West Virginia	Federal
Wisconsin	State
Wyoming	Federal

[1] State submitted a signed certification that it has established and is enforcing standards and procedures to screen and identify individuals with a history of domestic violence, refer such individuals to counseling and supportive services, and waive program requirements based on safety and fairness concerns (commonly called the Family Violence Option, or the Wellstone Murray Amendment).
[2] State is addressing the issue of domestic violence under its TANF program, but did not submit the specified certification.

Family Cap

Under TANF, States may determine whether to increase cash assistance after the birth of an additional child to a family already receiving TANF benefits. Providing for no additional assistance when an additional child is born is commonly referred to as the family cap. PRWORA did not include a specific family cap provision, but some States have chosen to adopt such a provision (see Table 12:17).

Table 12:17
Family Cap Policies

State	Special treatment of additional children	Special treatment if child born more than X months after case opening	Increase in cash benefit for an additional child (and special provisions)	Special treatment discontinued if case closed X months[1]
Alabama	No	—	—	—
Alaska	No	—	—	—
Arizona	Yes	10[2]	None (disregard)[3]	Always capped
Arkansas	Yes	1	None	6
California	Yes	10 [4]	None	24
Colorado	No	—	—	—
Connecticut	Yes	10	$50	Always capped
Delaware	Yes[5]	10	None	Always capped
District of Columbia	No	—	—	—
Florida	Yes	10	Half of normal increase for adding first child; none for additional children	Always capped
Georgia	Yes	10	Varies[6]	Always capped
Hawaii	No	—	—	—
Idaho	No[7]	—	—	—
Illinois	No	—	—	—
Indiana	Yes	10	None	Always capped
Iowa	No	—	—	—
Kansas	No	—	—	—
Kentucky	No	—	—	—
Louisiana	No	—	—	—
Maine	No	—	—	—
Maryland	No	—	—	—
Massachusetts	Yes	10	None (disregard)[8]	Always capped
Michigan	No	—	—	—
Minnesota	Yes	10	None[9]	10

Table 12:17
Family Cap Policies

State	Special treatment of additional children	Special treatment if child born more than X months after case opening	Increase in cash benefit for an additional child (and special provisions)	Special treatment discontinued if case closed X months[1]
Mississippi	Yes	10	None	Always capped
Missouri	No	—	—	—
Montana	No	—	—	—
Nebraska	No	—	—	—
Nevada	No	—	—	—
New Hampshire	No	—	—	—
New Jersey	Yes	10	None (earner exemption)[10]	12 [11]
New Mexico	No	—	—	—
New York	No	—	—	—
North Carolina	Yes	10	None	Always capped
North Dakota	Yes	8	None	12
Ohio	No	—	—	—
Oklahoma	Yes	10	None (voucher)[12]	Always capped
Oregon	No	—	—	—
Pennsylvania	No	—	—	—
Rhode Island	No	—	—	—
South Carolina	Yes[13]	10	None (voucher)[14]	Always capped
South Dakota	No	—	—	—
Tennessee	Yes	10	None	1 [15]
Texas	No	—	—	—
Utah	No	—	—	—
Vermont	No	—	—	—
Virginia	Yes	10	None	Always capped
Washington	No	—	—	—
West Virginia	No	—	—	—
Wisconsin	No[16]	—	—	—
Wyoming[17]	Yes	10	None	Always capped

Source: Table IV.B.1 Family Cap Policies, July 2009 from the Urban Institute's Welfare Rules Database, funded by DHHS/ACF and DHHS/ASPE.

Note: Some units may be exempt from the family cap policies. See the Welfare Rules Database for more details on exemption policies.

1 This column describes the number of months a unit must remain off assistance to regain eligibility for a previously capped child. Some States permanently exclude capped children even if the unit cycles on and off assistance, while other States may include previously capped children in benefit and eligibility calculations if the unit has not received assistance for a specified period.

2 The 10-month grace period only applies to the first child born after November 1, 1995. All subsequent children born to the family are capped unless they were conceived during a 12-month or longer period of nonreceipt.
3 Units subjected to the family cap receive an additional earned income disregard equal to the lost benefit amount. This additional disregard is allowed for each month the member is excluded due to a cap.
4 Children born less than 10 months after case opening are not subject to the family cap provided the unit leaves assistance for two months during the 10-month period leading up to the birth.
5 In addition to the family cap policy, any child born after December 31, 1998, to an unmarried minor parent is ineligible for cash assistance, regardless of whether the minor was receiving aid at the time of the birth. If the minor received benefits within 10 months of the birth of the child, the child will always be capped. If the minor did not receive benefits within 10 months of the birth of the child, the child will be eligible for assistance once the minor turns 18. Units in which the child is not permanently capped may receive noncash assistance services in the form of vouchers upon request, but they will not be automatically given each month. Receipt is based on need, and the total monthly value of the vouchers is capped at $69.
6 The additional child increases the Standard of Need but not the Family Maximum. If the family has no income, the cash benefit will not increase. However, if the family has income, the benefit may increase but cannot increase higher than the maximum payment for the family size excluding the capped child.
7 The State provides a flat maximum benefit, regardless of family size. However, the Work Incentive Payment increases with family size, so the benefit for a unit with income may increase with an additional child, but never beyond the maximum benefit level.
8 Units subject to the family cap receive an additional earned income disregard equal to the first $90 of income received by or on behalf of a capped child in any month.
9 The family cap only applies to the cash assistance portion of the benefit the additional child would receive. The child will still be eligible for the food portion of the benefit.
10 Units in which at least one adult member of the unit is working (any number of hours) are not subject to the family cap.
11 After case closure, if the recipient is employed for three months and loses the job by no fault of his or her own and then reapplies for assistance, the previously capped child is included in the unit. These units do not receive a new 10-month grace period for any subsequent pregnancies, however.
12 The unit will not receive cash for an additional child; however, the unit will receive a voucher for the amount it would have received during the first 36 months to pay for expenses associated with the child. Vouchers are similar to cash. The capped portion of the benefit is distributed every month, divided into two vouchers that can be used at any store to purchase things necessary for the capped child.
13 The unit is not eligible for assistance if the only child in the unit is the capped child.
14 Benefits are available in the form of vouchers up to the amount of increase in cash benefits the unit would have received for the child.
15 The family cap will continue until the case is closed. If the case is reopened, the cap is discontinued unless the case was closed for failure to cooperate with child support requirements, failure to fulfill requirements included in the contract, or if at the time of case closure the unit was sanctioned for noncompliance with these requirements, even if noncompliance was not the reason for the closure.
16 The State provides a flat benefit, regardless of family size.
17 The State does not allow any individual–including parents, adult relatives, or older children—to be added to the unit's payment 10 months after the initial qualification for assistance. A new individual's income and resources will be counted for eligibility and benefit determination.

XIII. TANF Research and Evaluation

This chapter highlights HHS' key research and evaluation initiatives pertaining to the TANF program and TANF recipients, and summarizes findings from recent research reports through early FY 2010. HHS' research agenda in this area has two main goals: (1) to provide timely, reliable data to inform policy and program design and management, especially at the State and local levels where much of the decision-making takes place; and (2) to inform the Nation of the effects of policies and programs on low-income children, families, communities, and the Nation as a whole.

The research undertaken to achieve these goals is carried out primarily by ACF's Office of Planning, Research and Evaluation (OPRE) and the Office of the Assistant Secretary for Planning and Evaluation (ASPE), also within HHS. OPRE and ASPE carefully coordinate their research agendas with each other and with other government agencies and private foundations. Many projects involve collaboration and partnerships.

Highlights of Major Research and Evaluation Findings with findings released from late 2007 through early FY 2010

Many of HHS's family self-sufficiency evaluation projects are multi-year studies of demonstrations with both short and long term follow-up of participant outcomes and impacts; so projects highlighted in this introduction section are TANF-relevant with findings released during the period that overlaps with the eighth TANF Report to Congress to help ensure a comprehensive reporting of relevant findings and results.

Research discussed throughout this chapter includes experimental impact evaluations, implementation evaluations, and descriptive projects to improve learning about family self-sufficiency by increasing employment and earnings and supporting eligible individuals' access to safety net programs and supports for stable employment. Populations targeted by this research include the hard-to-employ and low-income parents. In addition to prioritizing projects focused on family economic security, this chapter also conveys findings from research on programs designed to strengthen parents' and couples' relationships and families.

The overview section is followed by a more comprehensive list of study descriptions.

Increasing Employment Stability and Earnings for Low-Wage Workers: Promising Programs in the Employment Retention and Advancement Project

In the 1980s and 1990s, efforts to engage low-income individuals in employment typically focused on entry into the labor market. The Employment Retention and Advancement (ERA) project was designed to go beyond these efforts by identifying ways to promote stable employment and advancement to higher-paying jobs.

The study tested 12 models that reflected state and local choices regarding target populations, goals, ways of providing services, and staffing. Almost all models had the following components: some services provided by organizations other than government social service agencies; counseling/coaching as the platform from which to provide services; and job search assistance. Additionally, almost all models had the TANF agency as the lead, and about half had an active partner in the workforce or one-stop agency. Other key features of some programs included: financial incentives to encourage retention; career-focused approaches in job clubs to finding jobs; and using a for-profit employer intermediary to place people into better jobs.

A final core report summarizing the implementation and finding of the study was published in 2009 and can be found at:
http://www.acf.hhs.gov/programs/opre/welfare_employ/employ_retention/reports/different_approaches/era_core.pdf. This is the document of the final evaluation findings for all sites. Additional analysis and syntheses of these findings will be produced.
The key findings of the core report analysis are:

- **Out of the 12 programs evaluated, three ERA programs produced positive economic impacts; nine did not (the entire group of ERA demonstrations are described below).** Increases in employment retention and earnings were largest and most consistent over time in programs in Corpus Christi, Texas; Chicago; and Riverside County, California. These programs increased annual earnings between 7 and 15 percent. Each served a different target group, which suggests that employment retention and advancement programs can work for a range of populations. In the Chicago and Riverside programs, impacts were driven by participants entering another job after random assignment, rather than by being stably employed at their original job. Additionally, in Chicago, the impacts were also driven by the fact that many participants moved into UI-covered jobs. In Corpus Christi, the impacts were likely driven by the strong implementation of the model in this site and aggressive marketing of financial incentives.

- **The programs tested in ERA can be categorized according to the model's target population.** Programs that served TANF recipients who were unemployed at the time of enrollment were the Texas Corpus Christi, Fort Worth, and Houston programs, and the Los Angeles Enhanced Job Club, and Salem, Oregon programs. Employed TANF recipients were targeted by an individualized post-employment program in Los Angeles, and two programs in Riverside, California (one focused on training and run by a county welfare agency and one workforce agency-run with greater flexibility to reduce or eliminate required work hours). The remaining programs targeted employed individuals not receiving TANF assistance at the time of enrollment. These included an employer-based program in Cleveland; individualized career counseling and service referral programs in Medford and Eugene, Oregon; a community-based organization and community college-run program in Riverside, California; and a program in South Carolina offering services and financial incentives to TANF-leavers.

For ERA programs showing no impacts, implementation challenges were one characteristic suggested to have affected outreach to target populations. For instance, the implementation of the Texas program in Fort Worth started out weak and improved over time, which may have diluted the strength of impacts because many program group members went through the program before implementation improved. Also experiencing trouble in implementation among the models serving unemployed TANF recipients were Houston and Salem, neither of which showed positive impacts. The Los Angeles program was considered to have been well-implemented but did not offer postemployment services and did not show positive impacts. For programs targeting individuals who were not receiving TANF and who were working or recently employed, the study cited a number of implementation challenges and noted that sites were not always able to operationalize certain program elements. Among programs targeting employed TANF recipients, implementation issues were less frequently cited, though the Los Angeles program in this group notably experienced difficulties with unexpectedly high reemployment needs and limited staff skills in providing career counseling.

- **Increases in participation beyond control group levels were not consistent or large, which may have made it difficult for the programs to achieve impacts on employment retention and advancement.** Engaging individuals in employment and retention services at levels above what they would have done in the absence of the programs was a consistent challenge. In addition, staff had to spend a lot of time and resources on placing unemployed individuals back into jobs, which made it difficult for them to focus on helping those who were already working to keep their jobs or move up.

In 2009 ACF published a benefit cost analysis report which can be found at: http://www.acf.hhs.gov/programs/opre/welfare_employ/employ_retention/reports/benefits_cost/benefits_cost.pdf.

The benefit-cost analysis focuses on three programs that operated in four sites that resulted in positive impacts, as described above. These programs were selected because comparisons between the treatment and control groups showed that these programs increased individuals' employment and earnings:

Corpus Christi and Fort Worth, Texas. This ERA program targeted welfare applicants and recipients who were seeking work; it used financial incentives and other services to help participants find jobs, stay employed, and increase their earnings.

Chicago, Illinois. This ERA program targeted welfare recipients who were working steadily, but earning too little to leave the welfare rolls; partly by helping individuals to change jobs, it aimed to increase participants' earnings.

Riverside County, California. The Riverside Post-Assistance Self-Sufficiency (PASS) ERA program targeted individuals who had left welfare and were working; services were delivered primarily by community-based organizations to promote retention and advancement and, if needed, reemployment.

The key findings of the report are:

Program group members were better off financially as a result of the ERA programs. All three programs produced net financial gains from the perspective of program group members.

From a budget perspective, Riverside PASS essentially broke even, but the ERA programs in Chicago and Texas did not produce net savings. That is, the additional amount spent on ERA services was not recouped by welfare savings and increased tax revenue.

All three ERA programs produced financial gains for society as a whole. Combining net gains and net losses from the perspectives of the program group and the government budget, the programs led to financial increases for society. Riverside PASS had the largest gains because it increased program group members' income at no net cost to the government.

For every dollar that the government invested in these ERA programs, program group members gained more than one dollar. This suggests that the three ERA programs with positive impacts among the twelve evaluated programs were cost-effective.

Effective Strategies for Serving the Hard-to-Employ

State and local TANF officials and other service providers continually express the need for more information and guidance as they develop employment-focused strategies to work more effectively with TANF recipients who face substantial barriers to employment. These include adults with substance abuse and/or mental health problems, physical or developmental disabilities, learning disabilities or very low basic skills, those who have experienced domestic violence, or those who have a general history of low and intermittent employment. In many instances, agencies continue to seek new methods and strategies to meet the needs of individuals facing one or more of these barriers in order for them to enter and succeed in the labor market.

ACF, ASPE, and the Department of Labor (DOL) have funded a major evaluation project that is intended to increase knowledge about the most effective strategies for helping hard-to-employ, low-income parents and individuals find and sustain employment, and improve family and child well-being. *Enhanced Services for the Hard-to-Employ Demonstration and Evaluation* is a multi-year, multi-site project that began by first identifying agencies and organizations already working or interested in working with the target population, and then working further with promising sites towards designing and implementing programs that address barriers to employment by using state-of-the art methods and approaches. The evaluation utilizes an experimental design to assess program effectiveness and will document the implementation and operational lessons from the perspective of program operators, administrators, and participants. It is testing intervention strategies in four sites, including:

1. A transitional employment support program for recent prison parolees in New York City;
2. An outreach effort in Rhode Island designed to enlist Medicaid recipients with depression into mental health treatment and connect them to employment services;

3. Three Early Head Start Programs in Kansas and Missouri enhancing and expanding the self-sufficiency components of the program to achieve employment gains and positive child impacts; and
4. A program in Philadelphia testing two promising approaches for TANF recipients with significant barriers – a transitional employment approach, and one relying on in-depth assessment and an individually tailored menu of employment and support services and intensive case management.

An interim impact report on one of the sites, *Transitional Jobs for Ex-Prisoners: Implementation, Two-Year Impacts, and Cost of the Center for Employment Opportunities (CEO) Prisoner Reentry Program* (http://www.acf.hhs.gov/programs/opre/welfare_employ/enhanced_hardto/reports/ex_prisoners/ex_prisoners_title.html), was released in the summer of 2009. CEO, in New York City, is one of the nation's largest employment-focused prisoner reentry programs. The evaluation utilized an experimental, random assignment design. The report covers impacts for one year after participants entered the study.

CEO uses a distinctive transitional employment model. After a four-day job readiness class, participants are placed in temporary, minimum-wage jobs with work crews that perform maintenance or repair work under contract to city and State agencies. Participants are paid daily. Within weeks, they also receive help finding permanent jobs and follow-up services to promote employment retention. The evaluation targeted a key subset of CEO's population – ex-prisoners referred to the program by a parole officer. Key findings include:

1. CEO's program operated smoothly during the study period, and most program group members received the core services.
2. CEO generated large, but short-lived increases in employment. This was driven by its transitional jobs.
3. CEO reduced recidivism during the first and the second year of the study.

A report released in the fall of 2009 presents interim results from an evaluation of two different welfare-to-work strategies for hard-to-employ TANF recipients in Philadelphia (http://www.acf.hhs.gov/programs/opre/welfare_employ/enhanced_hardto/reports/alternative_welfare/alternative_welfare.pdf):

1. A transitional jobs model by the Transitional Work Corporation (TWC) that quickly places participants into temporary, subsidized jobs; provides work-related supports; and, building on this work experience, helps participants seek permanent jobs.
2. Success Through Employment Preparation (STEP) aims to assess and address participants' barriers to employment, such as health problems, before they work.

Results after 18 months show that the TWC program substantially increased employment in the short term, but the STEP program did not. The TWC group earned more than the control group and received less welfare assistance, but the earnings gains and welfare reductions largely offset one another, leaving the two groups with about the same total income.

An interim report from Rhode Island (http://www.acf.hhs.gov/programs/opre/welfare_employ/enhanced_hardto/reports/working_wellness/working_wellness_title.html) on the program designed to enlist Medicaid recipients with depression into mental health treatment and connect them to employment was released in the summer of 2009. It found that case managers effectively engaged participants with depression via telephone, leading to an increase in the use of mental health services by the program group. Although the program did not significantly reduce the average depression level, it did significantly change the distribution of depression severity, reducing the number who were very severely or mildly depressed and increasing the number who were moderately depressed.

Other studies focusing on the hard-to-employ population include the *Identifying Promising Practices for Helping TANF Recipients with Disabilities Enter and Sustain Employment* project begun in 2006. It explored strategies to facilitate the employment of TANF adult recipients living with mental, intellectual, and/or physical disabilities. Conducted by Mathematica Policy Research, Inc., the project explored efforts by States to assist disabled individuals in securing and retaining employment. It focused on providing States with information to assist them in developing programs addressing the employment needs of this population, and helped ACF to develop its research agenda in this area. Final reports were published in February 2008 (see http://www.acf.hhs.gov/programs/opre/welfare_employ/identify_promise_prac/index.html).

Additionally, ASPE contracted with the Urban Institute to provide a snapshot of the different types of disabilities present among TANF recipients, how disability prevalence among this group compares to others, and employment rates among TANF recipients with disabilities. The results serve as a baseline for States making program changes that affect TANF recipients with disabilities. The final report, *Disabilities Among TANF Recipients: Evidence from the NHIS* (http://aspe.hhs.gov/hsp/09/DisabilityAmongTANF/index.shtml), was released in May 2009. Major findings are:

- The prevalence of disability varies greatly depending on the measure used. It is important to choose the appropriate measure of disability for the analysis being performed.
- TANF recipients have higher rates of disability than all adults on all measures of disability included in this report. SNAP recipients generally have similar rates to TANF recipients. Low-income single mothers generally have disability rates higher than all adults, but lower than TANF and SNAP recipients.
- Using a broad composite measure of disability that includes the presence of a self-care limitation, a limitation in routine activities or movement, an emotional or mental health limitation, a sensory limitation (vision or hearing), a cognitive limitation, a social limitation, a work limitation, or receiving disability benefits, two-fifths of TANF and SNAP recipients have a disability.
- A more restrictive measure of those with significant limitations in self-care or routine activities finds about one-tenth of each recipient group with a disability.
- About 14 percent of TANF recipients and almost one-fifth of SNAP recipients have a family

member with a disability (either an adult or a child). This is roughly double the rate for all adults.

Employment rates among TANF recipients with disabilities are substantially lower than among recipients without disabilities and than all adults with disabilities. About 18 percent of TANF recipients with a disability (using a broad measure of disability) are employed compared to 44 percent of TANF recipients without a disability and 55 percent of adults with disabilities.

TANF Caseload Composition and Leavers Synthesis

The *TANF Caseload Composition and Leavers Synthesis* updated past assessments of the characteristics and success in work engagement of (a) the TANF caseload and (b) those who have left the TANF caseload (or "leavers"). The purpose of a March 2007 update was to determine if the caseload population of TANF leavers have become more or less disadvantaged in the last five and ten years. More specifically, it was prompted by two questions:

1. How do the characteristics of the TANF caseload compare with AFDC/TANF caseload characteristics five and ten years ago? Is it more or less disadvantaged?
2. What are the characteristics and outcomes for families that recently left the TANF rolls compared with families on TANF, and compared with families that left the TANF rolls five and ten years ago? Are TANF leavers today more or less disadvantaged?

This update was necessary because many studies on caseload composition and leavers have concentrated only on the early TANF period (approximately 1997 to 2001), and most of these studies do not use national data sets.

The study found that, in general, there were few changes to the composition of the caseload and the characteristics of leavers through 2005. Changes that did occur for both recipients and leavers were concentrated in the early TANF period (1997-2001). Typically, changes in the early period were either partially reversed or slowed in the later TANF period (1999-2005).

More specifically, despite the massive decrease in TANF caseloads (more than 50 percent from 1996 to 2006) and the very different economic climate during the early (1997-2001) and late (1999-2005) TANF periods, the demographic characteristics of families receiving assistance are remarkably stable. Data on different cohorts of welfare leavers indicate that, in most respects, the personal and family characteristics of leavers are also fairly stable. Additionally, with some exceptions (specifically health-related issues), there has been little change in barriers to employment among recipients and leavers (e.g., having less than a high school degree, having a child on SSI) over time. Work participation increased for female recipients in the early TANF period (1997-2001). The trend partially reversed in the later period (1999-2005). Meanwhile, employment decreased among leavers. Nevertheless, families are better off in terms of income after exiting the program than while receiving TANF benefits. The authors add, "the key transition for raising household income seems to be moving from non-work to work." This transition may not coincide precisely with the transition off welfare. The final report may be viewed at http://www.acf.hhs.gov/programs/opre/welfare_employ/tanf_caseload/index.html.

Strengthening Unmarried Parents' Relationships: The Early Impacts of Building Strong Families and the Building Strong Families Project

The *Building Strong Families (BSF) Demonstration and Evaluation* is a large-scale, multi-site test of marriage and relationship education programs for low-income unmarried parents (18 or older) who are expecting or have had a child (within the last 3 months). BSF provides for implementation and impact evaluation. Over 5,000 couples were enrolled in the sample across eight programs.[10] Each agency implemented the three components of the BSF model: 1) relationship and marriage education skills workshops, 2) case management through family support workers, and 3) referrals to other services, within their organizational and community environments. The agencies implementing BSF are in Florida (Broward and Orange counties), Georgia (Atlanta), Indiana (Allen, Lake, Marion and Miami counties), Louisiana (Baton Rouge), Maryland (Baltimore), Oklahoma (Oklahoma City), and Texas (Houston and San Angelo). An interim impact report on key measures and an implementation report documenting program management and operations by the eight agencies were released in May 2010.

The BSF evaluation utilized a rigorous random assignment design to establish a program group which could receive BSF services and a control group which could not. Data for the interim impact analyses were collected through surveys administered separately to women and men in both the program and control groups about 15 months after they enrolled in the study. The May 2010 impact report presents findings on key measures related to relationship status and quality, parenting and father involvement, and parent well-being. The implementation report presents information on the organizations, their staffing and management structures, procedures and practices used to engage couples, and the types and level of services received by couples in the program group as well as characteristics of enrolled mothers and fathers.

The impact report indicates:

- Overall, across all eight programs at the 15-month follow-up period, BSF did not produce significant impacts on key measures such as couples' relationship status or quality; attitudes toward marriage; approaches to conflicts or rates of intimate partner violence; parental engagement in cognitive and social play activities with the child; father involvement; or the economic well-being of families.
- BSF did significantly decrease spanking practices among mothers; parenting stress and aggravation among mothers; and the prevalence of depressive symptoms among both mothers and fathers.
- When data for the eight programs were analyzed separately one program was found to have a pattern of significant positive impacts on key measures while another program had a pattern of negative impacts.
- There were few or no impacts in the other six, with no pattern of effects.

[10] Couples were screened out of BSF and referred to more appropriate services if either partner reported severe domestic violence.

- Sub-group analyses also revealed a pattern of positive impacts for African-American couples (when both members of the couple identified themselves as African-American). This subgroup finding was concentrated in the program with the pattern of positive impacts.

The implementation report indicates that about one-half of couples in the study were African-American, about 25 percent were Hispanic, and 16 percent were White. Most couples (83 percent) were cohabiting when they enrolled in the study. Partners knew each other about three years before enrollment and more than 70 percent thought the chance of marrying their partner was pretty good or almost certain. The report indicates that on average, 55 percent of couples assigned to the program group attended one or more group sessions with averages varying across the eight programs from 40 to 73 percent. Of those who attended at least one session, couples spent an average of about 21 hours in group sessions, ranging from 15 hours to 27 hours across the programs. The program with the pattern of positive impacts achieved some of the highest rates of participation and 45 percent of those couples received 80 percent or more of the curriculum. In the remaining programs, only about 9 percent of couples received 80 percent of the curriculum.

Another round of adult survey data as well as observational data on the cognitive and socio-emotional development of couples' child and parent-child interactions is being collected when the child is about 3 years old. A report based on these data will be available in 2012. The current reports may be viewed at:
http://www.acf.hhs.gov/programs/opre/strengthen/build_fam/index.html

Overview of TANF-Related Research and Evaluation Efforts

This section summarizes major, relevant HHS research and evaluation efforts in the following categories:

- Research Examining Implementation and Operations of TANF
- Strengthening Families through Responsible Fatherhood and Healthy Marriages and Relationships
- Innovative Employment Strategies
- Rural Welfare-to-Work Strategies
- Understanding the Low-Wage Labor Market
- Child Care and TANF
- Improving the Use of TANF and Other Administrative Data
- Partnering with Community, Faith-Based Providers and Philanthropy
- Disasters and Emergency Response

Research Examining Implementation and Operations of TANF

HHS has completed a series of studies focused on the implementation of the TANF program. In particular, these projects have focused on a few key areas, including: work-oriented sanctions, local implementation, work participation, time limits, diversion programs, working with disabled clients, and general knowledge-building around the TANF program and general self-sufficiency. The following discussion highlights the major projects ACF and ASPE have undertaken around various aspects of TANF implementation.

1. **Using Work-Oriented Sanctions to Increase TANF Program Participation:** In 2005, ACF conducted a study in eight welfare office sites to determine how sanction policies were being implemented at the local level. It focused on the relationship between sanction policies and State efforts to meet their work participation rate requirements. Major findings of this study, released in September 2007, (http://www.acf.hhs.gov/programs/opre/welfare_employ/sanction_pol/reports/sanction_pol/sanction_pol_title.html) include:

   Several States switched from partial to full-family sanctions, and none switched from full-family to partial-family sanctions;

   In Texas and in Georgia, more stringent sanction requirements appeared to increase work participation rates by closing cases, but did not increase the number of persons meeting the work participation requirements;

   Several sites sought ways to streamline the sanction process so that sanctions could be imposed more quickly, and several dedicated workers specifically to the sanction process; and

   Several sites made greater efforts to re-engage noncompliant recipients (some by a home visit) before a sanction was imposed, and several increased efforts to reengage recipients after they had been sanctioned in order to bring them back into compliance as quickly as possible.

2. **Local Implementation of TANF:** This project, started in 2005, involved a study of local management of TANF programs in five sites and considered how programs are organized; the nature, quality, and frequency of staff training; management of contracted services; and outcome measurement and reporting. Sites selected for the study included locations where there had been earlier field research in order to gauge changes since the early years of TANF implementation. Key findings, released in January 2007, (http://www.acf.hhs.gov/programs/opre/welfare_employ/local_impl/reports/local_impl/local_implementation.pdf) included:

   Most changes in policies and procedures affecting the local implementation of TANF originated at the State level;

   Locally initiated changes most often involved office procedures;

   State and local policies and procedures have been adopted that by design or otherwise, have limited participation in TANF cash assistance; and

   Institutional structures have become more complex in most of the local sites in recent years.

The project was extended because, as field work neared completion, TANF was reauthorized under the DRA. This legislation included several provisions that significantly increased States' effective work participation rate requirements and removed the option of moving disadvantaged clients into separate-state programs to exclude them from rate calculation. Beginning in June 2006, States and local jurisdictions were required to bring their programs under compliance with new regulations under the DRA. A follow-up report exploring local adaptations to the DRA was published in March 2008 (http://www.acf.hhs.gov/programs/opre/welfare_employ/local_impl/index.html).

3. **Strategies for Increasing Work Participation Rates:** In 2006, ASPE, with ACF support, began this study to identify, describe, and assess strategies that States and localities used to increase the work participation of TANF clients. After soliciting input from experts on the range of efforts that States and local offices undertook in response to the DRA, site visits were conducted to identify and document promising strategies. The study found a range of strategies that States have implemented to achieve higher TANF work participation rates. These strategies fell into four broad categories: (1) creating new work opportunities for TANF recipients; (2) administrative strategies; (3) TANF policy changes; and (4) creation of new programs. In addition to a final summary report, the study also produced a series of practice briefs which described barriers, population targeting, services provided, staffing plans, costs, and timelines for exemplary strategies. For the full final report, published in December 2008, please see: http://aspe.hhs.gov/hsp/08/TANFWPR/5/report.pdf. The series of briefs may be accessed at: http://aspe.hhs.gov/hsp/08/TANFWPR/.

4. **Time Limits, Separate State Programs, and Participation Requirements:** This study, started in 2006, provided a comprehensive examination of what has been learned to date about time limits, including: the number of families affected; the effect of time limits on employment and welfare receipt; the circumstances of families whose welfare cases have been closed because they reach time limits; and the implementation of State policies related to time limits, including establishment of Separate State Programs. The study was based on three activities: (1) a synthesis of the existing research on time limits; (2) an analysis of monthly TANF administrative data States report to ACF; and (3) site visits to eight States. A final report was published in April 2008. For the full report, please see: http://www.acf.hhs.gov/programs/opre/welfare_employ/sep_state/index.html.

5. **Identifying Promising TANF Diversion Practices:** This study, begun in 2006, examined state and local efforts to divert TANF applicants from applying for cash assistance. The main objectives were to provide state and local TANF offices with information on promising strategies for diverting TANF applicants to employment or otherwise meeting their need for assistance, and to identify and recommend potential approaches for further study and evaluation of diversion practices. The study (http://www.acf.hhs.gov/programs/opre/welfare_employ/identify_promise_tanf/reports/ta

nf_diversion/tanf_diversion.pdf) found that all but three States had implemented at least one diversion strategy and identified three types of diversion strategies:

Lump-sum payment programs provide applicants who are employed or have a job offer with the option of accepting a one-time cash or voucher payment to meet immediate needs, in lieu of receiving TANF;

Applicant work requirements, in particular the requirement to conduct a job search, target applicants likely to be subject to the TANF work requirements and require them to participate in work-related activities during the 30- to 45-day application certification period; and

Temporary support programs provide up to four months of assistance, which do not count toward TANF time limits or work participation rates.

6. **Serving TANF Recipients with Disabilities:** First, in 2006, (see above) ACF began *Identifying Promising Practices for Helping TANF Recipients with Disabilities Enter and Sustain Employment*. Second, in 2008, ACF entered into a partnership with the Social Security Administration to examine the overlap in the TANF and SSI populations, document current approaches for identifying and working with individuals with a disability, and identify approaches to work more effectively and efficiently with individuals who may be eligible for both TANF and SSI. The *TANF/SSI Disability Transition Project* takes place in two major stages:

   The first stage consists of understanding the current environment through data exchange, analysis, and model development. The project team works with sites to document the number of cases involved, their current procedures for identification of disability and referral to SSI, as well as develops locally-driven innovations for engaging individuals with disabilities in employment-related activities and for making appropriate referrals.

   In the second stage, programmatic innovations are pilot-tested and monitored for program performance. This stage documents the implementation of innovative approaches and provides recommendations for evaluating these or similar pilot interventions.

7. **Furthering the Welfare and Self-Sufficiency Research Field:** ACF, with ASPE support, is funding updates to the *State TANF Policies Database*. The database, originally begun in 1997 to track State TANF rules, is a single location where information on program rules can be researched across States and/or years. The database has been updated and tables summarizing State TANF policies have been published each year since 1997. The most recent database report was released in August of 2009 and can be found here: http://www.acf.hhs.gov/programs/opre/welfare_employ/state_tanf/reports/databook08/databook2008.PDF. Second, ACF currently sponsors the *Self-Sufficiency Research Clearinghouse* project. Following a design phase, the website will disseminate quality research and evaluation studies on TANF and low-income populations, focusing on self-sufficiency, employment, and family and child well-being. The project is intended to assist researchers, policymakers, and practitioners in accessing high-quality research. The design phase will examine how to engage and serve the needs of these three user groups, while also considering questions around research standards and categorization.

8. **Participation of American Indians/Alaska Natives (AI/ANs) in State and Tribal TANF programs:** ASPE researchers analyzed FY 2006 administrative data to examine basic trends and characteristics of AI/AN caseloads in state and TribalTribal programs. Comparisons between state, TribalTribal programs and non-AI/AN caseloads in state programs regarding their characteristics also were presented. The analysis, reported in an April 2009, ASPE Research Brief, *Characteristics of American Indians and Alaska Natives Participating in Temporary Assistance for Needy Families Programs* (http://aspe.hhs.gov/hsp/09/ai-na-tanf/rb.shtml), found that:

Similar to non-AI/AN TANF caseloads, caseloads for AI/AN families in state and Tribal programs have declined since the early 1990's. There has been an increase in TANF participation among AI/AN populations that coincides with the introduction of Tribal TANF programs but does not reach mid-1990's levels. Approximately 23 percent of all AI/AN families in TANF programs participated in Tribal programs. Of those families, over 85 percent reside in six States — Arizona, California, Washington, Montana, Alaska, and New Mexico.

AI/AN caseloads in Tribal programs have a smaller percentage of child-only cases (27 percent) compared to AI/AN families in State programs (40 percent) and non-AI/AN families in state programs (45 percent).

The average age of TANF adult recipients is the same (31 years) for non-AI/ANs in State programs as for AI/ANs in Tribal programs, and similar to the average age (30 years) of AI/ANs in State programs. The three groups are also similar with regard to whether they have a child who is younger than 6 years of age.

The average grant amounts per family are similar for non-AI/ANs and AI/ANs in State programs ($371 and $384 respectively). However, average grant amounts are larger ($443) for those in Tribal programs. The higher grant amounts may result from differences in the caseload characteristics of these groups; on average, families receiving assistance from Tribal programs are larger and have fewer adults working in unsubsidized employment than families receiving assistance from State programs.

The average number of recipients per family was 2.4 for non-AI/AN and 2.5 for AI/AN families in State programs, compared to 3.4 for families in Tribal programs. The higher number of recipients in Tribal families may be influenced by the fact that they have proportionately more one and two parent families than State programs, and that families in Tribal TANF programs average more children per case than non-AI/ANs and AI/ANs in State programs.

A greater percentage of non-AI/AN adults in State programs (22 percent) participated in unsubsidized employment than AI/AN adults in State programs (18 percent) and AI/AN adults in Tribal programs (12 percent). This pattern was reversed when examining the percentage of adults participating in work preparation and community service activities, not including unsubsidized employment – 43 percent of Tribal TANF adults participated in work preparation activities compared to 30 and 21 percent of AI/AN adults in State programs and non-AI/AN adults respectively. Non-AI/AN adults were more likely to not participate in any work activities than AI/AN adults in State programs and adults in Tribal programs.

- A much greater percentage of non-AI/AN families in State programs (84 percent) reside in urban areas than do AI/AN families in State programs (57 percent) or AI/ANs in Tribal programs (29 percent). In addition, a much greater percentage of AI/AN families in State and Tribal programs (32 percent and 63 percent respectively) live about one hour or more away from urban areas compared to non-AI/AN families (6 percent), suggesting greater difficulty in accessing employment and health and human services.

Strengthening Families through Responsible Fatherhood and Healthy Marriages and Relationships

ACF and ASPE have developed a multi-pronged approach to build the knowledge base around the effectiveness of healthy relationship and marriage education services. Completed projects in this area include a joint ACF and ASPE funded descriptive evaluation of *Partners for Fragile Families (PFF)* demonstrations which targeted young unwed fathers (16 to 25 years old).

- PFF programs were implemented in nine States in which child support enforcement programs and community-based organizations worked together to help young fathers obtain employment, make child support payments and learn parenting skills. The evaluation documented the effects of these interventions on poor, young, unwed fathers' employment, child support payments, parenting and family relationships. Overall, most PFF participants fared poorly in the labor market (as measured by UI records), but child support outcomes were more positive, especially in light of the very modest employment gains. Four reports/documents were produced (http://aspe.hhs.gov/hsp/07/PFF/index.htm).

In FY 2003, ASPE and ACF jointly funded a project by the Lewin Group and the Urban Institute to explore options for the collection of marriage and divorce statistics at the national, State, and local levels, given the gaps in data available. A series of reports from this project were released in 2008 (http://www.acf.hhs.gov/programs/opre/strengthen/expl_opt/index.html). Also available from the project is a State marriage and divorce vital statistics web tool (http://www.statemarriageanddivorcestats.com/).

In late FY 2003, ACF funded an additional rigorous evaluation of healthy marriage education and support services for low-income married couples with children.

- The *Supporting Healthy Marriage (SHM)* evaluation, being conducted by MDRC, will document impacts and the implementation of eight SHM programs operated by organizations in seven States. The SHM evaluation utilizes a random assignment design, two rounds of survey and observational data collection for impact analysis (at 12 and 24 months), and implementation analyses. Initial impact and implementation reports are expected in 2012 and a report on the longer term follow-up is expected in 2014.
    - Two working papers related to the study have been released as well as a report titled "Early Lessons from the Implementation of a Relationship and Marriage Skills Program for Low-Income Married Couples**."** This report presents findings

from the implementation evaluation component of the SHM study and includes descriptions of early operational experiences and lessons from the ten organizations providing SHM services. (see http://www.acf.hhs.gov/programs/opre/strengthen/support_hlthymarr/index.html).

Another evaluation study is the *Community Healthy Marriage Initiative Evaluation* (CHMI), being conducted by RTI International and the Urban Institute.

It includes: (1) implementation evaluations of 14 section 1115 waiver demonstrations authorized by the Office of Child Support Enforcement (OCSE); and (2) an impact and implementation evaluation in six communities based on a matched-community pairs design. A report on the impact and implementation evaluation component is expected in 2011. Three reports on the implementation of section 1115 projects have been released to date, which are available at http://www.acf.hhs.gov/programs/opre/strengthen/eval_com/index.html.

In 2005, ASPE contracted with Mathematica Policy Research Inc. to conduct a process evaluation of the *Oklahoma Marriage Initiative*, one of the largest State-level initiatives. A series of research briefs and a final report were produced (http://aspe.hhs.gov/hsp/06/OMI/).

Also in FY 2005, ACF awarded five multi-year grants to further knowledge about healthy marriage among low-income populations. Results will be available in 2011.

Two involved evaluations of intervention services, one assessing the effects of high-school based curriculum and the other evaluating the impacts of a curriculum specifically developed for African-American couples.

Two other grants analyzed existing data sets to address policy-relevant questions and the fifth grant collected primary data on barriers to couples' participation in marriage education.

In FY 2006, ACF issued a *Responsible Fatherhood and Healthy Marriage Research Initiative* announcement that resulted in three five-year grants to support impact evaluations of programs that promote responsible fatherhood and support healthy marriages between low-income parents. Results will be available in 2011.

ASPE contracted with Mathematica Policy Research, Inc. to conduct secondary analyses of existing national data sets to produce a broad range of State-level statistical information on the characteristics of populations that could be used by policymakers to formulate decisions about family strengthening programs that best address the needs and issues in their State.

The Marriage Measures Guide of State-Level Statistics report, produced in 2008, allows comparison of patterns across States (http://aspe.hhs.gov/hsp/08/marriagemeasures/index.shtml).

Another report and a research brief, *The Effects of Marriage on Health: A Synthesis of Recent Research Evidence*, were released in June 2007 (http://aspe.hhs.gov/hsp/07/marriageonhealth/index.htm). They highlight the effects of marriage on health-related measures in five broad areas: health behaviors; health access, use, and costs; mental health; physical health and longevity; and intergenerational health effects.

Pathways to Adulthood and Marriage, an analysis of teenagers' expectations, attitudes, and experiences concerning romantic relationships and marriage, based on four national surveys, was issued in October 2008 (http://aspe.hhs.gov/hsp/08/pathways2adulthood/report.pdf).

Also in 2006, ASPE convened a symposium of a diverse group of experts with research and practice knowledge on marriage and incarceration to understand strategies for improving outcomes for couples who want to maintain healthy marriages during and after one of the partners is incarcerated.

A report summarizing the presentations and discussions, *Research and Practice Symposium on Marriage and Incarceration: A Meeting Summary* (http://aspe.hhs.gov/hsp/07/marr-incar), was published in January 2007.

A study to analyze data from three States to determine the effect of partner relationships on successful prisoner re-entry resulted in, *Impact of Marital and Relationship Status on* Social *Outcomes of Returning Prisoners*, which was released in January, 2009. (See http://aspe.hhs.gov/hsp/09/Marriage&Reentry/rb.pdf)

In 2006, ACF and ASPE awarded a contract to RTI International to evaluate programs awarded grants under the Marriage and Family Strengthening Grants for Incarcerated and Reentering Fathers and their Partners priority area. The evaluation will identify promising approaches to design interventions for couples where one partner is involved with the criminal justice system.

- The project includes an implementation evaluation of 12 sites, and an impact evaluation of five, to evaluate what types of programs work best and what effects they may have on fostering healthy marriages, families, and children. Final implementation findings are expected in 2011 and the final impact report in 2013 (http://aspe.hhs.gov/hsp/08/MFS-IP/index.shtml).

The Hispanic Healthy Marriage Initiative evaluation is funded by ACF and ASPE to document grantees' implementation of culturally-appropriate services for diverse Hispanic populations. The Lewin Group and its subcontractors, MDRC and the Washington University Center for Latino Family Research are conducting it and, in addition to a final report, will produce topical research briefs and a toolkit for practitioners. An initial research brief was released in May 2010 (http://www.acf.hhs.gov/programs/opre/strengthen/hispanic_healthy/index.html).

In 2007, ASPE published a research brief, *Marital and Unmarried Births to Men: Complex Patterns of Fatherhood*, estimating marital and non-marital fatherhood patterns for men ages 15 to 44, based on the National Survey of Family Growth 2002 (http://aspe.hhs.gov/hsp/07/births-to-men/rb.htm). Also in 2007, ACF awarded a contract to Mathematica Policy Research to examine decision making among low-income couples and implications for social service providers. That same year, ASPE established the *National Center for Family and Marriage Research* through a cooperative agreement with Bowling Green State University. The Center examines how marriage and family structure affect the health and well-being of individuals, families, children and communities by addressing key research questions, and establishing a network of multi-disciplinary scholars who research marriage and family structure, develop and train future researchers, improve research methods and data to understand fully the effects of family structure in various domains across the life span, and actively disseminate findings. Papers and reports published by the Center are available at http://ncfmr.bgsu.edu/. In addition, ASPE contracted with Mathematica Policy Research to commission a series of research papers examining the interaction between marriage and health in the African-American community.

ASPE also funded projects to identify the set of family strengths associated with marriage. One examined the relationship between marital quality and parent-adolescent relationships. All can be found at http://aspe.hhs.gov/hsp/08/RelationshipStrengths/index.shtml and additional studies based on the project are available in *Marriage and Family Review (2009), Vol.45*.

Another project examined the connections among financial literacy, asset accumulation and marriage skills programming for low-income couples. A roundtable was convened for experts in marriage education, asset development, and financial education to discuss programs and explore potential collaborations. From it, a meeting summary and two research briefs, *Foundations for Strong Families 101 and Foundations for Strong Families 102* were published (http://aspe.hhs.gov/hsp/09/FinancialStability/index.shtml).

In 2009, the Urban Institute produced, *Extending the EITC to Noncustodial Parents: Potential Impacts and Design Considerations.* This report, produced usingASPE's microsimulation model (TRIM3), provided background and rationale for a non-custodial parent EITC based on tax credits adopted by New York and Washington, DC, as well as tax credits proposed in Federal legislation (see http://aspe.hhs.gov/hsp/09/NCP-EITC/report.pdf).

ASPE, RAND and others completed, *Cohabitation and Marriage Rules in State TANF Programs* to explore whether the recent push for marriage initiatives and the discretion afforded to States under welfare reform has translated into TANF rules or regulations that favor marriage and discourage cohabitation (http://aspe.hhs.gov/hsp/09/CohabitationMarriageRules/index.shtml). Under TANF rules, as was the case under AFDC, the key distinction between types of families is not made on the basis of marriage, but whether the adults are the biological or adoptive parents of the child.

This project consisted of a systematic review of TANF manuals for the 50 States and the District of Columbia (DC) from 2002-2004 and telephone interviews with TANF officials from the 50 States and DC from May to October 2006.

- It identified differences in how the eligibility of a family is treated depending on the household adult(s) relationship to the children, and, to the extent it matters, marital status.
- It examined four different types of families based on the relationship between the adult(s) and children: (1) Couples (married or unmarried) where the adults are the biological or adoptive parents of all the children in the home ("biological families"); (2) couples (married or unmarried) where the male is the biological or adoptive father of some, but not all, of the children in the home ("blended families"); (3) unmarried couples where the male is not the biological or adoptive father of any of the children in the home ("unrelated cohabitor families"); and (4) married couples where the male is not the biological or adoptive father of any of the children in the home ("step-parent families").

The study found that most, but not all, TANF eligibility rules for the family types vary across the States, examples of which are provided below:

- *Biological Families:* Two-parent families are treated the same under TANF rules regardless of marital status inasmuch as both parents are included in the assistance unit.
- *Blended Families:* 18 States have more favorable treatment for such families if they are unmarried. In these States, if the couple is unmarried, the male can be excluded from the assistance unit if his income disqualifies the entire family. If excluded, his income is disregarded. If the couple is married, however, the male is either automatically included in the unit or, if excluded, some portion of his income is counted towards the family's eligibility. In the other 33 States, the male is automatically included or his income is counted regardless of marital status.
- *Unrelated Cohabitor Families:* Generally, an unrelated cohabitor is treated like any other unrelated individual living in the home and his income is not considered in calculating a family's eligibility. Four States automatically reduce a recipient's grant when she lives in the same residence with another adult. One State reduces a recipient's grant when another adult living in the home pays any amount towards shelter costs.
- *Step-parent Families:* 21 States include, and 20 exclude, step-parents from the assistance unit; 10 make step-parents' inclusion optional. In most States where a step-parent is not included, some portion of one's income is considered in calculating a family's eligibility.

Finally, eight States now have some form of explicit marriage "bonus," such as providing a higher earned income disregard or disregarding a new spouse's income for a period of time.

Innovative Employment Strategies

ACF and ASPE have funded a range of research to address issues related to increasing employment among welfare recipients. This research has focused on retention and advancement, the use of education programs, and innovations in employment efforts. The following discussion highlights several major research initiatives undertaken regarding employment for welfare recipients, including project overviews and key findings. The discussion begins with three recent studies and concludes with an overview of current and ongoing efforts.

Recent Employment Projects

One major, recent evaluation of employment programs for welfare recipients is the *Employment Retention and Advancement Project* (ERA). (See above). Initiated in FY 1999, this rigorous experiment tested a new generation of approaches to promoting employment retention and advancement for current and former welfare recipients and other low-wage workers. Conducted by MDRC, the ERA project encompassed more than a dozen models and used a rigorous research design to analyze the programs' implementation and impacts. Positive economic impacts were found in three of the ERA programs. The final report was issued in April 2010 (http://www.acf.hhs.gov/programs/opre/welfare_employ/employ_retention/index.html).

ACF also funded *Innovative Employment Approaches and Programs for Low-Income Familie*s, a project designed to identify potentially effective approaches and programs for promoting stable employment and wage growth among low-income populations. The report from this project, issued in February 2007, established a set of criteria to define and identify innovative approaches and programs and discusses the 12 innovative approaches and 51 programs that were identified (http://www.acf.hhs.gov/programs/opre/welfare_employ/inno_employ/index.html).

Ongoing Employment Research

To coordinate with and build upon the research, methodologies, and lessons learned from these and other ACF projects, ACF initiated *Innovative Strategies for Increasing Self-Sufficiency* (ISIS) in 2007. Through ISIS, ACF plans to evaluate a range of strategies that represent the next generation of employment experiments. Conducted by Abt Associates, ISIS will assess promising programs and policies for improving employment and self-sufficiency outcomes for low-income families that build on previous approaches and are adapted to the current Federal, State, and local policy environment. Such programs and services are operating in the context of the requirements set forth in the DRA of 2005 for the TANF program, which changed the work participation rate calculation among other changes in the TANF program. The evaluation will use an experimental design to measure the impacts of promising approaches in at least six sites around the nation.

A primary goal of ISIS is to yield research that can help inform and guide future policymaking and program design efforts. Thus, in the project's early phase, the ISIS team conducted discussions with over 250 stakeholders in the program and policy communities to solicit their views on what ISIS might test. The stakeholders identified their highest-priority target populations and recommended testing an array of interventions designed to engage and support individuals in jobs and work activities and improve employment skills. A report, released in April 2009, summarizes the results from these discussions (http://www.acf.hhs.gov/programs/opre/welfare_employ/isis/index.html).

Based on the stakeholders' feedback and the application of a set of criteria and guidelines for selecting strategies, Abt recommended tests of innovative post-secondary education and training approaches – or career ladder approaches – for low-income individuals. Abt will also explore testing the interventions combined with financial incentives and supports, and testing varying service delivery enhancements.

The ISIS team is currently recruiting sites that are implementing the recommended interventions for inclusion in the demonstration, with the goal of all sites being selected and operating by the end of 2010. As they become operational, sites will apply random assignment during a pilot test period; Abt will then conduct implementation and impact evaluation studies in all selected sites.

In 2009, ASPE released findings from *Vulnerable Youth and the Transition to Adulthood*, a project that examined the role of different aspects of youth vulnerability and risk-taking behaviors on several outcomes for young adults (see http://aspe.hhs.gov/hsp/09/VulnerableYouth/index.shtml). This project used data from the National Longitudinal Survey of Youth 1997 cohort (NLSY97), which is funded by the U.S. Bureau of Labor Statistics and follows a sample of adolescents in 1997 into young adulthood with annual interviews that capture their education, employment, family formation, and other behaviors. This project focused on youth who were 15-17 years old when first interviewed in 1997. Outcomes are obtained by using the annual data through 2005 when these young adults were 23-25 years old. This project, which was conducted by the Urban Institute, found that:

- Youth follow one of four patterns in connecting to the labor market and school between the ages of 18 and 24: consistently-connected, later-connected, initially-connected, or never-connected.
- The study also describes the factors associated with membership in each group, such as participation in adolescent risk behaviors.
- Analyses from this project also suggest that second generation Latinos make a fairly smooth transition to young adulthood and, after controlling for other factors, make a better transition than white, black, and third generation Latino youth.
    - At the same time, they are less likely to engage in post-secondary schooling than whites in young adulthood, which may contribute to a potential gap in future earnings.
- Finally, for three groups of potentially vulnerable youth (youth from low-income families, youth from distressed neighborhoods, and youth with poor mental health) findings suggest vulnerable youth have relatively high levels of participation in risky behaviors as adolescents and relatively lower earnings and connectedness to the labor market and school in early adulthood.
- The study also considers differences in behaviors and outcomes between young men and young women as they transition to adulthood, and findings suggest that differences between young men and young women are related to the fact that some women are caring for children.

Rural Welfare-to-Work Strategies

ACF has invested resources to learn how best to help TANF and other low-income rural families enter into and sustain employment. This evaluation conducted by Mathematica Policy Research, Inc. identifies effective rural welfare-to-work strategies, operational challenges, and solutions that can be used by State and local TANF agencies and others. The project has been implemented in Illinois and Nebraska and employed a random assignment experimental design. An implementation report (see http://www.acf.hhs.gov/programs/opre/welfare_employ/rural_wtw/reports/rwtw/rwtw_title.html) was released in mid-2004. The evaluation highlights promising models and determines the effectiveness and cost-benefits of these welfare-to-work strategies in rural areas.

Illinois Future Steps implemented in five counties in southern Illinois beginning in July 2001, has an intensive employment and case management program tailored to people with low incomes. A final report of the program was published in September of 2008 and can be found at: http://www.acf.hhs.gov/programs/opre/welfare_employ/rural_wtw/reports/testing_case/testing_case.pdf.

- The report, which presents results from a 30 month follow-up, found no evidence that Future Steps improved employment and earning or reduced welfare dependency.

The *Building Nebraska Families Program* is an education-based developmental program that began in March 2002 and works with participants in 37 rural counties throughout the State. It provides one-on-one instruction and assistance in clients' homes focused on helping Nebraska's TANF/Employment First clients who have not found or sustained employment through regular program activities get enhanced services. A final report was released in September 2008 and can be found at: http://www.acf.hhs.gov/programs/opre/welfare_employ/rural_wtw/reports/teach_self/teaching_self.pdf.

- The report found that BNF had robust impacts on employment, earning, income, and reduction in poverty for the more disadvantage clients.

Understanding the Low-Wage Labor Market

Understanding the motivations, hiring practices, and workplace policies of employers – the demand side of the labor market – can provide considerable information to policy makers interested in promoting work and advancement among welfare recipients and other less-skilled workers.

The ACF project, *Understanding the Demand Side of the TANF Labor Market*, conducted by the Urban Institute and Mathematica Policy Research, added to knowledge in this area by surveying employers in the TANF/low-wage labor market.

- The survey, of a nationally representative sample of private-sector employers, focused on industry sectors with the most jobs in the low-wage labor market, the employers most relevant for the majority of current and recent TANF recipients.

- Information was gathered from employers on their attitudes, practices, and policies toward TANF recipient and other low-skill hires, including information on worker advancement, the use of work force intermediaries in hiring, and the role that child care plays in worker retention. This allowed for comparisons of employers in urban-core areas, suburbs, and exurbs/rural areas. It also measured employment outcomes for TANF recipients and other low-skilled workers, allowing analysis of the connections between employer practices and employee outcomes.
- In short, this national survey of employers in the low-wage labor market provides key information on what employer practices and policies are and how they are associated with workplace success for welfare recipients and other less-skilled workers. The final report was issued in April 2008 (see http://www.acf.hhs.gov/programs/opre/welfare_employ/unders_demand/).

To study the labor market factors that affect job retention and wage advancement among TANF recipients and other low-income and disadvantaged workers, ASPE has funded a series of analyses using panel data from the Survey of Income and Program Participation (SIPP), data from the Longitudinal Employer Household Dynamics (LEHD) program housed at the Census Bureau, and data from the Administrative Data Research and Evaluation (ADARE) consortium supported by the Department of Labor. These data programs provide longitudinal information that can be used to track the employment and economic outcomes over time of low-income and other disadvantaged populations, including TANF recipients, former recipients, and those at risk of entering TANF.

ASPE funded the Urban Institute to study the low-wage labor market and the relationship between the receipt of work supports and transitions to greater self-sufficiency among low-wage workers. The January 2010 final report, *Progress Toward Self-Sufficiency for Low-Wage Workers* (see http://aspe.hhs.gov/hsp/10/LWW/index.shtml), examines the labor market experiences of low-wage workers using the 2001 SIPP panel, which provides longitudinal data from 2001 to 2003.

The study found that roughly one quarter of all workers were low-wage workers in each year of the panel. Among low-wage workers in low-income families, 88.9 percent of income came from earnings, while other income accounted for 8.1 percent of income, and government benefits (TANF or SSI) account for 3.0 percent of income.

To gain a better understanding of the factors that enable low-income single mothers to escape poverty and attain greater economic self-sufficiency, ASPE funded a related study by Mathematica Policy Research, Inc. using data from the 2001 to 2003 SIPP panel to study the employment and economic experiences of single mothers following exits from poverty.
The June 2007 final report, *Economic Patterns of Single Mothers Following Their Poverty Exits* (see http://aspe.hhs.gov/hsp/07/PovertyExits/index.htm), examines the income, employment and poverty experiences of single mothers for two years after they exited poverty.

The study found that 30 percent of single mothers were poor but then left poverty.

- Work effort was high among single mothers who left poverty: on average they worked for three-quarters of the subsequent two years following their poverty exit. Among this group of poverty leavers, 28 percent remained out of poverty for the next two years, 56 percent cycled in and out of poverty, and 16 percent reentered poverty and stayed poor over the next two years.
- Those who remained out of poverty tended to have higher paying jobs and more benefits (such as health insurance), and worked more hours than single mothers in the other two groups. The single mothers who stayed out of poverty were somewhat older and were more likely to have more than a high school degree and to ever have been married. They also were much less likely to have a health limitation that affected their ability to work.

LEHD data contain administrative records on both workers and the firms that hire them, linked longitudinally over 10 years for nearly the entire labor force. Currently, ASPE is complteting a study using the longitudinal LEHD data on earnings and linking it with income and family data from the Current Population Survey (CPS). This study examines the long-term employment and earnings outcomes of single mothers with the lowest income levels (i.e., those with total family income in the bottom two income quintiles).

ASPE is currently conducting a study using the longitudinal LEHD linked with TANF administrative data to examine the employment and earnings outcomes, and TANF receipt, of individuals that left TANF in the early 2000s. A report for this study is expected in early 2012. Another study currently underway by ASPE is studying the characteristics and experiences of low-income single mothers who are disconnected from TANF, SSI and the labor market, using multiple panels of the SIPP. .

ASPE conducted a study on the use of Unemployment Insurance (UI) as a safety net for former TANF recipients based on longitudinal data available through the Administrative Data Research and Evaluation (ADARE) consortium of the Employment Security Agencies and partnering universities in participating States. This project examined transitions between TANF, work, and UI using linked administrative data from four States. Since the data are the universe in these States – not a sample – and we have matched TANF and UI data, we can follow TANF leavers longitudinally and see how UI supports TANF families who have left assistance for work and subsequently lost employment.

- According to analyses of these TANF leavers, receipt of UI reduces the return to TANF by 22 percent.
- Among these TANF leavers, of those who become newly unemployed and apply for UI benefits, nearly 91 percent will be eligible for monetary reasons, 36 percent will be eligible for non-monetary reasons, and 55 percent will ultimately draw UI benefits.
    - Note, however, that depending on the State, between 18 and 43 percent of newly unemployed TANF leavers applied for UI benefits within 3 years after leaving TANF, a rate that is lower than the rate for other non-TANF applicants. The lower rate may reflect lower labor force attachment and experience among former TANF recipients.

This report may be accessed at: http://aspe.hhs.gov/hsp/08/UI-TANF/.

As a follow-up to this work using the ADARE longitudinal data program, ASPE has contracted with the Upjohn Institute to explore *What Happens When TANF Leavers Lose Their Jobs?*

This project seeks to provide a more complete picture of families' well-being after leaving TANF by examining the number of former TANF recipients who apply for and receive UI benefits, the reasons for ineligibility or non-receipt of UI benefits, whether UI receipt is associated with lower rates of cycling back onto TANF, how former TANF recipients compare to other similar low-wage workers, the types of employment deficits that need to be addressed in the months following a TANF spell, and whether UI receipt among TANF leavers helps explain how the aggregate TANF caseload responds to changes in the labor market and economy.

In addition this study will seek to identify any lessons we can learn that might improve the coordination or functioning of these programs for these low-wage workers.

ASPE continues to advance research on disadvantage workers who are unable to lift their families out of poverty – the working poor. ASPE completed a research project with Child Trends in September 2008 that examined the well-being of children in working poor families. The study found that between 1997 and 2004, the well-being of children in working poor families improved significantly for 10 of the 15 measures available in both years and remained stable for the remaining measures. The final report may be accessed at: http://aspe.hhs.gov/hsp/08/WellBeingChildren/index.shtml. In addition, ASPE is conducting research in collaboration with the Census Bureau both on geographic patterns of concentrated poverty and working poverty and on the dynamics of movement in and out of working poverty among families with children.

Child Care and TANF

Many recent child care policy research projects funded by ACF have looked at child care subsidies and services as a support for employment of low-income, at risk, and TANF-linked families. In addition, this research has looked at how subsidies allow families to have access to better choices of care for their children, increasing the value of the subsidy for families who would prefer to have their children attend programs designed to support their early learning and development. These studies have utilized both experimental and multivariate quasi-experimental approaches using survey data and/or administrative data at the family level. A few are descriptive, providing qualitative information about how policy is enacted using information gathered by surveys or interviews with policymakers and administrators. Selected findings from these studies look at characteristics of subsidy recipients, length of subsidy spells, and factors that may contribute to the utilization of subsidies by target and eligible families. A reference list for the studies described below is provided at the end of the chapter. More information about additional child care research conducted by ACF can be found through the website of the Office of Planning Research and Evaluation, Division of Child and Family Development: see http://www.acf.hhs.gov/programs/opre/project/childCareProjects.jsp

Subsidy recipients are more likely than eligible non-recipients to be black (Guzman Cox 2009, Herbst 2008), single parents (Goerge et al 2009, Herbst 2008), and recent recipients of TANF (Goerge et al 2009, Guzman Cox 2009). In addition, parents with a child in preschool are more likely to use subsidies than parents with younger or older children (Goerge el al., 2009). Subsidy receipt is associated with increased maternal employment (Tekin 2007, Goerge et al 2009), employment during standard hours (Guzman Cox 2009), and fewer child care-related work disruptions (Forry & Hofferth 2009).

Subsidy receipt spells tend to be fairly short, with the majority lasting less than a year (Ha & Meyer 2009) and half lasting less than four months (Grobe et al 2006). Families leave despite their continued eligibility and continued participation in other benefit programs (Grobe et al 2006). Stable employment is associated with longer subsidy spells, but subsidy use remains unstable even among those with stable employment (Grobe et al 2006). Goerge et al. (2009) found that living in an urban setting and being under the age of 25 was associated with a higher likelihood of ending a period of employment.

An important finding suggests that subsidy receipt is associated with higher use of formal care arrangements (Forry 2008, Forry & Hofferth 2009, Guzman Cox 2009) and reduced financial burden for some (but not all) families (Forry 2008). An experimental evaluation of alternative eligibility and subsidy re-determination policies in IL confirmed some of these findings and showed that providing child care subsidies to families who otherwise would have not been eligible to receive them has a range of effects on child-care-related outcomes, including changing the types of care families use (from informal to more formal care), increasing child care stability, increasing parental satisfaction with care, reducing job-related problems due to child care, and changing the out-of-pocket costs of care (Michalopoulos, 2010).

Several descriptive studies focused on understanding how subsidy policy is determined and implemented in States. Findings suggest that States often give parents leaving welfare priority status when applying for child care subsidies (Adams, Koralek & Martinson 2006). Parental burden during the child care subsidy application process varies widely and is sometimes eased for parents already connected to the welfare system (Adams, Koralek & Martinson 2006, Adams et al 2006).

The *Child Care, Welfare, and Families: The Nexus of Policies, Practices, and Systems,* conducted by The Urban Institute, examined the role of welfare policies and practices in shaping the child care subsidy experiences of low-income families, focusing on how these issues affect families' access and utilization of child care subsidies.

- Findings from this study may assist States in coordinating CCDF and TANF administrative practices.

A second report, *Parents' Perspectives: Child Care Subsidies and Moving from Welfare to*

Work focused on parents' experiences with accessing and retaining subsidies as they move through and off the welfare system.

- The study found that child care subsidies play an important role for families in terms of supporting parents' efforts to work and to have their children in a safe learning environment.

Another paper *Child Care Subsidies and Leaving Welfare: Policy Issues and Strategies* focuses on what is known about child care needs and subsidy use among those leaving welfare for work, as well as State and local policies that shape subsidy use among this population.

- Findings report that several factors appear to contribute to the relatively low use of child care subsidies among working families including a lack of awareness of the benefit, a personal decision not to use the assistance, burdensome parental requirements, and administrative and staffing structures that do not facilitate the use of subsidies.

Several projects funded by ACF have looked at factors that influence parents' choices of care for their children, including for those whose care is subsidized.

The most influential factors in parental choice of care arrangements among low-income families were safety of the home, convenient scheduling with work hours, and parents' relationships with the provider (Burnstein and Layzer, 2007).

In a study of women on welfare, respondents reported the most frequently used and stable form of care was provided by a relative other than the father.

- However, while stable employment was related to stable childcare, directionality could not be determined (Miller, 2006).

There appears to be a significant lack of access to child care for children with special needs, and when parents are able to secure child care arrangements, parents report significant problems with the those arrangements (e.g., lack of support from provider, concerns of safety, lack of inclusion of child in the activities of other children, provider would not administer medications, and too expensive). There also appears to be significant programmatic and financial barriers to supporting parents of children with special needs so they can work and balance work and family. The combination of these problems and the particular demands and cost of caring for a child with special needs often result in employment problems and job instability (Ward et al., 2006)

ASPE used its Transfer Income Model (TRIM), a micro-simulation model maintained by contract with the Urban Institute, to produce *Estimates of Child Care Eligibility and Receipt for Fiscal Year 2006* (see http://aspe.hhs.gov/hsp/10/cc-eligibility/ib.shtml). The report showed that approximately one out of six (17 percent) children potentially eligible to receive subsidized care, based on the Federal eligibility parameters of CCDF, received subsidized care through CCDF or related government funding streams, including TANF, in an average month in FY 2006.

Improving the Use of TANF and Other Administrative Data

In 2007, ACF began "*Understanding Two Categories in TANF Spending: "Other" and "Authorized Under Prior Law"* project to examine these two large subcategories of reported spending for TANF and State MOE which accounted for over 16 percent of the TANF and MOE spending in 2005. The project was conducted by Mathematica Policy Research, Inc., and was completed in 2009. The major finding of the study was that child welfare (e.g., in-home services/family preservation, child protective services, foster care/kinship care, adoption services) accounted for roughly half of the total amount reported in these categories. Other spending areas include:

education and prevention programs used to help at-risk youth and teen mothers avoid negative outcomes (14 percent);

emergency assistance used to address the basic needs of vulnerable families e.g., housing, energy, food, clothing, transportation (11 percent);

personal supports used to address TANF families' complex service needs (e.g. physical and mental health conditions, domestic abuse, drug and alcohol addictions, and hidden disabilities that interfere with steady employment services for mental health/substance abuse, physical health/disabilities, and domestic violence)(11 percent);

and miscellaneous (10 percent).

The report recommended that ACF add categories to existing Federal reporting forms and clarify the types of allowed expenditures in existing categories. These recommendations include:

considering redefining some spending categories,

exploring options for capturing large allocations made to counties, and

reevaluating the process for reporting TANF expenditures, adjustments, and corrections.

Also, recommended was that States improve coordination between program and fiscal staff, and revisit reporting tools and resources available to counties.

In the fall of 2008, ACF gave grants to four States—Connecticut, Indiana, South Carolina, and Wisconsin—to enhance their use of TANF data and related administrative data for operational, administrative, policy development, and/or research purposes. The data linkages created under the State projects will be used to identify unreported employment in Indiana and South Carolina, develop outcome measures in Connecticut and South Carolina, and to analyze Connecticut's jobs training program, Wisconsin's TANF application process, and changes in South Carolina and Wisconsin's TANF caseload between 2006 and 2008. The Urban Institute was selected as the Technical Assistance Contractor to facilitate collaboration among the grantees and provide technical assistance, monitoring, and documentation for the project. The grants and the Technical Assistance contract have been funded for three years and will end in 2011.

In 2006, ASPE and the Health Resources and Services Administration (HRSA) undertook a project entitled *Homelessness Data in HHS Mainstream Programs* (see http://aspe.hhs.gov/hsp/09/HomelessnessDataHHS/index.shtml). This project, conducted by Abt

Associates, explored the extent to which States collect data on housing status and homelessness from applicants for the two largest HHS mainstream programs that may serve individuals or families experiencing homelessness: Medicaid and TANF. Surveys were administered to TANF and Medicaid directors in all 50 States and the District of Columbia to learn about State practices related to the collection of housing status and homelessness data from program applicants. This study found that:

- All States collect general information on housing status on their TANF and/or Medicaid applications and more than half of States collect indicators of homelessness on their application.
- Ten States do not collect homelessness data or risk factors information.
- While very little analysis of these data had been conducted by States, most indicated willingness to grant access to the data for analysis.

In addition to the study report, this project produced *Housing Status Assessment Guide for State TANF and Medicaid Programs*, which recommended a set of standardized housing status and homelessness risk questions that could be incorporated into State applications for TANF and/or Medicaid (http://aspe.hhs.gov/hsp/09/HomelessnessDataHHS/HousingStatusGuide/index.shtml), and *Potential Analyses with Homelessness Data: Ideas for Policymakers and Researchers*, a document summarizing ideas for analyzing the data States are currently collecting from applicants for TANF or Medicaid (see http://aspe.hhs.gov/hsp/09/HomelessnessDataHHS/PotentialAnalyses/index.shtml).

Partnering with Community, Faith-Based Providers and Philanthropy

Faith-based and community organizations (FBCOs) are recognized and valued partners in providing social services to those in need. Since 2002, ASPE has funded several studies that examine the relationships between FBCOs and governmental programs and agencies.

Understanding Vouchers as a Tool to Expand Client Choice in TANF and CCDF examined how vouchers were being used in the TANF and Child Care and Development Fund (CCDF) programs to maximize client choice and expand the service delivery network to include faith-based organizations (FBOs) among an array of providers. The final report was released in 2007 (see http://aspe.hhs.gov/hsp/07/vouchers/experiences/index.htm). Another study in this area, *The Role of State Faith Community Liaisons in Charitable Choice Implementation*, examined the unique role of Faith Community Liaisons (FCLs) in influencing and promoting States' effective implementation of Charitable Choice rules that govern how States and localities partner with faith-based organizations to develop guidance for States and document promising models. A research brief and final report were produced (see http://aspe.hhs.gov/hsp/08/rolefcl/rb.shtml and http://aspe.hhs.gov/hsp/08/rolefcl/index.shtml).

The majority of States have established a formal liaison with the faith community to encourage partnerships with faith-based organizations in the provision of health and social services. ASPE conducted a study that built on past research to understand further the unique role of Faith Community Liaisons (FCLs) in influencing and promoting States' effective implementation of Charitable Choice rules that govern how States and localities partner with faith-based organizations. The project produced a brief (http://aspe.hhs.gov/hsp/08/rolefcl/rb.shtml) that provides guidance on how States can utilize the FCL function to improve understanding of Charitable Choice, and a final report on promising State models (http://aspe.hhs.gov/hsp/08/rolefcl/index.shtml). Main findings included:

- Among the sites studied, organizational structures for FCL offices tended to fall into three main categories: governor-centered models where the FCL function was particularly identified with the governor; embedded models where the FCL is located within a State agency; and nonprofit models where the FCL is located in a nonprofit entity or foundation.
- Sufficient funding and staff resources are essential to the successful operation of all organizational models.
- FCLs facilitate partnerships of many types, with both faith-based and secular community-based organizations, that include both funded and unfunded partnerships.
- FCLs see capacity-building of faith-based and community organizations as a key role, and devote considerable resources to this activity.
- Some FCLs focus particularly on encouraging partnerships with government by educating community organizations on the opportunities and responsibilities involved.

There is interest among policymakers, researchers, and practitioners in the role religious and spiritual beliefs and practices play in individual and community well-being. A growing body of literature is helping us to better understand the relationship between religiosity and spirituality and behavior, particularly in relation to vexing social problems. ASPE contracted with RTI International to conduct a comprehensive review of the literature to determine what is currently known about the influence of religiosity and spirituality on low-income populations in the U.S. The review was organized around six key areas: marriage and relationships; parenting; youth outcomes; mental and physical health; substance abuse; and crime and violence. Synthesizing the results from thousands of studies confirmed the importance of religion in the lives of Americans.

- The synthesis also revealed there are important differences between the effects of religious or spiritual beliefs and practices and active participation in organized religion (i.e., church attendance) on the outcome areas reviewed.
- Active participation in organized religion is associated with more positive outcomes for low-income adults and youth, while the effects of religious beliefs on coping strategies and behaviors are more mixed.
- The review also found that low-income populations tend to have lower rates of participation in religious institutions.
- The ability of these findings to inform new policy directions is limited, however, by the fact that studies focusing on low-income populations tend to be small and limited in their generalizability. In general, while there are some innovative efforts underway to study the role of religious and spiritual beliefs and practices in the lives of low-income individuals, research in this area needs to be conducted on a larger scale to allow for

more rigorous analysis and reliable conclusions. The final report, released in July 2009, can be found at http://aspe.hhs.gov/hsp/09/religiosity/index.shtml.

In an environment of increasingly urgent domestic and international challenges and finite private and public resources, there is a compelling policy interest in better understanding whether and how public and private philanthropic efforts can complement each other to improve effectiveness of services and programs across the country and around the world. To better understand the interactions between private and public sector efforts to promote human and social welfare, ASPE contracted with Mathematical Policy Research, Inc. (MPR) to study public and private philanthropic activity, with a focus on the philanthropic efforts of foundations. Using a mixed-methods approach that included data analysis, literature review, and case studies, MPR found that many foundation and U.S. government priorities overlap, interactions between the two sectors are common, and partnerships between them can be fruitful. The study also showed that partnerships involve costs as well as benefits, so they may not be appropriate in all cases and they should be considered and developed with care.

The study identified five main types of interaction between government and foundation philanthropic activities:

Incidental overlap: Government and foundation goals overlap and they work on the same problem or target population, but their activities are not otherwise aligned.

Supplementary action: One donor seeks to "fill a gap" in other donors' activities.

Communication: Donors share goals and communicate about their strategies, resources, and implementation without necessarily formally aligning them.

Coordination: Goals, strategies, and resources are formally aligned to some degree, but implementation is not shared.

Collaboration: Full and formal partnership, in which different donors' goals, strategies, resources, and implementation are aligned.

Only the latter three types of interactions represent true partnerships, and each comes with its own opportunities and challenges. In particular, there is a tradeoff between stronger partnerships and higher transaction costs. Hence, there is no "best" partnership model for all situations—and in some program areas or initiatives, partnerships may not be appropriate or possible. By thinking more purposefully about partnerships and other less intensively collaborative interactions with foundations, policymakers can take better advantage of the relative strengths of each sector and can benefit from innovations emerging from both foundation and U.S. government practices. The final report, released in May 2009, can be found at http://aspe.hhs.gov/hsp/09/philanpart/index.shtml.

Disasters and Emergency Response

Because of the unique opportunity Hurricane Katrina offers to study the consequences of major disasters and other emergencies, ACF has funded the *Feasibility Assessment of Studying the Consequences of Hurricane Katrina for ACF Service Populations*. This study, conducted by the

Urban Institute, examined opportunities for research on the effects of the hurricane on migration, income and employment, program needs, and program effects. The main objective of this feasibility study was to determine which research avenues offer the best opportunities for informing policy discussion and programmatic response to major disasters and other emergencies. An annotated bibliography and a final report were completed in April 2008 (see http://www.acf.hhs.gov/programs/opre/other_resrch/feasibility_assmt/index.html). As a complement to this effort, ACF is providing funds to help support the *Hurricane Katrina Community Advisory Group Survey*, a longitudinal survey of survivors of Hurricane Katrina, which is being conducted by Harvard University with principal funding from the National Institute of Mental Health (NIMH). These funds will help to support a sub-study of child functioning and well-being, and of family use of various benefit and service programs, including TANF. The public release data from the *Community Advisory Group Survey* can be found at: http://www.hcp.med.harvard.edu/research/projects/kessler_Katrina

The Role of Faith-based and Community Organizations in Post-Hurricane Human Services Relief Efforts. After Hurricanes Katrina and Rita, faith-based and community organizations (FBCOs) played a critical role in providing emergency services throughout the Gulf Coast region. Their work represented the largest disaster response effort in US history by charitable organizations. In December 2008, ASPE published findings from a study (http://aspe.hhs.gov/hsp/08/posthurricanerelief/) that examined the role of selected FBCOs in hurricane disaster relief, with the goal of helping policy makers know how best to respond to future disasters and how best to utilize the strengths of faith- and community-based private human service providers. The study found much variation in the financial resources, sizes, and organizational capacity of the FBCOs that provided assistance after the 2005 hurricanes.

- Of FBCOs surveyed, the average number of people assisted was 112, and most used volunteers to help provide assistance.
- Many were new to disaster assistance, and some struggled with managing volunteers and donations.
- Overall, those preparing emergency preparedness plans would benefit from a good understanding of the availability and capabilities of FBCOs and how they can best be integrated into assistance efforts.

Finally, ASPE supported a website and the production of a compendium of research papers presented at a White House-sponsored research conference on what is known and the gaps in research on FBCO and governmental partnerships.

Sources (Other than Sources with Links Provided in the Text)

Adams, G., Koralek, R., Martinson, K., (2006). Child care subsidies and leaving welfare: Policy issues and strategies. Washington DC: Urban Institute.

Adams, G., Holcomb, P., Snyder, K., Koralek, R., Capizzano, J. (2006). Child Care Subsidies for TANF Families: The Nexus of Systems and Policies. Washington DC: Urban Institute.

Burnstein, N. and Layzer, J. (2007) National Study of Child Care for Low-Income Families: Patterns of child care use among low-income families. Final Report. Administration for Children and Families, U S Department of Health and Human Services, Washington D.C.

Forry, Nicole D. (2008). The impact of child care subsidies on low-income single parents: An examination of child care expenditures and family finances. Dissertation: University of Maryland.

Forry, N., Hofferth, S. (2009). Maintaining work: The influence of child care subsidies on child care-related work disruptions. University of Maryland.

Goerge, R., Harris, A., Bilaver, L. M., Franzetta, K., Reidy, M., Schexnayder, D., Schroeder, D. G., Staveley, J., Kreader, J. L., Obenski, S., Prevost, R. C., Berning, M., Resnick, D. M. (2009.) Employment outcomes for low-income families receiving child care subsidies in Illinois, Maryland, and Texas. United States. Administration for Children and Families. Office of Planning, Research and Evaluation; University of Chicago. Chapin Hall Center for Children

Grobe, D., Weber, B., Davis, E. (2006.) "Why Do They Leave? Child Care Subsidy Use in Oregon." Oregon State University Family Policy Program, Oregon Child Care Research Partnership.

Guzman Cox, Julio. (2009.) Chapter 1. Work-related child care subsidies and the work effort of single mothers. Dissertation, University of Chicago

Ha, Yoonsook, Meyer, Daniel R. (2009). Child care subsidy patterns: Are exits related to economic setbacks or economic successes? University of Wisconsin—Madison

Herbst, C.M. (2008). Who are the eligible non-recipients of child care subsidies?" Children and Youth Services Review, 30, 1037-1054.

Herbst, C.M. (2008). Do Social Policy Reforms Have Different Impacts on Employment and Welfare Use As Economic Conditions Change? Journal of Policy Analysis and Management, 27(4), 867-894.

Michalopoulos, Charles. (2010) Evaluation of Child Care Subsidy Strategies: Alternative eligibility and redetermination policies in Illinois. Administration for Children and Families, U S Department of Health and Human Services, Washington, D.C.

Miller, C. (2006). Stability and change in childcare and employment: Evidence from the United States. National Institute Economic Review, 195, 118-132.

Tekin, Erdal. (2007). "Childcare subsidies, wages, and employment of single mothers." Journal of Human Resources, Vol42 (2), 453-487.

Ward, H.D.; Morris, L.M.; Atkins, J.; Herrick, A.; Morris, P.; Oldham, E. (2006). Child care and children with Special Needs: Challenges for low income families. Portland, Maine: Catherine E. Cutler Institute for Child and Family Policy.

XIV. TANF Emergency Fund

In response to the economic crisis, President Barack Obama signed the American Recovery and Reinvestment Act of 2009 (Recovery Act) on February 17, 2009, which contained a broad array of provisions intended to strengthen the economy, promote employment, and help families and individuals better meet their economic needs during the downturn. As a part of this effort, the Recovery Act established a new TANF Emergency Contingency Fund (Emergency Fund) for States, Territories, and Tribes administering the TANF program. The Emergency Fund provided up to $5 billion to reimburse TANF jurisdictions in FY 2009 and FY 2010 that had an increase in assistance caseloads or in certain types of expenditures.

By the end of FY 2010, HHS obligated all $5 billion appropriated for the Emergency Fund to 49 States (Wyoming did not submit an application for funding), the District of Columbia, Puerto Rico, the Virgin Islands, and 24 Tribes; this includes $1.6 billion for basic assistance, over $2 billion for non-recurrent short-term benefits, and over $1.3 billion for subsidized employment. However, ACF is continuing to reconcile Emergency Fund awards based on revised qualifying expenditures. A major accomplishment of the Emergency Fund was its role in putting people to work by creating much-needed jobs. Jurisdictions responded to the ability of TANF Emergency funds to reimburse the development and expansion of subsidized employment programs, which, until recently, had not been a significant part of most TANF Programs.

Overview

TANF Emergency funds were available through September 30, 2010, to reimburse States, Tribes, and Territories for 80 percent of the cost of increased spending in three areas: basic assistance, non-recurrent short-term benefits, and subsidized employment. Under the law, every eligible jurisdiction was able to receive the equivalent of up to 50 percent of its annual TANF block grant, until the Emergency Fund was exhausted. In order to receive funds, the jurisdiction had to demonstrate increased spending in a quarter of FY 2009 or FY 2010 over the comparable quarter in the base-year – either FY 2007 or FY 2008 – in one or more of the three specified categories. If the jurisdiction demonstrated increased spending, they qualified for a reimbursement equal to 80 percent of the increased costs. This provision ensured that Federal funds were being used in circumstances in which jurisdictions also were increasing their level of effort in responding to family needs during the downturn.

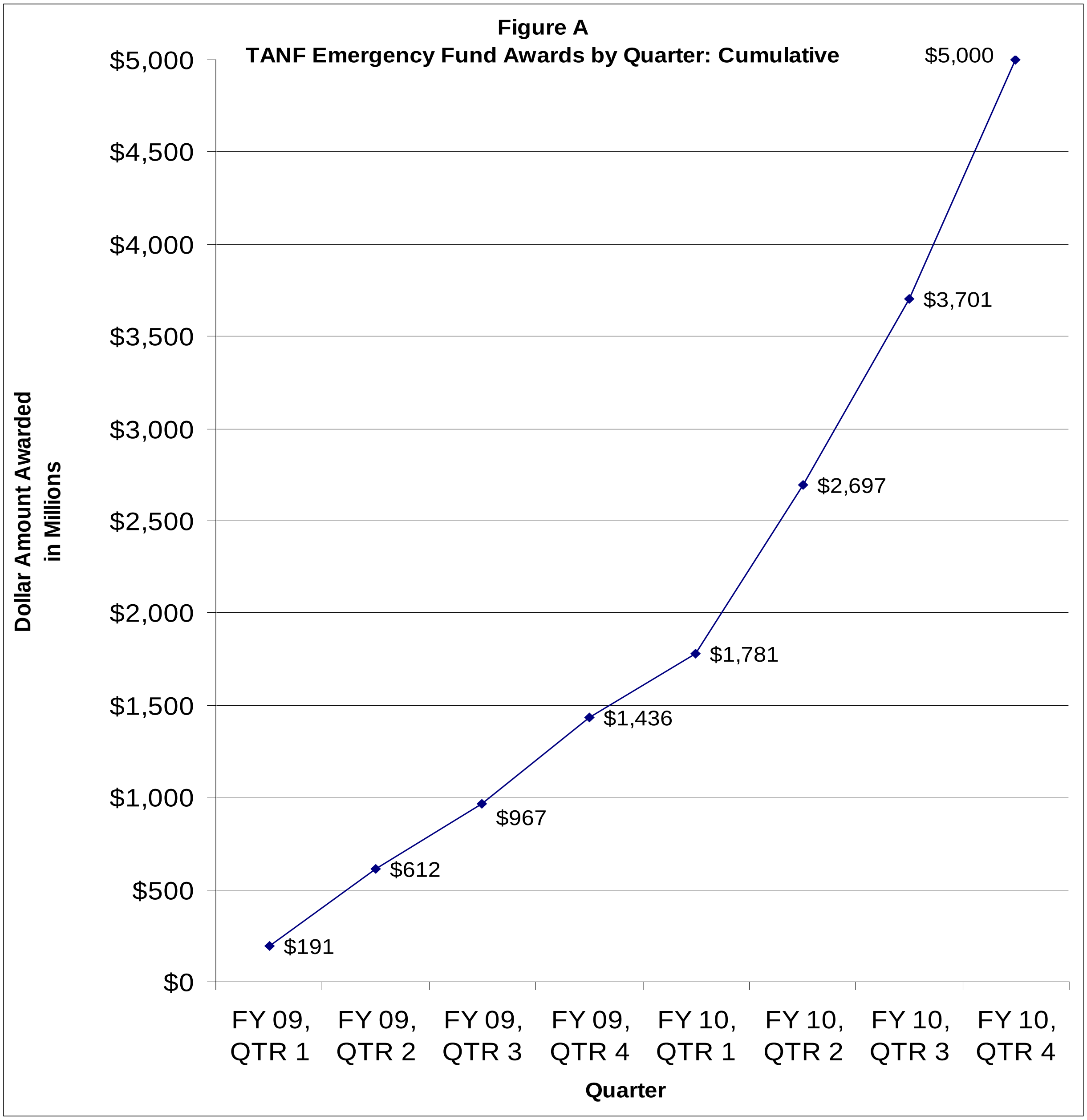
In order to facilitate the awarding of funds as quickly as possible, jurisdictions were allowed to submit reasonable estimates up to one month before the beginning of a quarter for caseload and expenditure data. Jurisdictions then revised estimates with actual data on subsequent quarterly submissions until caseload and expenditure figures were final.

In addition to issuing policy guidance and creating a mechanism to expedite applications, HHS implemented steady, proactive outreach through the HHS Administration for Children and Families (ACF) Regional Office staff to maximize contact with State and Tribal leadership, answer questions, and help them explore areas of interest where the Emergency Fund might help. ACF also actively engaged with key State associations – specifically the American Public Human Services Association, the National Conference of State Legislatures, the National Association of Counties, and the National Governors Association – to ensure that States fully understood how the Emergency Fund worked and how it could be used to address the diverse needs of families struggling economically during a period of high unemployment.

To maximize the impact of this fund, ACF also forged stronger, collaborative relationships with other Federal partners, both within and outside HHS. ACF issued joint guidance with the Substance Abuse and Mental Health Services Administration and separate guidance with the Family Violence Prevention and Services Program encouraging States, Tribes, and Territories to explore using emergency funds to help TANF recipients with mental health, substance abuse, or domestic violence issues. ACF also teamed up with other Federal agencies. Additional joint letters were released with the Employment and Training Administration (ETA) at the United States Department of Labor (DOL) to promote partnerships to develop and expand Summer Youth Employment programs and the Food and Nutrition Service (FNS) at the United States Department of Agriculture (USDA) to expand the Summer Food Service Program with TANF emergency funds.

With guidance from ACF, TANF States, Tribes, and Territories were very innovative in their ability to leverage the funds while designing targeted efforts to address the needs of low-income populations during the economic downturn. TANF jurisdictions also were successful in creating effective partnerships with third parties in the public, private, and non-profit sectors. These efforts increased collaboration in service provision to low-income families and children, while allowing jurisdictions to claim donated services and benefits as TANF spending that was countable for reimbursement through the Emergency Fund.

Figure A shows cumulative TANF Emergency Fund awards by quarter.



Subsidized Employment

Subsidized employment programs administered by TANF agencies provide payments to employers or third-parties to help cover the costs of employee wages, benefits, supervision, and training. Under this category, TANF jurisdictions were able to leverage emergency funds based on expenditures for the subsidized portion of an employee's wage, benefits, employer-related taxes, tools and uniforms, and other costs directly related to the actual work performed. They also were allowed to include supervision and training costs as TANF expenditures donated by the employer. In order to simplify calculations and ease the burden of documenting supervision and training costs, ACF released guidance that allowed States and Territories to use a standard formula as a proxy. This ensured that no more than a fixed portion of the employee's wage cost could be claimed as a TANF expenditure.

Historically, jurisdictions had not extensively used TANF funds to create subsidized jobs, primarily because they saw little need to do so during periods when unemployment was low. However, between FY 2009 and FY 2010, a number of jurisdictions used TANF emergency funds to develop, implement, or expand a wide range of subsidized employment efforts. They took advantage of the additional resources made available by the TANF Emergency Fund in order to address high unemployment rates, which in some States had reached over 10 percent. Forty-two States and Territories and eight Tribes qualified for funding based on increases in expenditures for subsidized employment.

TANF jurisdictions used the Emergency Fund to support a wide range of subsidized employment programs, including transitional jobs, summer jobs programs for low-income youth, and supported work programs for individuals with disabilities or other barriers to employment. These programs were not limited to workers in families receiving cash assistance, but were broadly available to low-income populations, and provided job opportunities in the private sector, non-profit organizations, and government.

Jurisdictions had broad discretion in deciding how to structure their programs. For example, they could provide only a partial subsidy or subsidize up to 100 percent of the wage. Some jurisdictions had a consistent subsidy level for the duration of the subsidized placement, while others used a step-down approach, decreasing the portion of the wage subsidized as the participant progressed through the program. Program duration generally ranged from three to twelve months. While some jurisdictions made use of minimum wage placements, others used prevailing wages or other standards for determining appropriate wage levels.

Manpower Demonstration Research Corporation (MDRC) is conducting an analysis of subsidized employment operated by States as a result of the TANF Emergency Funds. Findings of the first phase of the review have been published in a December 2011 report titled, "Subsidizing Employment Opportunities for Low-Income Families: A Review of State Employment Programs Created through the TANF Emergency Fund," available at http://www.mdrc.org/publications/611/full.pdf.

Finally, all jurisdictions were required to comply with Federal anti-displacement protections to ensure that an individual was not placed on a job through a TANF subsidy if another individual was on layoff from the same or any substantially equivalent job. Federal anti-displacement protections also ensured that the employer had not terminated the employment of any regular employee or caused an involuntary reduction in its work force in order to fill the vacancy with a subsidized worker.

TANF emergency funds were vital in helping jurisdictions develop and expand efforts to put people to work. A survey of State officials conducted by The Center for Budget and Policy

Priorities found that, by September 2010, 262,520 unemployed individuals had been placed in subsidized jobs funded in whole or in part by the TANF Emergency Fund, including 138,050 youth.[11]

Basic Assistance

The basic assistance category allowed TANF jurisdictions to receive reimbursement for increased expenditures for cash, payments, vouchers, and other forms of benefits designed to meet a family's ongoing basic needs (i.e., food, clothing, shelter, utilities, household goods, personal care items, and general incidental expenses). Forty-eight States and Territories and 19 Tribes qualified for funding based on increases in caseload and expenditures in basic assistance.

Many TANF jurisdictions noted that if it had not been for the additional resources provided by the Emergency Fund they would have been forced to reduce benefits, remove some families from their rolls, or make other large-scale cuts in programs that serve low-income families. Going beyond simply providing cash assistance, some jurisdictions designed incentives by providing earnings supplements or bonuses for families that left TANF for work.

Non-Recurrent Short-Term Benefits

The non-recurrent short-term benefit category includes benefits that must meet three criteria; benefits and services are (1) designed to deal with a specific crisis situation or episode of need, (2) not intended to meet recurrent or ongoing needs, and (3) will not extend beyond four months. These benefits include those provided directly to a family and those paid to others on behalf of the family, such as a payment to a landlord. They need not only serve families receiving cash assistance, but often aid a broader group of low-income families such as those families who may have seen a large drop in their earnings when one parent lost a job. Forty-four States and Territories and 16 Tribes qualified for funding based on increases in expenditures for non-recurrent short-term benefits.

Jurisdictions had broad flexibility to determine the types of benefits and services included in this category. Some examples of non-recurrent short-term benefits include employment/training bonuses, short-term education and training, work expenses (such as tools and uniforms), transportation support, emergency housing, assistance with utility payments, one-time payments for a specific need, and short-term domestic violence services. TANF jurisdictions also were allowed to claim refundable State earned income tax credit expenditures under this category.

In order to maximize the funds they were able to leverage, many TANF jurisdictions partnered with third-party entities in the non-profit and private sectors to provide short-term emergency

---

[11] Pavetti, LaDonna, Liz Schott, and Elizabeth Lower-Basch, *Creating Subsidized Empoyment Opportunities for Low-Income Parents: The Legacy of the TANF Emergency Fund*, CBPP and CLASP, 16 February 2011 http://www.cbpp.org/files/2-16-11tanf.pdf

benefits. Such partnerships permitted jurisdictions to claim an allowable donated service or benefit as TANF expenditures, which qualified for reimbursement by the TANF Emergency Fund. For example, several TANF agencies partnered with local food banks, providing them with additional resources to expand food distribution operations (such as providing one-time food boxes to low-income families in a community). In turn, the TANF agencies were able to claim the value of the donated food and additional operational costs on their Emergency Fund applications. Other examples of third-party collaborations include partnering with legal advocacy firms to provide short-term legal services to low-income clients, distributing one-time back-to-school allowances donated by a non-profit foundation, providing donated short-term optometry and dental care services, as well as the arrangements for short-term housing assistance, vehicle payments and other short-term transportation assistance, and utility assistance.

TANF Emergency Fund Awards by Category

Figures B and C show TANF Emergency Fund awards by category. The Appendix presents award amounts by category for each State or Territory (Table 14:1) and each Tribe (Table 14:2).

Figure B
TANF Emergency Fund Awards by Quarter: Percentage by Category

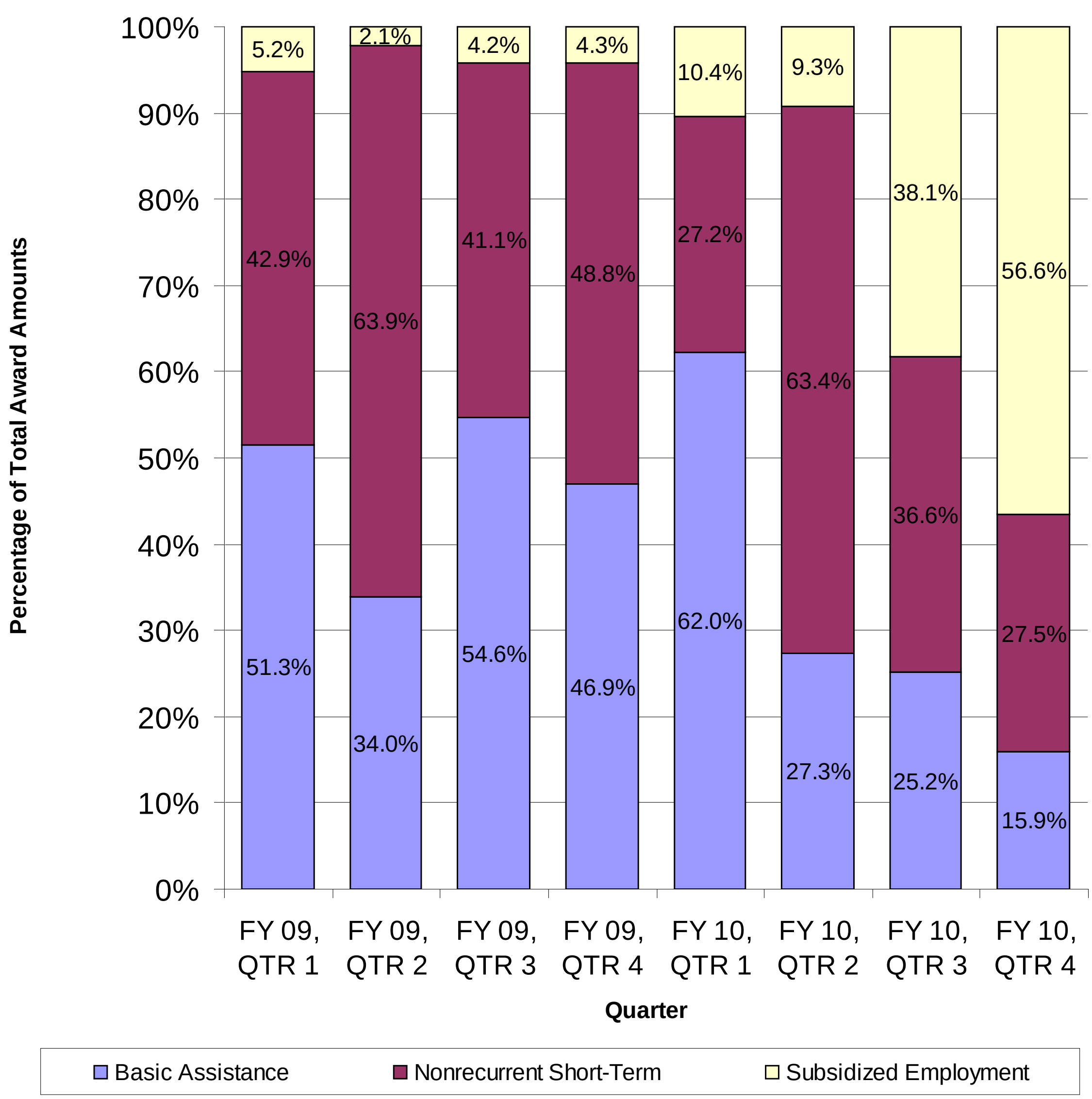
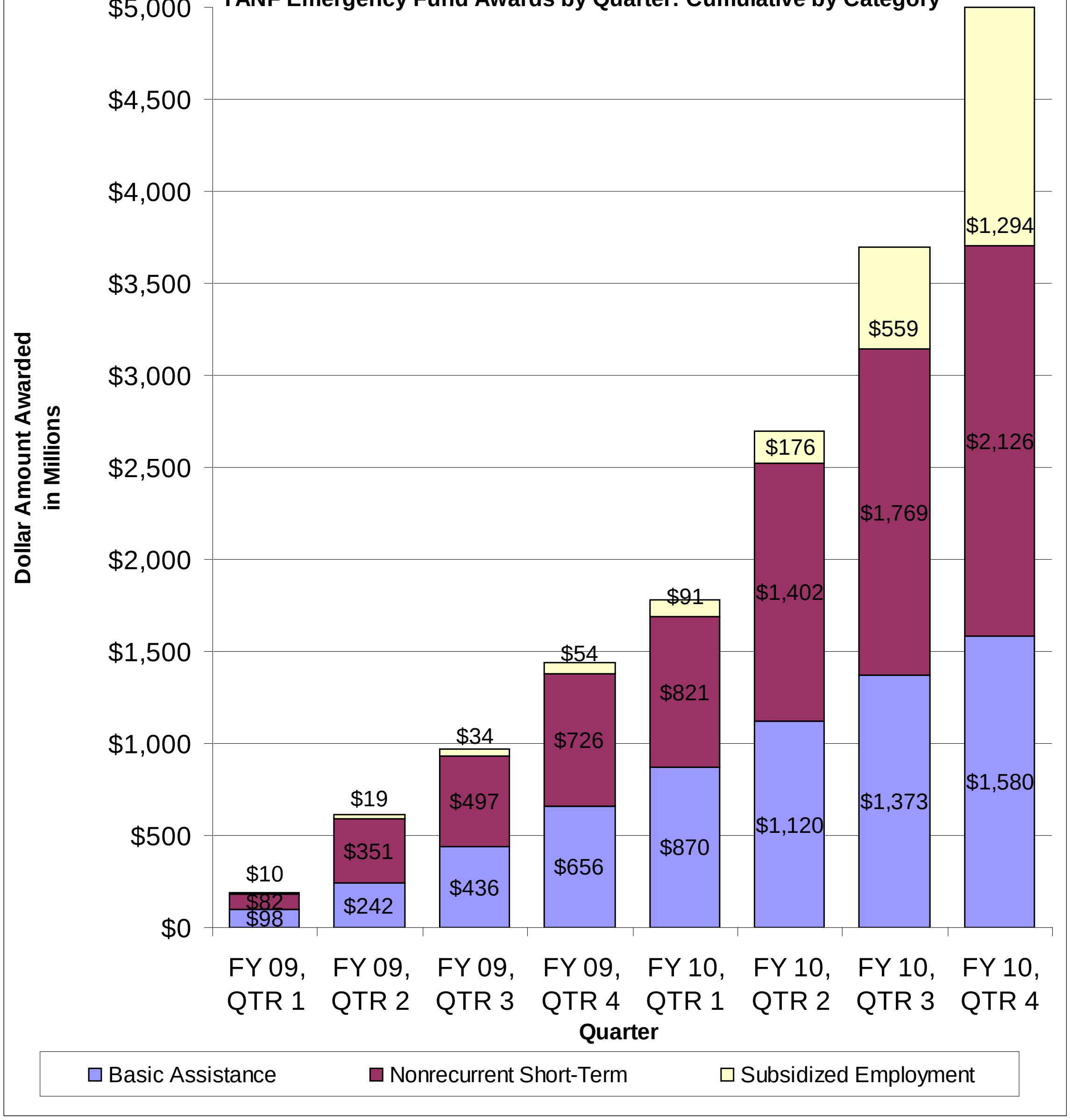


Figure C
TANF Emergency Fund Awards by Quarter: Cumulative by Category



Interagency Collaboration

Throughout FY 2009 and FY 2010, ACF collaborated with other Federal agencies to inform jurisdictions of ways that they could use TANF funds in partnership with funding available from other agencies. These collaborations with other agencies at the State and local levels helped jurisdictions leverage additional emergency funds.

On January 19, 2010, ACF released a joint letter with DOL ETA about opportunities to use TANF funds in conjunction with Workforce Investment Act (WIA) funds to develop or expand Summer Youth Employment programs. Both TANF and WIA funds available to the workforce investment system were used to support programs and services that help alleviate unemployment and increase employment prospects for low-income youth. Specifically, TANF emergency funds were used by States and Tribes to provide subsidized employment to low-income youth, along with other benefits and services allowed under the TANF program. Twenty-six States and the District of Columbia used TANF emergency funds for summer youth employment programs.

ACF also released a joint letter on March 5, 2010, with USDA FNS to inform TANF jurisdictions of the opportunity to use TANF funds to support Summer Food Service Program (SFSP) sites. This program helps families that struggle to provide their children with nutritious meals when schools close for the summer and are no longer able to provide meals through the National School Lunch and School Breakfast Programs. The joint letter highlighted the opportunity to leverage TANF Emergency Fund to address childhood hunger and food insecurity by improving participation in the SFSP. Allowable TANF expenses could include short-term leased or rented equipment, transportation services to transport food and/or children to feeding sites, recreational activities to attract more youth to program locations, wages for staff to provide supervision and programming at summer feeding sites, and meal preparation costs that were not otherwise reimbursed under the SFSP (including the cost of additional meals and meals provided to parents of SFSP-eligible children). In an effort to encourage jurisdictions to create effective partnerships with SFSP sites, ACF also released guidance to assist TANF jurisdictions on how to properly claim TANF expenditures for this purpose. Nine States received TANF emergency funds for partnerships with the agencies that administer SFSP, including the USDA and the Department of Education.

XV. Glossary of Acronyms

ACF: Administration for Children and Families

AFDC: Aid to Families with Dependent Children

ARRA: American Recovery and Reinvestment Act

ASPE: Office of the Assistant Secretary for Planning and Evaluation

CCDF: Child Care Development Fund

DOL: United States Department of Labor

DRA: Deficit Reduction Act

ETA: Employment and Training Administration

FCA: Fatherhood Community Access

FNS: Food and Nutrition Service

FY: Fiscal Year

HHS: United States Department of Health and Human Services

MOE: Maintenance of Effort

NEW: Native Employment Works

NHMRC: National Healthy Marriage Resource Center

NRFC: National Responsible Fatherhood Clearinghouse

NRFCBI: National Responsible Fatherhood Capacity-Building Initiative

OPRE: Office of Planning, Research, and Evaluation

PROWRA: Personal Responsibility and Work Opportunity Reconciliation Act

SFSP: Summer Food Service Program

SNAP: Supplemental Nutrition Assistance Program

SSBG: Social Services Block Grant

SSF: Solely-State Funded programs

SSI: Supplemental Security Income

SSP: Separate State Program

TA: Technical Assistance

TANF: Temporary Assistance for Needy Families

USDA: United States Department of Agriculture

WIA: Workforce Investment Act

WPR: Work Participation Rate