

SECTION 7. TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)

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BRIEF SUMMARY AND HISTORY

Enacted in August 1996 after 2 years of debate, the Personal Responsibility and Work Opportunity Reconciliation Act (Public Law 104–193) repealed the 61-year-old program of Aid to Families with Dependent Children (AFDC; see Committee on Ways and Means, 1998, pp. 401–405) and created the Block Grant Program of Temporary Assistance for Needy Families (TANF) in its place. The law entitles States to fixed block grants (\$16.5 billion annually) for 6 years to operate programs of their own design, but imposes time limits on receiving welfare without working, lifetime benefit time limits, and minimum work participation rates. Within limits, it allows States to reduce their own spending on behalf of needy children. The 1996 law also sharply expands funding for child care.

Frustration with the character, size, and cost of AFDC rolls contributed to the decision by Congress to “end welfare as we know it” in 1996. Enrollment had soared to an all-time peak in 1994, covering 5 million families and more than one-eighth of U.S. children. More than half of AFDC children were born outside marriage, and three-fourths had an able-bodied parent who lived away from home. Almost half of the families had received benefits for more than 5 years, counting repeat spells. Benefit costs peaked in fiscal year 1994 at \$22.8 billion (\$12.5 billion in Federal funds, \$10.3 billion in State/local funds). Some policymakers urged that Congress put a cap on AFDC funds to control costs. Some maintained that offering permanent help for needy children in single-parent families had encouraged family breakup, enabled nonmarital births, and fostered long-term dependency.

Repeated efforts by Congress dating back to the 1960s to reduce welfare use and promote self-sufficiency generally had been discouraging. Reform measures had included “rehabilitative” services; work requirements, work rewards; education and training; support services including child care; child support enforcement; and provisions to establish paternity of nonmarital children. In 1988, Congress enacted the Family Support Act, which stressed the mutual obligation of government and welfare recipient to promote self-sufficiency of AFDC families. In the early 1990s many States received permission, through waivers from one or more AFDC Federal rules to test their own reform ideas—special behavioral rules, rewards, penalties, and welfare-to-work (WTW) strategies. By early 1995, many Governors pressed for a cash welfare block grant to free them from AFDC rules. The concept of a fixed block grant that States could use for temporary and work-conditioned programs of their own design was included in reform bills passed by Congress in 1995 and 1996; both were vetoed. But a third bill that included changes discussed during the 2 years of debate was enacted by Congress in July 1996 and was signed by President Clinton on August 22, 1996. By the time of TANF’s passage, AFDC enrollment had decreased to 4.4 million families. The mandatory start date for TANF was July 1, 1997, but most States made the transition from AFDC earlier.

TANF combined into a single block grant peak-year Federal funding levels for AFDC benefits and administration and two related programs—Emergency Assistance to Needy Families (EA) and the Job Opportunities and Basic Skills Training Program (JOBS). TANF entitles each State to an annual family assistance grant equal to the largest yearly amount paid by the Federal Government to the State for AFDC benefits and administration, EA, and JOBS during the fiscal year 1992–95 period. From their own funds, States are required to spend on needy families at least 75 percent of their “historic” level, defined as fiscal year 1994 spending on programs replaced by TANF, including AFDC-related child care. This is known as the maintenance-of-effort (MOE) rule. (If a State fails to achieve a required work participation rate, its MOE rises to 80 percent.)

The 1996 welfare law also provided supplemental grants for some States with above-average population growth and below-average fiscal year 1994 Federal welfare spending per poor person, bonus funds for reducing nonmarital birth rates while also reducing abortion rates, bonus funds for high performance, and a contingency fund for States with failing economies. In 1997, Congress added to TANF a special WTW Program of matching formula grants and some competitive grants, with funding for fiscal years 1998 and 1999 only.

The TANF law makes family assistance grants available to the outlying areas of Guam, Puerto Rico, and the Virgin Islands, all of which participated in AFDC. American Samoa was eligible for AFDC but did not operate the program; it could participate in TANF under special rules that provide a 75 percent Federal match. It also permits Indian tribes, defined to include Alaska Native organizations, to conduct their own tribal family assistance programs. Indian tribes had been excluded from operating AFDC, although some tribes conducted their own JOBS Program.

Major differences between TANF and AFDC include:

- Entitlement.*—TANF expressly denies entitlement to individuals. Under AFDC, States were required to aid all families eligible under State income standards.
- Funding.*—TANF law preappropriates a fixed family assistance grant for each State, plus some extra funds. To avoid fiscal penalties, States may not reduce their own spending by more than 20–25 percent (MOE rule). States must provide matching funds for WTW grants. AFDC law provided unlimited matching funds for AFDC and EA, but put a ceiling on matching funds for JOBS.
- Time limit for benefits.*—TANF sets a 5-year limit on federally funded aid, with a 20 percent hardship exemption. AFDC had no time limit.
- Work trigger.*—TANF requires work (defined by the State) after a maximum of 2 years of benefits. AFDC had no work trigger.
- Work requirement.*—TANF requires a specified and rising percentage of the total caseload to engage in work activities listed in the law. The JOBS Program had participation requirements, but participation did not require work and about half the caseload was exempted.

—*Eligibility.*—TANF allows States to decide what categories of families to aid. AFDC prohibited aid for children in two-parent families unless the second parent was incapacitated or unemployed.

—*Treatment of earnings.*—Under TANF, States decide whether to disregard some earnings as a work incentive, and, if so, how much. AFDC law set rules about treatment of earnings.

Two basic program features of AFDC were retained by TANF. States decide how needy families must be to receive aid, and States establish maximum benefit levels (Burke, 1999).

BASIC OUTLINE OF PROGRAM

PURPOSE

Section 401(a) of the Social Security Act says that the purpose of TANF is to increase flexibility of States in operating a program designed to:

1. Provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;
2. End the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
3. Prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and
4. Encourage the formation and maintenance of two-parent families.

ALLOWED USES OF BLOCK GRANTS

The law provides that States may use their family assistance grant “in any manner reasonably calculated” to promote any of the four goals above. Expenditures for the first two goals must be made on behalf of needy families, but spending aimed at the latter two goals—reduction of nonmarital pregnancies and promotion of two-parent families—may be made for nonneedy families.

States also may use TANF funds to continue other activities not related to the four program objectives that they were authorized to undertake in individual State plans under AFDC, EA, or JOBS. They may make limited transfers of TANF funds (totaling 30 percent) to the Child Care and Development Block Grant (CCDBG) and the Social Services Block Grant (title XX), with the title XX transfer no greater than 10 percent (4.25 percent effective October 1, 2000). They may use TANF funds (within overall transfer limits) as matching funds for job access grants.¹ The law also explicitly permits States to use TANF funds to fund individual development accounts established by persons eligible for TANF assistance. Clearly, TANF is a funding stream for a variety of allowed purposes, not just a program of cash welfare aid.

TANF funds may be carried over from fiscal year to fiscal year without limit. However, carried over funds may be spent only for

¹Authorized by Public Law 105-277, job access grants are matching grants to local governments and nonprofit organizations for transportation services, including reverse commuter projects for welfare recipients and other low-income persons (U.S. General Accounting Office, 1999).

“assistance.” The law does not define assistance, but final regulations adopted by the U.S. Department of Health and Human Services (DHHS) restrict it to benefits designed to meet a family’s “on-going basic needs” (that is, for food, clothing, shelter, utilities, household goods, personal care items, and general incidental expenses) plus supportive services such as transportation and child care for families who are not employed. Funds used for nonassistance (including nonrecurrent, short-term benefits, work subsidies, and supportive services to employed families) must be obligated by the end of the fiscal year for which they are awarded, and expended by the end of the next year.

TANF funds cannot be used to: fund activities required under the State plans of child support enforcement or foster care and adoption assistance; finance the construction or purchase of buildings; finance a funding deficiency in another Federal program; provide medical services other than pre-pregnancy family planning services; or assist a family that includes a person who, as an adult or minor household head, has received 60 months of assistance.

Administrative costs may not exceed 15 percent except in the case of expenditures for information technology and computerization needed for tracking or monitoring.

MAJOR CONDITIONS ATTACHED TO TANF GRANTS

TANF sets some eligibility/ineligibility conditions; it imposes work rules and sets a 5-year time limit for federally funded benefits; it requires States to spend certain sums of their own funds on needy families—MOE rule; it allows waiver from its rules under restricted conditions; and it requires States to report certain expenditure data and some data on recipient families.

Eligibility/ineligibility

A State may give TANF assistance to a family only if it includes a minor child or pregnant person. To be eligible, families must assign child/spousal support rights to the State. Ineligible are unwed mothers under 18 and their children unless they live in an adult-supervised arrangement (for good cause the State may waive this rule) and (if a high-school dropout) attend school once their youngest child is 12 weeks old. Ineligible for 5 years are noncitizens who enter the United States after the Personal Responsibility and Work Opportunity Reconciliation Act’s August 22, 1996 enactment. States that use their own funds to help legal immigrants and minor parents not living in an adult-supervised setting may count this spending toward their required MOE. Also ineligible are fugitive felons and violators of probation/parole and, unless the State opts out by State law, persons convicted of a drug-related felony for conduct occurring after the law’s 1996 enactment.

Work rules

TANF law sets work trigger time limits, requires States to achieve minimum rates of work participation, requires States to penalize work infractions by recipients, and sets fiscal penalties for States that fail to achieve participation rates. The Labor Department has ruled that the Fair Labor Standards Act (which governs

hours and wages) applies to most “workfare” programs in which TANF recipients participate in exchange for their benefit.

Work trigger rule (State definition of work).—In their TANF plans, States must outline how they intend to require parents and other caretaker relatives who receive TANF assistance to engage in work, as defined by the State, after a maximum of 24 months of benefits or earlier. More than half of the States have adopted the Federal maximum of 24 months as their work trigger time limit. More than a dozen say they require immediate work activity, such as job search. In many States the TANF recipient who takes a paid job remains eligible for a reduced TANF benefit until reaching the State’s absolute benefit cutoff; this is especially likely if the work is part time and the wage rate is relatively low.

TANF law also sets a 2-month community service trigger, with tasks and required hours to be decided by States, for recipients not engaged in or exempt from work, but allows States to opt out by notification of the Governor to DHHS. Only four States (Michigan, New Mexico, South Dakota, and Wisconsin) use this 2-month workfare trigger; the others have opted out. However, some other States specify that after a longer period unemployed TANF recipients will receive aid only if they perform community service or other work in exchange for their benefits. For instance, California allows aid beyond 18 months for those not otherwise working only if the county determines that a job is unavailable and the recipient participates in community services. Delaware and Pennsylvania have similar requirements.

Minimum work participation rates (Federal definition of work).—States must achieve minimum rates of participation by adult recipients (or teen parent recipients) of TANF assistance in one or more of 12 activities listed in the statute. The statutory rates, which began in fiscal year 1997 at 25 percent for all families and 75 percent for two-parent families, rose by stages to 40 percent and 90 percent, respectively, in fiscal year 2000; the all-family rate is to climb to a final peak of 50 percent in fiscal year 2002. However, the law requires DHHS to reduce a State’s required participation rates if average monthly caseloads are below those of fiscal year 1995. For each percentage point drop in the caseload not attributed to State policy changes, the required work rate is lowered by 1 percentage point. The caseload dropped so sharply between fiscal year 1995 and fiscal year 1997 that all States exceeded their adjusted all-family target rates, which in some cases plunged to zero. However, 15 jurisdictions failed the higher two-parent work rate, even after adjustment (table 7–21). A State’s monthly participation rate, expressed as a percentage, equals: (1) the number of families receiving “assistance” that include an adult or minor head of household who is engaged in creditable work for the month, divided by (2) the number of all families receiving assistance that include an adult or minor household head recipient (but excluding families subject that month to a penalty for refusal to work, provided they have not been penalized for more than 3 months in the preceding 12 months; and excluding families with children under 1, if the State exempts them from work). The same method is used to calculate participation rates of two-parent families.

Creditable work activities.—The creditable work activities can be grouped by priority. In the first priority group are nine activities: (1) unsubsidized employment; (2) subsidized private employment; (3) subsidized public sector employment; (4) work experience; (5) on-the-job training; (6) job search and job readiness assistance (6 weeks maximum of job search, with 12 weeks allowed under certain unemployment conditions); (7) community service programs; (8) vocational educational training (12 months maximum); and (9) providing child care for a community service participant. In the second priority group are three activities: (1) job skills training directly related to employment; (2) education directly related to employment (high school dropout only); and (3) satisfactory attendance at secondary school or in an equivalent course of study (high school dropout only). Not more than 30 percent of families may be credited with work activity by reason of vocational education training or, if teens without a high school diploma, by reason of secondary school attendance or education directly related to employment.

Required hours of work participation.—To be counted as a work participant, a TANF recipient generally must be engaged in one of the above creditable activities for at least 30 hours per week, on average, in fiscal years 2000–2002 (fewer hours were required in earlier years), and 20 of those hours must be in one of the nine high-priority activities. The law provides two exceptions to this rule: (1) if a TANF recipient is the only parent or caretaker relative of a child under age 6, she need work only 20 weekly hours, all in high-priority activities; and (2) if a TANF recipient is a single teen household head or married teen without high school diploma, he may receive work credit by maintaining satisfactory high school attendance, or, for an average of at least 20 hours weekly, by engaging in schooling directly related to work. Special rules apply to two-parent families. They must work at least 35 hours weekly, with at least 30 hours in high-priority activities (the two parents may share the work hours). If the family receives federally funded child care and an adult in the family is not disabled or caring for a severely disabled child, the shared work requirement rises to 55 hours, of which 50 hours must be in first priority activities. If the second parent in a two-parent family is disabled, the State must treat it as a single-parent family.

Penalties to enforce work rules.—TANF law prescribes penalties against States that fail participation rates, and it requires States to penalize recipients for work refusal. If a State falls short of the required participation rate for a fiscal year, its family assistance grant for the next year is reduced by 5 percent (first failure). For subsequent years of failure, annual penalties rise by 2 percentage points (thus, 7 percent in second year, 9 percent in third, etc.) with a maximum penalty of 21 percent in any one year. However, the law says that grant reductions shall be based “on the degree of noncompliance,” and the Secretary may reduce the penalty if noncompliance was due to a specified high rate of unemployment or to “extraordinary circumstances, such as a natural disaster or regional recession.” Before assessing a penalty, the Secretary must notify the State of its violation and allow it to enter into a corrective compliance plan. DHHS has indicated that most States that

failed fiscal year 1997 or 1998 two-parent work participation rates have filed corrective action plans.

If an adult recipient of assistance refuses to engage in work, the law requires the State to reduce aid to the family “pro rata” (or more, at State option) with respect to the period of work refusal, or to discontinue aid, subject to good cause and other exceptions that the State may establish. However, a State may not penalize a single parent caring for a child under age 6 for refusal to work if the parent cannot obtain needed child care for a reason listed in the law. The law does not define “pro rata” reduction, and the regulations do not prescribe a method. States have adopted various penalties for failing to comply with work requirements: about one-third end the family’s benefit for a first violation; most make a partial benefit cut (removing the adult from the grant); penalties are increased in size or duration for repeat violations.

TANF law also explicitly permits a State to reduce a family’s benefit, by an amount the State considers appropriate, if a family member fails without good cause to comply with an individual responsibility plan that she has signed. Most State TANF plans include use of individual responsibility plans that establish an employment goal, set forth obligations of the recipient, and describe services to be provided by the State.

Nondisplacement.—A TANF recipient may fill a vacant position, but may not be assigned to a position from which a worker has been laid off.

Lifetime federally funded benefit time limit

A State may not use any part of its family assistance grant to provide assistance to a family that includes a person, who as an adult (or minor household head) has already received 60 months of assistance. However, States may exempt 20 percent of the caseload from the Federal time limit for “hardship” reasons or because the family includes a person who has been “battered or subjected to extreme cruelty.” If a State uses its own funds for families that have reached the Federal time limit, it may count the expenditures toward its MOE requirement.

States may establish their own time limits (within 60 months) for use of Federal funds and (without limit) for use of their own funds. Almost half the States have adopted limits shorter than 60 months. Some permit extensions, some provide exemptions (months that do not count toward the time limit), and some continue children’s benefits indefinitely (Falk, 1998).

Family violence waivers

The 1996 law allows States to certify in their TANF plans that they have adopted standards to screen and identify TANF recipients with a history of domestic violence, refer them to services, and waive program requirements (including time limits and work rules) in some cases. DHHS regulations allow a State that has adopted the family violence option to receive “reasonable cause” exceptions to penalties for failing work and time limit rules if the State had granted domestic violence waivers that meet certain standards.

Data reporting

Regulations covering data reporting rules of the 1996 law took effect October 1, 1999. Before then, an Emergency TANF Data Report was used. The 1996 law requires States to collect on a monthly basis, and report on a quarterly basis, certain case-by-case information about families² receiving assistance (defined by regulation as benefits for ongoing basic needs plus support services for non-employed families) under the State program funded by TANF. Reports must provide some data for each family, each family member, and each adult. Required data include amount of assistance and type, type of family, cash resources, child support received (family data); race/ethnicity, educational status, citizenship status (for each family member); and marital status, employment status and earnings, and disability status (for each adult). Under DHHS regulations, if a State wishes to receive a high-performance bonus or qualify for a caseload reduction credit (to lower its required work participation rate), it must also file a similar quarterly case-by-case report on families receiving assistance under separate State programs (SSPs), financed with MOE funds. Disaggregated (case-by-case) data also must be reported about families no longer receiving assistance. Reports about closed cases are to show data for the last month of assistance; States are not expected to track ex-recipient families for these reports.

Also required are quarterly reports providing aggregated numerical totals, which may be based on sampling about families applying for, receiving, and no longer receiving assistance under the State TANF Program. In addition, if the State wants to qualify for a high-performance bonus or a caseload reduction credit, it must submit quarterly reports on the State MOE Program.

Other required reports from States include: an annual report on State TANF and separate State MOE Programs; a quarterly report on expenditures; and, for States competing for an annual high-performance bonus, a quarterly report on measures of job entry and success in the work force.

BENEFITS

Most States have continued pre-TANF maximum benefit schedules, although some have reduced benefits for families expected to work (tables 7-9 to 7-13). Some States have increased benefits, including California, West Virginia, Mississippi, and Idaho. Two have adopted bonuses, Oregon for cooperation with its work program and West Virginia for marriage. Wisconsin and Idaho have ceased adjusting benefits for family size. Most States have increased asset limits and work incentives (the portion of earnings disregarded in calculating benefits).

Under TANF more than 20 States have adopted formal policies to divert applicants from enrollment. These States pay welfare diversion or welfare avoidance grants to help families meet tem-

² TANF law does not define "family." Instructions to the TANF regulations say that for reporting purposes family means all persons who receive assistance as part of the family under the State TANF Program or the separate State program plus (if not included in the foregoing recipient group) parent(s), caretaker relative(s) and minor siblings of any child recipient, and anyone whose income or resources would be counted in determining the family's eligibility for or amount of aid.

porary emergencies. The grants are generally lump-sum payments, usually with a maximum equal to several months of TANF benefits.

CHILD CARE

Unlike AFDC, which required States to guarantee child care for recipients who needed it to work or study, TANF has no child care guarantees. However, the 1996 welfare law expanded the Child Care and Development Block Grant to pay for care for low-income families. Appropriated for this new block grant was \$13.9 billion over 6 years, more than \$4 billion above spending levels estimated by the Congressional Budget Office for the repealed AFDC-related child care programs. The law required States to integrate these mandatory funds with CCDBG discretionary funds and authorized \$1 billion annually for fiscal years 1996–2002 for discretionary funding. DHHS has designated the combined mandatory/discretionary child care grants as the Child Care and Development Fund (CCDF). For more information, see the chapter on child care (Section 9).

INTERACTION WITH OTHER MAJOR BENEFIT PROGRAMS

Medicaid

Although the 1996 law repealed AFDC, it preserved AFDC eligibility limits for Medicaid use. States must provide Medicaid coverage and benefits to children and family members who would have been eligible for AFDC as it existed on July 16, 1996. States may lower AFDC income and resource standards to those in effect on May 1, 1988 (continuing a provision of old law) and may increase them by the percentage rise since July 16, 1996 in the Consumer Price Index for All Urban Consumers; they also may adopt more liberal methods of determining income and resources (for example, more generous disregard of earnings). In general, if a State's TANF eligibility limits are the same as or more restrictive than those of AFDC on July 16, 1996, all TANF children and adults must receive Medicaid. Also, all children born since September 30, 1983 are eligible for Medicaid if their family income falls short of the Federal poverty level. The law permits States to end Medicaid for adults who refuse TANF work requirements, but requires continued Medicaid for their children. The law also requires 12 months of medical assistance to children and adults who lose TANF eligibility because of earnings that lift counted income above the July 16, 1996, AFDC eligibility limit.

Despite these provisions, an Urban Institute study found that from fiscal year 1995 to fiscal year 1997, when the average monthly number of AFDC/TANF families declined by 19 percent, the number of AFDC/TANF children and adults enrolled in Medicaid fell by 20 and 24 percent, respectively (Ku, 1999). The study, which defined Medicaid enrollment as the unduplicated number of persons signed up for Medicaid at any time in the fiscal year, showed that the number of children enrolled in Medicaid dropped by 2.3 million over the 2 years (to 9 million). In the same period the average monthly number of children enrolled in AFDC/TANF fell by 2 million (to 7.3 million). On December 6, 1999, DHHS announced in

the *Federal Register* (p. 69202) that it proposed to add three new nonwork measures (including Medicaid coverage) to factors used to determine high-performance TANF bonus awards to States.

Food assistance

TANF recipients not living with others automatically are eligible for food stamps; States can opt to operate a simplified Food Stamp Program under which they may apply many of their TANF rules to determination of food stamp benefits for TANF families, so long as the program does not increase Federal costs. TANF recipients disqualified for violating TANF rules may be disqualified also for food stamps. If a TANF household's cash benefits are reduced for noncompliance with TANF rules, the State may also reduce its food stamp allotment by 25 percent, and may not increase food stamp benefits to offset the cash loss.

TANF children automatically are eligible for free school meals and other child nutrition programs. Women, infants, and children enrolled in TANF automatically are income-eligible for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). These provisions continue AFDC policy.

Food stamp coverage is the second nonwork high-performance bonus measure proposed by DHHS. Effective in bonus year 2001, DHHS plans to base awards, in part, on the increase in the percentage of low-income working families with children who receive food stamps. An Urban Institute study reports that only 42 percent of eligible former cash welfare families received food stamps in 1997; their participation rate was similar to the traditionally low rate of working poor families (Zedlewski, 1999).

Earned income credit (EIC)

States have authority to decide whether to count EIC payments received by TANF recipients as income (the 1996 welfare law is silent on this issue). However, Public Law 105-34 prohibits EIC payments for TANF recipients whose earnings are derived from work experience or community service.

PRIVATIZATION/CHARITABLE CHOICE

The 1996 law authorizes States to administer and provide TANF services (and those under Supplemental Security Income) through contracts with charitable, religious, or private organizations, a provision which often is called "charitable choice." It authorizes States to pay recipients by means of certificates, vouchers, or other disbursement forms redeemable with these organizations. Any religious organization with a contract to provide welfare services must retain independence from all units of government and may not discriminate against applicants on the basis of religion. Furthermore, States must provide an alternative provider for a beneficiary who objects to the religious character of the designated organization. The charitable choice/privatization provision of the 1996 welfare law also covers food stamps and Medicaid, but it has not been implemented because food stamp and Medicaid law effectively require eligibility to be determined by a public official. For background and discussion of selected legal issues raised by charitable choice, see Ackerman (1999).

ENFORCEMENT OF PENALTIES AGAINST STATES

Penalties for any quarter cannot exceed 25 percent of the basic grant; unrecovered penalties must be carried forward into subsequent years. Penalty amounts are withheld from Federal block grant payments to the State; States must replace withheld Federal funds with their own funds. Here is an overview of the major penalties specified in the 1996 law:

- Failure to maintain a certain level of historic State spending. If a State fails to maintain State spending equal to at least 75 percent of spending in 1994, the Secretary must reduce the following year's TANF grant by the shortfall in MOE spending. In addition, if the State received WTW grant funds for the year, the Secretary must reduce the following year's TANF grant by the amount of those WTW funds.
- Failure to timely repay a loan from the Federal loan fund. The Secretary must reduce the TANF grant for the next quarter by the outstanding loan amount, plus the interest owed.
- Failure to comply substantially with child support enforcement requirements. The Secretary must reduce the TANF grant for each quarter of noncompliance as follows: first finding of noncompliance, by 1–2 percent; second consecutive finding, 2–3 percent; and third and later findings, 5 percent.
- Failure to replace Federal penalty funds with State funds. The Secretary may reduce the next year's TANF grant by the sum of 2 percent of the grant and the amount of State funds equal to the earlier grant reduction.
- Failure to maintain 100 percent of historic State spending under the State TANF Program during a year in which the State received contingency funds. The Secretary must reduce the next year's TANF grant by the total amount of contingency funds paid to the State.

In the case of some violations of TANF law, the Secretary may allow States to enter into corrective compliance plans or may allow a penalty exemption on grounds of reasonable cause for the violation. Here are the violations that permit corrective compliance or exemption:

- Failure to comply with the 5-year TANF benefit limit (5 percent maximum);
- Failure to enforce penalties required by the child support agency against TANF recipients who fail to cooperate with the Child Support Program (5 percent maximum);
- Failure to submit a required report (4 percent; rescinded if the State submits the report before the end of the next fiscal quarter);
- Failure to participate in the income and eligibility verification system (2 percent maximum);
- Use of TANF funds in violation of the law (reduction of the next year's TANF grant by the amount of funds wrongfully used; if the violation is found to be intentional, an additional 5 percent);
- Misuse of competitive WTW grants (an amount equal to the misused funds);

- Failure to maintain aid for a single parent who cannot obtain care for a child under 6 (5 percent maximum);
- Failure to reduce TANF aid for recipients who refuse without good cause to work (not less than 1 percent or more than 5 percent).

STATE TANF PROGRAMS

STATE PLAN REQUIREMENTS

To be eligible for a family assistance grant, States must submit each 2 years a TANF plan that contains required elements. The plan must outline how the State intends to: (1) conduct a program that provides cash assistance to needy families and that provides parents with work and support services; (2) require a parent or caretaker recipients to engage in work, as defined by the State, after a maximum of 24 months; (3) comply with the requirement for participation in creditable work activities by certain percentages of adult recipients; (4) take steps to restrict the use and disclosure of information about TANF recipients; (5) establish goals and take action to prevent and reduce the incidence of nonmarital pregnancies; and (6) conduct a program providing education and training on the problem of statutory rape. Also, the document must indicate whether the State intends to treat families moving into the State differently from State residents, whether it intends to provide aid to noncitizens, and if so, provide an overview of the aid. The plan must contain certain certifications, including that the State will operate a Child Support Enforcement Program and a Foster Care and Adoption Program, that it will provide equitable access to TANF for Indians who are not eligible for aid under a tribal plan, and that it has established and is enforcing standards and procedures against program fraud and abuse. The plan may certify that the State has established and is enforcing standards and procedures to screen and identify recipients with a history of domestic violence and will refer them to services and waive some program requirements for them in certain cases.

The law does not require the State plan to provide eligibility rules for aid, benefit levels paid, the content of work programs, or numerous other details. However, regulations that took effect October 1, 1999 stipulate that in order for State expenditures to count toward the MOE requirement, the families aided must be financially eligible according to the appropriate income and resource (when applicable) standards established by the State and contained in its TANF plan. The preamble to the regulations states that in order for a plan to be deemed complete, it must contain the financial eligibility criteria for eligible families in the State's TANF Program and all State or local MOE Programs and a brief description of the corresponding benefit provided under the TANF Program with MOE funds.

The Workforce Investment Act of 1998 (Public Law 105-220) allows a State to submit a "unified" plan to the "appropriate Secretaries" covering one or more Workforce Investment Act activities or vocational education activities plus one or more work activities authorized under TANF, food stamps, or numerous other programs. The Secretary with jurisdiction over a program is authorized to ap-

prove the portion of the State unified plan dealing with that program (applying its plan requirements). A State with an approved unified plan cannot be required to submit a separate plan for the covered activity.

BRIEF SUMMARY OF TANF STATE PROGRAMS

On the basis of State Temporary Assistance for Needy Families (TANF) plans, State welfare laws, and data collected under interim reporting rules, the range of State programs is shown to be broad. As noted earlier, many of the States have adopted time limits shorter than the Federal 60-month limit. In 1999, many State legislatures liberalized some TANF rules, allowing more TANF recipients to engage in postsecondary education, receive transportation support, and so forth. Some States increased maximum benefit levels. These changes were facilitated by abundant TANF funds and by the dramatic cut in caseload numbers, which has sharply reduced effective work participation rates required for all families. Table 7-33 shows major provisions of TANF Programs, State by State.

For other summaries of TANF State Programs, see the State Policy Document Project of the Center for Law and Social Policy and the Center on Budget and Policy Priorities (<http://www.spdg.org>), the TANF annual report (U.S. Department, 1999), and the National Governors' Association (1999).

FUNDING OF TANF

BASIC FAMILY ASSISTANCE GRANTS

TANF's basic block grant is the State family assistance grant, which entitles the 50 States and the District of Columbia to a total of \$16.5 billion annually through fiscal year 2002. The 1996 law preappropriated these funds. Distribution of the funds among States is based on record high Federal payments made in immediately preceding years for Aid to Families with Dependent Children (AFDC), EA, and JOBS. The law entitles States to the largest of required Federal payments to States for these three programs for:

- Fiscal years 1992-94, annual average;
- Fiscal year 1994, plus 85 percent of the amount by which EA payments for fiscal year 1995 exceeded those for fiscal year 1994 if the State amended its EA plan in fiscal year 1994; or
- Fiscal year 1995.

Table 7-1 (column 2) shows the basic annual family assistance grant for the 50 States and the District of Columbia. Puerto Rico, Guam, and the Virgin Islands also are eligible to operate TANF and receive a family assistance grant, but they operate under special funding rules and are not shown in the table (Section 12). American Samoa, which never implemented AFDC, although eligible, could receive TANF funds at the old AFDC matching rate of 75 percent under section 1108 of the Social Security Act. However, as of early 2000, it had not taken this option.

TABLE 7-1.—FAMILY ASSISTANCE GRANTS AND REQUIRED STATE SPENDING UNDER TANF

[In thousands of dollars]

State	Family assistance grant	75 percent of historic State spending ¹	80 percent of historic State spending ¹	Maximum child care spending that can be "double-counted" toward both the CCDF and TANF MOE	Minimum spending on needy families that cannot be double counted for MOEs of both CCDF and TANF
Alabama	\$93,315	\$39,214	\$41,828	\$6,896	\$32,318
Alaska	63,609	48,942	52,205	3,545	45,398
Arizona	222,420	95,028	101,363	10,033	84,995
Arkansas	56,733	20,839	22,228	1,887	18,952
California	3,733,818	2,732,406	2,914,566	85,593	2,646,813
Colorado	136,057	82,871	88,396	8,986	73,885
Connecticut	266,788	183,421	195,649	18,738	164,683
Delaware	32,291	21,771	23,222	5,179	16,592
District of Columbia	92,610	70,449	75,146	4,567	65,882
Florida	562,340	370,919	395,647	33,416	337,503
Georgia	330,742	173,369	184,926	22,183	151,186
Hawaii	98,905	72,981	77,847	4,972	68,010
Idaho	31,938	13,679	14,591	1,176	12,503
Illinois	585,057	429,021	457,622	56,874	372,147
Indiana	206,799	113,525	121,093	15,357	98,168
Iowa	131,525	61,963	66,094	5,079	56,885
Kansas	101,931	61,750	65,866	6,673	55,077
Kentucky	181,288	67,418	71,913	7,275	60,144
Louisiana	163,972	55,415	59,109	5,219	50,196
Maine	78,121	37,778	40,296	1,750	36,028
Maryland	229,098	176,965	188,763	23,301	153,664
Massachusetts	459,371	358,948	382,877	44,973	313,974
Michigan	775,353	468,518	499,753	24,411	444,107

TABLE 7-1.—FAMILY ASSISTANCE GRANTS AND REQUIRED STATE SPENDING UNDER TANF—Continued

[In thousands of dollars]

State	Family assistance grant	75 percent of historic State spending ¹	80 percent of historic State spending ¹	Maximum child care spending that can be "double-counted" toward both the CCDF and TANF MOE	Minimum spending on needy families that cannot be double counted for MOEs of both CCDF and TANF
Minnesota	267,985	179,745	191,728	19,690	160,055
Mississippi	86,768	21,724	23,173	1,715	20,009
Missouri	217,052	120,121	128,129	16,549	103,572
Montana	45,534	15,689	16,735	1,314	14,375
Nebraska	58,029	28,971	30,903	6,499	22,472
Nevada	43,977	25,489	27,188	2,580	22,908
New Hampshire	38,521	32,115	34,256	4,582	27,533
New Jersey	404,035	303,956	324,219	26,374	277,581
New Mexico	126,103	37,450	39,947	2,895	34,555
New York	2,442,931	1,710,795	1,824,848	101,984	1,608,811
North Carolina	302,240	154,176	164,454	37,927	116,248
North Dakota	26,400	9,069	9,674	1,017	8,052
Ohio	727,968	390,551	416,588	45,404	345,147
Oklahoma	148,014	61,250	65,334	10,630	50,620
Oregon	167,925	92,255	98,405	11,715	80,540
Pennsylvania	719,499	407,126	434,267	46,629	360,497
Rhode Island	95,022	60,367	64,392	5,321	55,046
South Carolina	99,968	35,839	38,229	4,085	31,754
South Dakota	21,894	8,774	9,359	803	7,971
Tennessee	191,524	82,810	88,331	18,976	63,834
Texas	486,257	235,725	251,440	34,681	201,043
Utah	76,829	25,291	26,977	4,475	20,816
Vermont	47,353	25,653	27,364	2,666	22,987

Virginia	158,285	128,173	136,718	21,329	106,844
Washington	404,332	272,061	290,198	38,708	233,353
West Virginia	110,176	32,701	34,881	2,971	29,730
Wisconsin	318,188	169,229	180,511	16,449	152,779
Wyoming	21,781	10,665	11,376	1,554	9,112
Total	16,488,667	10,434,961	11,130,625	887,607	9,547,354

¹Fiscal year 1994 spending on AFDC, EA, JOBS, and AFDC-related child care.

Source: Table prepared by the Congressional Research Service based on information from the U.S. Department of Health and Human Services.

STATE SPENDING REQUIREMENT (MOE)

To avoid a loss of TANF funds, States must maintain their own spending on families with children who are needy under State financial standards. The specified level is 75 percent of expenditures made from State funds in fiscal year 1994 for AFDC, EA, JOBS, and AFDC-related child care (80 percent if a State fails to meet work participation minimums). Table 7-1 (columns 3 and 4) shows the 75 and 80 percent maintenance-of-effort (MOE) levels by State. At the 75 percent level, required spending by States totals \$10.4 billion; at the 80 percent level, \$11.1 billion.

Countable toward the MOE requirement are expenditures on cash assistance, child care, education specifically for TANF recipients and not the general population, administrative costs, and any other spending on activities that further the goals of TANF. These expenditures can be made under the State's TANF Program or an SSP not subject to TANF work and time limit rules. However, for spending not authorized under a State's pre-TANF Programs, a new spending test applies; countable toward MOE are only expenditures above the fiscal year 1995 level. To count toward the TANF MOE, the State expenditure cannot be made as a condition of receiving funds from any Federal program such as Medicaid. A special exception to this rule applies to child care expenditures. State spending for child care is countable toward the TANF MOE so long as the funds are not used as the State match for the CCDF. To be eligible for CCDF matching funds, States must first meet an MOE requirement for CCDF. Column 5 of table 7-1 shows that a maximum of \$0.9 billion in State child care expenditures can be counted toward the TANF MOE as well as the CCDF MOE. Column 6 shows that a minimum of \$9.5 billion in State expenditures on needy families (the difference between columns 3 and 5) cannot be counted toward both the TANF MOE and the CCDF MOE. States that maintain child care spending at the higher of their 1994 or 1995 spending on the replaced programs are entitled also to extra funds at the Medicaid match rate.

SUPPLEMENTAL GRANTS TO STATES WITH HIGH POPULATION
GROWTH AND/OR LOW AFDC-RELATED FEDERAL SPENDING PER
POOR PERSON

For fiscal years 1998-2001, the TANF law appropriated a total of \$800 million for supplemental grants to States with high population growth and/or low fiscal year 1994 Federal spending per poor person on programs ended by TANF.

For fiscal year 1998, the supplemental grant has been computed as 2.5 percent of the amount required to be paid to the State under AFDC, Emergency Assistance to Needy Families (EA), JOBS, and AFDC-related child care in fiscal year 1994. In subsequent years, it is computed as the prior year's supplemental grant plus 2.5 percent of the sum of fiscal year 1994 base expenditures and the prior year's supplemental grant.

Automatic qualification

The law qualifies certain States automatically for supplemental funds for each year from fiscal year 1998 to fiscal year 2001 on the

basis of historical data. These are States that meet at least one of two conditions: (1) fiscal year 1994 Federal expenditures per poor State resident on AFDC, EA, JOBS, and AFDC-related child care (poverty count based on the 1990 census) were below 35 percent of the corresponding national spending per poor person; or (2) the State's population grew more than 10 percent from April 1, 1990 to July 1, 1994. DHHS has determined that 11 States automatically qualify for supplemental funds for each year: Alabama, Alaska, Arizona, Arkansas, Colorado, Idaho, Louisiana, Mississippi, Nevada, Utah, and Texas.

Annual qualification

Other States may qualify only by meeting each of two conditions: (1) Federal welfare expenditures per poor State resident (poverty count based on the 1990 census) in the current year on programs ended by TANF are below fiscal year 1994 national average comparable expenditures per poor person; and (2) during the most recent year with available data, the State's population grew at a rate above the national average. Further, to qualify for supplemental funds on these grounds, States must have met the qualification criteria in fiscal year 1998. DHHS has determined that six additional States qualified on these grounds in fiscal year 1998: Florida, Georgia, Montana, New Mexico, North Carolina, and Tennessee. If a State does not meet these annual criteria in fiscal years 1999–2001, it will continue to receive its prior year supplemental grant, but that grant will not increase. In fiscal years 2000 and 2001, Montana and New Mexico do not qualify for an increase in supplemental funds because their 1997–98 population growth rate failed to exceed the national population growth rate.

Table 7–2 shows annual supplemental grants for fiscal year 1998 and projections of supplemental grants for fiscal years through 2001.³ Under current projections, the \$800 million appropriation will be sufficient to pay each State's full supplemental grant in fiscal year 2001. However, current law provides no supplemental grant for fiscal year 2002, the last year for which basic TANF Block Grants are funded. As the table shows, more than half of the 17 supplemental grantee States are in the South. Not qualifying are the remaining 34 States. Further, the law makes the territories ineligible.

WELFARE-TO-WORK GRANTS

The basic TANF Block Grant earmarks no funds for any program component. In response to a Presidential budget proposal, the 1997 Balanced Budget Act established welfare-to-work (WTW) grants (Sec. 403(a)(5)) as a component of TANF (for details, see below).

³The projections for fiscal year 2001 assume that all States that qualified for an increase in the supplemental grant from fiscal year 1999 to fiscal year 2000 will qualify for an increase in the supplemental grant from fiscal year 2000 to fiscal year 2001. This differs from the projections made by the U.S. Department of Health and Human Services (DHHS) (see Information Memorandum TANF-ACF-IM-99-4), which assumes that only the States that automatically qualify for supplemental grants will receive an increase in fiscal year 2001.

TABLE 7-2.—ESTIMATED SUPPLEMENTAL GRANTS TO STATES WITH HIGH POPULATION GROWTH AND/OR RELATIVELY LOW FEDERAL AFDC AND RELATED PROGRAM EXPENDITURES PER POOR PERSON, FISCAL YEARS 1998–2001

[In thousands of dollars]

State	1998	1999	2000	2001
Alabama	\$2,671	\$5,410	\$8,216	\$11,093
Alaska	1,659	3,359	5,102	6,888
Arizona	5,762	11,667	17,720	23,925
Arkansas	1,497	3,032	4,606	6,218
Colorado	3,268	6,617	10,051	13,570
Florida	14,547	29,457	44,740	60,406
Georgia	8,978	18,181	27,614	37,283
Idaho	842	1,706	2,591	3,498
Louisiana	4,100	8,303	12,611	17,027
Mississippi	2,176	4,406	6,692	9,036
Montana	1,133	1,133	1,133	1,133
Nevada	899	1,821	2,765	3,734
New Mexico	3,236	6,553	6,553	6,553
North Carolina	8,696	17,609	26,745	36,110
Tennessee	5,193	10,516	15,973	21,565
Texas	12,693	25,703	39,039	52,708
Utah	2,096	4,245	6,447	8,704
Total	79,447	159,720	238,599	319,450

Source: Table prepared by the Congressional Research Service based on data from the U.S. Department of Health and Human Services and the Census Bureau. For fiscal years 1999–2001, estimates assume that States that qualified for annual increases in grants in fiscal year 2000 also qualify for an annual increase in fiscal year 2001.

CONTINGENCY FUND

The contingency fund provides capped matching grants for States that experience high and increasing unemployment rates or increased food stamp caseloads. A total of \$1.960 billion is appropriated to the contingency fund for fiscal years 1997–2001; the 1996 welfare reform law actually provided \$2 billion in contingency funds, but the \$2 billion was reduced by \$40 million in Public Law 105–89. To qualify for contingency funds, a State must meet one of two criteria of “need”: (1) its seasonally adjusted unemployment rate averaged over the most recent 3-month period must be at least 6.5 percent and at least 10 percent higher than the rate in the corresponding 3-month period in either of the previous 2 years; or (2) its food stamp caseload over the most recent 3-month period must be at least 10 percent higher than the adjusted food stamp caseload was in the corresponding 3-month period in fiscal years 1994 or 1995. For this purpose, fiscal years 1994 and 1995 food stamp caseloads are adjusted by subtracting noncitizens that would have been ineligible for benefits had the Personal Responsibility and Work Opportunity Reconciliation Act’s ban on food stamp eligibility for noncitizens been in effect in those years.

To qualify for the contingency fund, a State must meet a special high MOE requirement. The required State spending level is high-

er (100 percent of fiscal year 1994 spending on AFDC, EA, and JOBS) than for the regular TANF MOE, and the categories of countable spending are more restrictive. For the contingency fund MOE, State spending on SSPs are not countable; spending must be on the TANF Program. Further, TANF expenditures on TANF child care are excluded from contingency fund countable spending (and from the historic spending level base). If a State fails to maintain 100 percent of historic State expenditures under its TANF Program during a year in which it receives contingency funds, DHHS must reduce the State's family assistance grant for the next year by the amount of contingency funds.

The maximum sum available to a State from the contingency fund is 20 percent of its State family assistance grant, and in each month that it qualifies, a State may receive up to one-twelfth of its maximum contingency grant. The State's full year entitlement is calculated by: (1) multiplying its countable expenditures above the 100 percent MOE level by the Medicaid matching rate and then (2) multiplying the result by the proportion of the year (for example, one-twelfth for 1 month; one-half for 6 months) that the State met the needy State criteria.

A State's full year entitlement to contingency funds can be determined only after the close of the fiscal year. It is based on its countable expenditures, including those financed from contingency fund advance payments; the number of months it qualified; and its matching rate during the fiscal year. If a State received more in advances than its full year entitlement, it must remit overpayments to the Treasury. Remittance of overpayments must be made within 1 year after the State has not met the needy State criteria for 3 consecutive months. These remittances are also increased by an adjustment. This adjustment reflects a provision of Public Law 105-89 (the Adoption and Safe Families Act of 1997) that reduced the contingency fund appropriation by \$40 million and correspondingly increased required remittances by a maximum \$2 million in fiscal year 1998, \$9 million in fiscal year 1999, \$16 million in fiscal year 2000, and \$13 million in fiscal year 2001. Under this provision, each State's remittance is increased by the lesser of its percentage share of total contingency fund entitlements multiplied by that year's increase in the required remittance or its contingency fund entitlement.

LOAN FUND

TANF also provides a \$1.7 billion revolving loan fund. States may receive loans of maturities of up to 3 years, which must be repaid with interest. The interest rate for the loans is the current average market yield on outstanding marketable obligations of the Federal Government. A State is ineligible for a loan if it is subject to a penalty for misspending TANF funds.

BONUS FUNDS

Nonmarital birth rate reduction

The 1996 welfare reform law appropriates \$100 million annually for 4 years, fiscal years 1999-2002, for bonuses to a maximum of five States (or outlying areas) that make the largest percentage re-

duction in the nonmarital birth rate while also reducing abortion rates. Awards are based on the most recent 2-year data available from the National Center for Health Statistics, compared with that for the previous 2-year period. Initial awards were made in 1999 to five jurisdictions (Alabama, California, District of Columbia, Massachusetts, and Michigan), each of which received \$20 million for achieving the largest percentage reductions in out-of-wedlock birth rates between 1994–95 and 1996–97. For further information about nonmarital birth rates and the illegitimacy bonus, see Appendix M.

High performance bonus

The 1996 law appropriated \$1 billion for bonuses averaging \$200 million for each of 5 years to “high performing” States. It defined a high performing State as one whose TANF performance score for the previous year at least equaled a threshold set for that year by the DHHS Secretary. It stipulated that State performance was to be measured by a formula to be developed by the Secretary in consultation with the National Governors’ Association and the American Public Welfare Association (since renamed the American Public Human Services Association). The law said the formula was to measure success in achieving “the goals” of TANF. DHHS subsequently announced that the high-performance bonus formula for performance years fiscal years 1998–99 would be based on State rankings (absolute and relative) on two work-related measures: rates of job entry and success in the work force (job retention and earnings gain). In late December 1999, DHHS announced that 27 States had been selected to share the first high-performance bonus of \$200 million. At the time the Department said that beginning in performance year fiscal year 2001, it planned to add three new performance measures to the bonus formula: “family formation”—improvement in the percentage of children below 200 percent of poverty living in married couple families, enrollment in Medicaid or the Children’s Health Insurance Program (CHIP), and enrollment in food stamps.

Winners of the first high-performance bonus, shown in table 7–3, ranked among the top 10 States in at least one of the four categories. Bonuses ranged from \$0.5 million in South Dakota for improvement in job entry to \$45.5 million in California for both absolute and relative success in the work force. The States that ranked the highest in each category were Indiana (job placement), Minnesota (job retention and earnings), Washington (biggest improvement in job placement), and Florida (biggest improvement in job retention and earnings).

TABLE 7-3.—HIGH-PERFORMANCE BONUS AWARDS, FISCAL YEAR 1999

[In thousands of dollars]

State	Total bonus	1998 performance		1998 performance improvement	
		Job entry	Work force success ¹	Job entry	Work force success ¹
Arizona	\$2,707.7		\$1,981.5		\$726.1
California	45,454.2		33,264.4		12,189.8
Connecticut	2,376.8		2,376.8		
Delaware	1,614.5	\$943.7		\$670.8	
Florida	6,845.7		5,009.9		1,835.9
Hawaii	881.1		881.1		
Illinois	21,571.9	19,661.9			1,910.0
Indiana	8,792.2	6,949.9	1,842.4		
Iowa	1,171.8		1,171.8		
Louisiana	3,770.2			3,770.2	
Massachusetts ..	10,562.2			10,562.2	
Michigan	2,531.3				2,531.3
Minnesota	9,424.1		2,387.5	6,161.7	874.9
Nevada	2,198.8	1,285.2		913.6	
New York	7,975.4				7,975.4
North Dakota ...	887.2	887.2			
Oklahoma	3,403.2			3,403.2	
Pennsylvania	24,180.1	24,180.1			
Rhode Island ...	2,495.0			2,184.8	310.2
South Carolina ..	1,217.0		890.6		326.4
South Dakota ...	503.4			503.4	
Tennessee	6,436.5	6,436.5			
Texas	16,341.5	16,341.5			
Utah	2,582.0	2,582.0			
Washington	10,616.7			9,296.7	1,320.0
West Virginia ...	2,533.3			2,533.3	
Wyoming	926.1	732.0	194.1		
Total	200,000.0	80,000.0	50,000.0	40,000.0	30,000.0

¹To determine success in the work force, measures of job retention and earnings gain were weighted, combined, and then reranked.

Source: Table prepared by the Congressional Research Service based on information from the U.S. Department of Health and Human Services.

TANF FOR INDIANS

The 1996 welfare law gave federally recognized Indian tribes (defined to include certain Alaska Native organizations) the option to design and operate their own cash welfare programs for needy children⁴ with funds subtracted from their State's TANF Block Grant. In mid-February 2000, 22 tribal TANF plans were in operation, covering approximately 4,480 families in 12 States, and 22 plans

⁴Before enactment of TANF, American Indians or Alaska Natives (Indians, Inuit [Eskimos] or Aleuts) received AFDC on the same terms as other families in their State, with benefits and income eligibility rules set by the State and costs paid by Federal and State funds.

were pending that would cover 78 more tribes and villages and raise the total number of families served by tribal plans to 17,800. The 1996 welfare law also appropriated \$7.6 million annually for 6 years, fiscal years 1997–2002, for work and training activities to tribes in 24 States that operated the repealed JOBS Programs (the replacement program is called Native Employment Works (NEW)), authorized direct Federal funding to recognized Indian tribes for operation of Child Support Enforcement Programs, and set aside a share of child care funds for Indian tribes. Further, the 1997 Balanced Budget Act (Public Law 105–33), which established a 2-year program of WTW grants to serve TANF recipients with impediments to work, reserved \$30 million of its formula grants for Indian programs.

Tribal TANF Programs have several distinctive features, including:

- Work participation rates and time limit rules are set by the Secretary of DHHS with participation of the tribe. The 1996 law exempts from the 60-month TANF benefit time limit any month of aid during which the recipient lived on a reservation (or in an Alaska Native village) of at least 1,000 persons in which at least 50 percent of adults were unemployed;
- Tribal plans are for 3 years (rather than 2, as for States), and contain many fewer required elements than State plans;
- DHHS has ruled that State funds contributed to an approved tribal plan may be counted toward the TANF MOE level;
- The law gives explicit permission for State TANF Programs to use money from a new loan fund for aid to Indian families that have moved out of the area served by a tribal plan; and
- Tribal TANF regulations, issued February 18, 2000, and effective June 17, 2000, permit 35 percent of a tribal grant to be used for administrative costs in the first year, 30 percent in the second year, and 25 percent thereafter. State TANF Programs, however, may spend no more than 15 percent of their grants on administration (with the exception of computerization expenses for tracking and monitoring.)

Data compiled by the Division of Tribal Services show that only four tribal plans adopted the statutory work participation rate of 35 percent for fiscal year 1999. The others set lower participation rates, ranging from 15 to 30 percent. However, most tribal plans adopted the TANF 60-month lifetime benefit limit (two set a limit of 24 months within an 84-month period, and one, a limit of 24 consecutive months within 60 months). DHHS reports that in fiscal year 1998, more than 4,000 adults in tribal programs entered employment; another 4,000 achieved other program goals, such as earning a high school diploma or general education degree or completing a training program.

A tribe's TANF grant equals Federal payments made to the State for fiscal year 1994 for AFDC, EA, and JOBS that are attributable to Indians in its service area. A tribe's grant is smaller than the sum spent on AFDC Indian children in fiscal year 1994 because it lacks the State matching share. Although the existence of a tribal program within a State reduces the State's potential TANF caseload, States are not required to help fund the tribal plan. However, some nine States do so for at least some of the tribal plans within

their borders (Alaska, Arizona, California, Idaho, Minnesota, Montana, Oregon, Washington, and Wyoming). South Dakota says it provides transition funds and training.

In 1999, Congress amended the law to permit tribal TANF Programs, like State programs, to reserve TANF funds for assistance (aid for basic ongoing needs) in any future year (Public Law 106-169). Final regulations for tribal TANF Programs were issued February 18, 2000 (*Federal Register*, 2000).

AFDC/TANF DATA

HIGHLIGHTS

Since Congress ended the entitlement of eligible families with children to cash aid in August 1996, AFDC/TANF rolls have continued to shrink, and work by families still on the rolls has doubled. To promote work, State TANF Programs employ tough work sanctions, generous work rewards, "work first" policies, and welfare avoidance (diversion) payments. Data reported by States indicate that higher average earnings for those remaining on the rolls apparently have more than offset a slight drop in average benefits (chart 7-6), that the percentage of welfare children cared for by a nonrecipient (child-only cases) has increased, but that otherwise the composition of TANF families resembles that of AFDC families (table 7-27), and that the share of welfare adults who are non-whites apparently has increased (table 7-28). National data are not available about families who have left TANF, but studies indicate that in some States from 50 to 65 percent of persons who leave TANF have jobs then or a short time later (compared with a general work exit rate of almost 50 percent before TANF), that the jobs generally pay wages slightly above the minimum, and that about one-fifth or more of ex-recipients return to the rolls within several months. (See Appendix L for review of TANF research.)

CASELOADS

Historical national trends

As table 7-4 shows, enrollment in family welfare, which soared to an all-time peak in fiscal year 1994, has fallen to the lowest level since the early 1970s. Some of the decline in the reported caseload since 1996 represents families who were moved into separate State programs (SSPs) not subject to TANF rules. The proportion of U.S. children enrolled in AFDC/TANF hovered between 11 and 12 percent throughout the 1970s and 1980s and then soared above 14 percent in 1993-94. Since then the share has been cut in half, to an estimated 6.9 percent in September 1999.

Chart 7-1 shows that the number of AFDC families began climbing in fiscal year 1990, reached a record peak in spring 1994 and then plunged to 2.5 million in September 1999. More than one-fourth of this decline occurred before passage of TANF. Food stamp enrollment also dropped sharply, by more than 10 million persons, from spring 1994 to October 1999.

TABLE 7-4.—HISTORICAL TRENDS IN AFDC/TANF ENROLLMENTS, FISCAL YEARS 1970–99

Fiscal year	Average monthly number (in thousands)			Total child population (under age 18) ¹	Percent all children on AFDC/TANF
	Families	Recipients	Children		
1970	1,909	7,415	5,494	69,759	7.9
1971	2,532	9,556	6,963	69,806	9.9
1972	2,918	10,632	7,698	69,417	11.1
1973	3,124	11,038	7,965	68,762	11.6
1974	3,170	10,845	7,824	67,984	11.5
1975	3,357	11,094	7,952	67,164	11.8
1976	3,575	11,386	8,054	66,250	12.2
1977	3,593	11,130	7,846	65,461	12.0
1978	3,539	10,672	7,492	64,773	11.6
1979	3,496	10,318	7,197	64,106	11.2
1980	3,642	10,597	7,320	63,754	11.5
1981	3,871	11,160	7,615	63,213	12.0
1982	3,569	10,431	6,975	62,813	11.1
1983	3,651	10,659	7,051	62,566	11.3
1984	3,725	10,866	7,153	62,482	11.4
1985	3,692	10,813	7,165	62,623	11.4
1986	3,748	10,997	7,300	62,865	11.6
1987	3,784	11,065	7,381	63,056	11.7
1988	3,748	10,920	7,325	63,246	11.6
1989	3,771	10,934	7,370	63,457	11.6
1990	3,974	11,460	7,755	63,942	12.1
1991	4,374	12,592	8,513	65,069	13.1
1992	4,768	13,625	9,226	66,075	14.0
1993	4,981	14,143	9,560	66,963	14.3
1994	5,046	14,226	9,611	67,804	14.2
1995	4,879	13,659	9,280	68,438	13.6
1996	4,552	12,644	8,671	69,023	12.6
1997	3,947	10,954	7,781	69,528	10.5
1998	3,179	8,770	6,330	70,229	8.9
1999	2,648	7,203	² 5,114	70,548	7.2

¹ Census Bureau estimates of the resident child population (under age 18) as of July 1 each year. Figures for 1998 and 1999 are “middle series” projections.

² Rough estimate, based on ratio of children to total recipients in 1998.

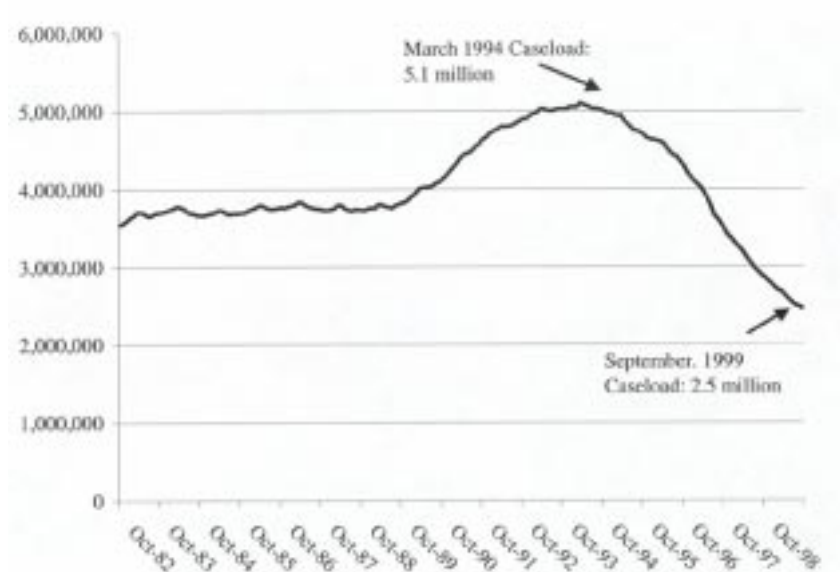
Note.—Family, recipient, and child data, fiscal years 1970–96 are from DHHS AFDC baseline book (table 2.1); and for 1997–98 are from DHHS Second Annual Report on indicators of welfare dependence.

Source: Table prepared by the Congressional Research Service on the basis of data from the U.S. Department of Health and Human Services.

Many factors have helped to shrink the caseload, including the new “work first” culture, the improved economy, tougher work sanctions, the existence of a lifetime limit for federally funded benefits, and widespread adoption of diversion practices. Under TANF, not only are recipients departing from welfare at a faster rate, but fewer persons are joining the rolls to replace them. An August 1999 report by the Council of Economic Advisors (pp. 2 and 4) estimates that about one-third of the 1996–98 caseload drop was due to Federal and State welfare policy changes, from 8 to 10 percent to the

strong economy, 10 percent to the higher minimum wage, and from 1 to 5 percent to the lower real value of cash welfare benefits.

CHART 7-1. AFDC/TANF FAMILIES, 1982-99



Source: Chart prepared by the Congressional Research Service on the basis of the U.S. Department of Health and Human Services data.

State caseload trends

By fiscal year 1999, the national average Aid to Families with Dependent Children (AFDC)/TANF monthly caseload had plunged 48 percent (almost 2.4 million families) below its all-time peak of 5 million families in fiscal year 1994. Table 7-5 shows that decreases occurred in all jurisdictions except Guam. Rates of decline varied, changing the distribution of welfare families across States. For example, the share of welfare families in California and New York, the two largest AFDC/TANF States, rose from 27 percent in fiscal year 1994 to 34.7 percent in fiscal year 1999. In addition, the percentage of the caseload residing in inner cities has increased (Allen & Kirby, 2000). As noted earlier, the fiscal year 1995 caseload has special significance; required work participation rates are reduced for States whose caseload is below the 1995 base level. The national caseload in fiscal year 1999 was down 45.7 percent from 1995; in 38 of the 54 TANF jurisdictions, the caseload reduction appeared large enough to reduce the required fiscal year 2000 overall work rate from the statutory level of 40 percent to zero.

TABLE 7-5.—AFDC/TANF FAMILIES, MONTHLY AVERAGE BY FISCAL YEAR

[Families in thousands]

State	1994	1995	1996	1997	1998	1999	Percent change: fiscal year 1999 from	
							1995	1994
Alabama	50.3	46.0	42.4	34.5	23.3	20.3	-56.0	-59.7
Alaska	12.8	12.4	12.3	12.0	10.2	8.5	-31.9	-33.7
Arizona	72.0	69.6	63.4	54.7	39.6	34.1	-51.0	-52.6
Arkansas	26.0	24.3	22.7	20.9	13.8	11.9	-50.9	-54.1
California	909.0	919.5	896.0	815.9	707.0	624.1	-32.1	-31.3
Colorado	41.6	38.6	35.4	29.9	21.2	14.3	-63.0	-65.7
Connecticut	59.2	61.0	58.1	55.8	48.1	33.9	-44.4	-42.7
Delaware	11.5	10.8	10.4	9.8	7.2	6.2	-42.1	-45.5
District of Columbia	27.1	26.8	25.7	24.1	21.1	19.1	-28.8	-29.7
Florida	247.1	230.8	212.0	170.5	108.0	82.0	-64.5	-66.8
Georgia	141.5	139.1	130.4	105.9	75.0	62.2	-55.3	-56.0
Guam	1.9	2.1	2.1	2.3	2.1	2.5	20.7	34.8
Hawaii	20.4	21.7	22.0	21.3	16.8	16.0	-26.2	-21.7
Idaho	8.7	9.1	9.0	6.5	1.9	1.4	-84.8	-84.1
Illinois	240.3	236.2	224.1	198.9	169.7	122.8	-48.0	-48.9
Indiana	73.8	65.6	52.9	44.7	40.1	36.7	-44.0	-50.3
Iowa	39.6	36.5	32.8	28.8	25.2	22.0	-39.8	-44.5
Kansas	30.1	28.2	25.1	20.2	14.1	12.8	-54.5	-57.3
Kentucky	79.8	75.4	71.8	65.3	52.9	42.6	-43.4	-46.6
Louisiana	86.9	79.8	70.6	56.5	48.2	39.4	-50.7	-54.7
Maine	22.9	21.7	20.5	18.5	15.7	13.5	-37.9	-41.3
Maryland	80.1	80.4	74.1	59.2	47.4	34.7	-56.8	-56.6

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Massachusetts	111.8	100.9	88.4	78.0	66.5	54.5	-46.0	-51.3
Michigan	223.9	201.7	178.0	151.6	123.7	95.2	-52.8	-57.5
Minnesota	63.0	61.3	58.3	53.3	48.3	42.5	-30.8	-32.6
Mississippi	56.8	52.5	48.0	38.5	23.7	16.6	-68.3	-70.7
Missouri	92.1	89.3	82.7	71.8	60.0	50.9	-43.0	-44.7
Montana	11.9	11.5	10.8	8.9	6.4	4.8	-58.0	-59.5
Nebraska	15.9	14.8	14.2	13.9	13.0	11.3	-23.5	-28.9
Nevada	14.2	15.7	14.8	11.9	10.4	8.0	-48.9	-43.3
New Hampshire	11.5	10.8	9.5	8.1	6.9	6.4	-41.0	-44.5
New Jersey	122.4	118.9	112.0	95.4	80.5	62.2	-47.6	-49.2
New Mexico	33.6	34.4	33.9	27.0	21.1	25.5	-26.0	-24.2
New York	455.0	456.9	431.7	384.4	336.9	294.4	-35.6	-35.3
North Carolina	131.2	125.5	113.1	98.9	78.0	59.3	-52.7	-54.8
North Dakota	5.9	5.2	4.9	4.2	3.3	3.1	-40.6	-47.3
Ohio	250.2	228.2	206.7	191.4	151.5	113.8	-50.1	-54.5
Oklahoma	47.0	44.8	38.8	30.3	24.5	20.1	-55.2	-57.3
Oregon	42.1	39.3	33.4	24.1	18.2	16.9	-57.0	-60.0
Pennsylvania	210.2	204.8	190.3	163.6	127.7	105.7	-48.4	-49.7
Puerto Rico	58.8	54.8	50.9	47.7	41.9	36.2	-34.0	-38.5
Rhode Island	22.7	22.2	21.2	19.8	19.3	18.0	-19.0	-20.6
South Carolina	51.9	49.0	45.8	34.2	25.3	18.4	-62.5	-64.6
South Dakota	6.9	6.3	6.0	5.1	3.8	3.2	-48.7	-53.4
Tennessee	110.8	104.0	99.1	70.4	57.4	57.6	-44.6	-48.0
Texas	283.7	273.0	255.0	209.0	145.3	114.1	-58.2	-59.8
Utah	17.8	16.6	14.8	12.2	10.7	9.8	-41.1	-44.9
Vermont	9.9	9.6	9.1	8.3	7.4	6.6	-31.5	-33.1
Virginia	74.8	72.1	64.9	53.9	43.3	37.0	-48.7	-50.5
Virgin Islands	1.1	1.3	1.4	1.3	1.1	1.0	-26.6	-12.5
Washington	103.0	101.9	98.9	93.0	79.4	62.6	-38.6	-39.2

TABLE 7-5.—AFDC/TANF FAMILIES, MONTHLY AVERAGE BY FISCAL YEAR—Continued

[Families in thousands]

State	1994	1995	1996	1997	1998	1999	Percent change: fiscal year 1999 from	
							1995	1994
West Virginia	40.7	38.4	36.6	33.6	19.7	11.4	- 70.2	- 71.9
Wisconsin	77.2	72.4	60.1	38.9	12.8	19.1	- 73.6	- 75.2
Wyoming	5.7	5.2	4.7	2.8	1.3	0.8	- 84.4	- 85.9
Total	5,046.3	4,879.0	4,551.7	3,941.8	3,178.7	2,648.1	- 45.7	- 47.5

Source: Table prepared by the Congressional Research Service based on data reported by States to the U.S. Department of Health and Human Services.

BENEFITS

Average benefits

In 20 of 52 jurisdictions with available data (California and Minnesota are missing), average monthly TANF benefits in 1998 rose above 1997 levels, but elsewhere they continued the general downward trend from previous years. As table 7-6 shows, benefits fell short of fiscal year 1994 levels except in Kentucky, Montana, Nebraska, Nevada, New Mexico, South Dakota, Tennessee, Texas, Utah, West Virginia, Wisconsin, and the Virgin Islands. As noted earlier, employment rates of AFDC/Temporary Assistance for Needy Families (TANF) adults more than tripled from 1994 to 1998, and higher earnings resulted in some decline in average welfare payments paid.

TABLE 7-6.—AVERAGE MONTHLY BENEFIT FOR AFDC/TANF FAMILIES, FISCAL YEARS 1994-98

State	1994	1995	1996	1997	1998
Alabama	\$148.48	\$146.13	\$144.21	\$142.10	\$139.58
Alaska	805.26	822.90	769.01	NA	669.00
Arizona	299.27	299.57	291.11	290.03	278.76
Arkansas	177.71	177.65	169.70	170.92	166.68
California	551.72	558.16	538.51	526.25	NA
Colorado	315.20	313.97	302.36	304.10	300.48
Connecticut	563.73	515.32	463.10	465.67	462.35
Delaware	297.41	296.00	304.35	280.74	270.52
District of Columbia	393.86	392.48	384.00	350.80	345.68
Florida	254.20	255.50	250.42	229.89	228.45
Georgia	245.56	244.63	242.62	242.74	236.82
Guam	504.77	494.60	548.80	527.29	502.30
Hawaii	665.54	671.64	668.11	613.17	519.78
Idaho	282.16	269.75	265.88	287.74	256.78
Illinois	314.82	306.12	295.17	289.18	280.74
Indiana	257.29	255.46	244.52	233.00	229.34
Iowa	359.21	340.97	336.95	326.52	329.62
Kansas	345.68	335.91	319.59	311.40	296.90
Kentucky	207.58	202.97	222.90	223.19	219.64
Louisiana	163.28	159.62	153.10	157.20	159.13
Maine	418.28	403.84	393.79	390.97	367.95
Maryland	315.53	315.76	309.46	303.14	310.60
Massachusetts	544.42	531.80	523.65	473.84	504.94
Michigan	429.23	415.58	405.87	396.30	357.37
Minnesota	477.69	479.75	470.28	477.85	NA
Mississippi	119.72	123.00	116.95	117.51	101.15
Missouri	261.37	260.71	257.45	251.67	243.68
Montana	343.80	344.00	349.25	348.29	367.84
Nebraska	319.39	308.88	310.58	320.13	323.14
Nevada	283.83	284.82	279.38	274.23	288.09
New Hampshire	467.30	467.82	466.26	459.14	417.12
New Jersey	361.01	355.41	345.61	332.28	342.72
New Mexico	325.21	343.13	352.13	342.24	382.99
New York	495.43	494.04	487.14	478.50	479.85

TABLE 7-6.—AVERAGE MONTHLY BENEFIT FOR AFDC/TANF FAMILIES, FISCAL YEARS 1994-98—Continued

State	1994	1995	1996	1997	1998
North Carolina	229.37	226.97	222.86	218.72	219.56
North Dakota	355.43	352.73	353.23	355.62	338.29
Ohio	308.46	305.18	301.91	291.52	306.25
Oklahoma	292.14	279.85	258.36	252.62	217.22
Oregon	394.67	394.49	339.51	401.37	380.99
Pennsylvania	379.69	379.48	373.71	372.95	364.83
Puerto Rico	101.79	100.47	99.69	101.95	98.33
Rhode Island	495.11	510.40	485.89	490.56	477.20
South Carolina	175.31	180.34	176.45	162.21	157.60
South Dakota	293.10	292.58	301.72	285.44	294.23
Tennessee	168.65	170.71	172.35	163.74	169.91
Texas	162.50	157.60	155.95	159.96	164.49
Utah	341.60	356.51	347.66	346.16	354.40
Vermont	525.63	502.31	450.18	442.75	460.60
Virginia	259.33	251.29	248.18	247.18	245.74
Virgin Islands	264.51	268.23	256.91	285.65	334.15
Washington	492.65	498.13	489.02	476.38	464.08
West Virginia	236.44	230.16	228.13	225.33	239.80
Wisconsin	463.01	457.28	432.54	422.37	565.70
Wyoming	300.01	299.47	286.91	263.06	218.50

NA—Not available.

Source: Table prepared by the Congressional Research Service based on data reported by States to the U.S. Department of Health and Human Services.

Maximum benefits

Table 7-7 presents maximum benefit levels (amounts paid to those without income) for families of three. The last column shows that between July 1994 and January 2000, the real value of maximum benefits decreased in most States. Most States did not change maximum benefits (with the result that their inflation-adjusted value fell by almost 11 percent). Sixteen States increased benefits, but only seven jurisdictions raised benefits enough to more than offset price inflation: Guam, Kentucky, Mississippi, Montana, New Mexico, West Virginia, and Wisconsin.

Table 7-8 shows maximum TANF benefits, by State, for a single-parent family from one to six persons, with no earned income, as of January 1, 2000. Table 7-9 shows maximum combined TANF and food stamp benefits, by State and family size, for single-parent families who have no earnings. Table 7-10 shows AFDC/TANF maximum benefits for three persons in nominal dollars over the long term (1970-2000) for selected years: July 1970, July 1975, July 1980, July 1985, January 1990, January 1995, January 2000, with the last column showing the percent change in real dollars from 1970 to 2000.

TABLE 7-7.—MAXIMUM COMBINED AFDC/TANF BENEFITS FOR A FAMILY OF THREE
(PARENT WITH TWO CHILDREN), JULY 1994–JANUARY 2000

State	July 1994	July 1996	July 1998	January 2000	Percent real change from July 1994–Jan- uary 2000
Alabama	\$164	\$164	\$164	\$164	– 10.7
Alaska	923	923	923	923	– 10.7
Arizona	347	347	347	347	– 10.7
Arkansas	204	204	204	204	– 10.7
California	607	596	565	626	– 7.9
Colorado	356	356	356	357	– 10.5
Connecticut	680	636	636	636	– 16.5
Delaware	338	338	338	338	– 10.7
District of Columbia	420	415	379	379	– 19.5
Florida	303	303	303	303	– 10.7
Georgia	280	280	280	280	– 10.7
Guam	330	673	673	673	82.0
Hawaii:					
Work exempt	712	712	712	712	– 10.7
Nonexempt	712	712	570	570	– 28.5
Idaho	317	317	276	293	– 17.5
Illinois	377	377	377	377	– 10.7
Indiana	288	288	288	288	– 10.7
Iowa	426	426	426	426	– 10.7
Kansas	429	429	429	429	– 10.7
Kentucky	228	262	262	262	2.6
Louisiana	190	190	190	190	– 10.7
Maine	418	418	439	461	– 1.6
Maryland	373	373	388	417	– 0.2
Massachusetts:					
Work exempt	579	579	579	579	– 10.7
Nonexempt	579	565	565	565	– 12.9
Michigan:					
Washtenaw County	489	489	489	489	– 10.7
Wayne County	459	459	459	459	– 10.7
Minnesota	532	532	532	532	– 10.7
Mississippi	120	120	120	170	26.5
Missouri	292	292	292	292	– 10.7
Montana	416	438	461	469	0.6
Nebraska	364	364	364	364	– 10.7
Nevada	348	348	348	348	– 10.7
New Hampshire	550	550	550	575	– 6.7
New Jersey	424	424	424	424	– 10.7
New Mexico	381	389	489	439	2.8
New York:					
New York City	577	577	577	577	– 10.7
Suffolk County	703	703	703	703	– 10.7
North Carolina	272	272	272	272	– 10.7
North Dakota	431	431	440	457	– 5.4
Ohio	341	341	362	373	– 2.4

TABLE 7-7.—MAXIMUM COMBINED AFDC/TANF BENEFITS FOR A FAMILY OF THREE
(PARENT WITH TWO CHILDREN), JULY 1994–JANUARY 2000—Continued

State	July 1994	July 1996	July 1998	January 2000	Percent real change from July 1994–Jan- uary 2000
Oklahoma	324	307	292	292	– 19.6
Oregon	460	460	460	460	– 10.7
Pennsylvania	421	421	421	421	– 10.7
Puerto Rico	180	180	180	180	– 10.7
Rhode Island	554	554	554	554	– 10.7
South Carolina	200	200	201	204	– 9.1
South Dakota	430	430	430	430	– 10.7
Tennessee	185	185	185	185	– 10.7
Texas	188	188	188	201	– 4.6
Utah	414	416	451	451	– 2.8
Vermont	650	633	656	708	– 2.8
Virgin Islands	240	240	240	240	– 10.7
Virginia	354	354	354	354	– 10.7
Washington	546	546	546	546	– 10.7
West Virginia	253	253	253	328	15.7
Wisconsin:					
Community service	517	517	673	673	16.2
W2 transition	517	517	628	628	8.4
Wyoming	360	360	340	340	– 15.7
Median State	381	415	421	421	– 10.5

Note.—The Consumer Price Index for All Urban Consumers inflation adjustment factor for converting July 1994 dollars to January 2000 dollars is 1.1203.

Source: Table prepared by the Congressional Research Service on the basis of data from the U.S. Department of Health and Human Services.

TABLE 7-8.—MAXIMUM MONTHLY TANF BENEFIT FOR FAMILIES OF ONE TO SIX PERSONS, JANUARY 1, 2000¹

State	Family size					
	1 ²	2	3	4	5	6
Alabama	\$111	\$137	\$164	\$194	\$225	\$252
Alaska	514	821	923	1025	1127	1229
Arizona	204	275	347	418	489	561
Arkansas	81	162	204	247	286	331
California:						
Region 1	310	505	626	746	849	953
Region 2	294	481	596	710	808	907
Colorado	214	281	357	432	513	591
Connecticut	402	513	636	741	835	935
Delaware	201	270	338	407	475	544
District of Columbia	239	298	379	463	533	627
Florida	180	241	303	364	426	487
Georgia	155	235	280	330	378	410
Guam	420	537	673	776	874	985
Hawaii:						
Work exempt	418	565	712	859	1006	1153
Nonexempt	335	452	570	687	805	922
Idaho	293	293	293	293	293	293
Illinois	212	278	377	414	485	545
Indiana	139	229	288	346	405	463
Iowa	183	361	426	495	548	610
Kansas	267	352	429	497	558	619
Kentucky	186	225	262	328	383	432
Louisiana	72	138	190	234	277	316
Maine	219	345	461	581	698	815
Maryland	185	328	417	503	583	641
Massachusetts:						
Work exempt	392	486	579	668	760	854
Nonexempt	383	474	565	651	741	832
Michigan:						
Washtenaw County	305	401	489	593	689	822
Wayne County	276	371	459	563	659	792
Minnesota	250	437	532	621	697	773
Mississippi	110	146	170	194	218	242
Missouri	136	234	292	342	388	431
Montana	278	374	469	564	659	754
Nebraska	222	293	364	435	506	577
Nevada	229	289	348	407	466	525
New Hampshire	439	506	575	638	698	779
New Jersey	162	322	424	488	552	616
New Mexico	281	360	439	519	598	677
New York:						
New York City	352	468	577	687	800	884
Suffolk County	446	576	703	824	949	1038
North Carolina	181	236	272	297	324	349
North Dakota	271	363	457	549	642	735
Ohio	223	305	373	461	539	600
Oklahoma	180	225	292	361	422	483

TABLE 7-8.—MAXIMUM MONTHLY TANF BENEFIT FOR FAMILIES OF ONE TO SIX PERSONS, JANUARY 1, 2000¹—Continued

State	Family size					
	1 ²	2	3	4	5	6
Oregon	310	395	460	565	660	755
Pennsylvania	215	330	421	514	607	687
Puerto Rico	132	156	180	204	228	252
Rhode Island	327	449	554	634	714	794
South Carolina	121	162	204	245	286	328
South Dakota	304	380	430	478	528	578
Tennessee	95	142	185	226	264	305
Texas	84	174	201	241	268	308
Utah	261	362	451	528	601	663
Vermont	503	604	708	792	881	940
Virginia	220	294	354	410	488	534
Virgin Islands	120	180	240	300	360	420
Washington	349	440	546	642	740	841
West Virginia	224	276	328	387	435	488
Wisconsin:						
Community service	0	673	673	673	673	673
W2 transition	0	628	628	628	628	628
Wyoming	195	320	340	340	360	360

¹ Calculations assume a single-parent family with no earned income and use normal rounding rules.

² A family size of one represents a pregnant woman or a child-only case. Colorado and Texas have separate payment schedules for the two groups; the table shows amounts for pregnant women. Maximum child-only benefits are smaller; \$117 in Colorado and \$68 in Texas.

Source: Table prepared by the Congressional Research Service on the basis of a telephone survey of States.

TABLE 7-9.—MAXIMUM COMBINED TANF AND FOOD STAMP¹ BENEFIT FOR FAMILIES OF ONE TO SIX PERSONS, JANUARY 1, 2000²

State	Family size					
	1	2	3	4	5	6
Alabama	\$238	\$370	\$490	\$602	\$703	\$823
Alaska	558	904	1,101	1,285	1,456	1,652
Arizona	310	466	618	758	888	1,039
Arkansas	208	387	518	639	746	878
California:						
Region 1	384	627	813	988	1,140	1,314
Region 2	373	610	792	963	1,111	1,282
Colorado	316	471	625	768	905	1,060
Connecticut	448	633	820	984	1,130	1,301
Delaware	307	463	611	751	878	1,028
District of Columbia	334	482	640	790	919	1,086
Florida	293	442	587	721	844	988
Georgia	275	438	571	697	810	934
Guam	498	717	942	1,131	1,303	1,510
Hawaii:						
Work exempt	531	800	1,061	1,305	1,533	1,794
Nonexempt	473	721	962	1,185	1,392	1,632
Idaho	372	479	580	671	751	852
Illinois	315	468	639	756	885	1,028
Indiana	264	434	576	708	829	971
Iowa	295	526	673	812	929	1,074
Kansas	354	520	675	814	936	1,080
Kentucky	297	431	558	695	814	949
Louisiana	199	370	508	630	740	868
Maine	320	515	697	872	1,034	1,217
Maryland	296	503	667	818	954	1,095
Massachusetts:						
Work exempt	441	614	780	933	1,078	1,245
Nonexempt	435	606	770	921	1,064	1,229
Michigan:						
Washtenaw County	380	554	717	881	1,028	1,222
Wayne County	360	533	696	860	1,007	1,201
Minnesota	358	629	789	934	1,061	1,207
Mississippi	237	376	494	602	698	816
Missouri	262	438	579	705	817	948
Montana	361	536	703	861	1,007	1,175
Nebraska	322	479	630	770	900	1,051
Nevada	327	476	618	751	872	1,014
New Hampshire	474	628	777	912	1,034	1,192
New Jersey	280	499	672	807	932	1,078
New Mexico	363	526	682	829	964	1,121
New York:						
New York City	413	601	779	947	1,106	1,266
Suffolk County	479	677	867	1,043	1,210	1,373
North Carolina	293	439	565	674	773	891
North Dakota	356	528	695	850	995	1,161
Ohio	323	487	636	788	923	1,067
Oklahoma	293	431	579	718	841	985

TABLE 7-9.—MAXIMUM COMBINED TANF AND FOOD STAMP¹ BENEFIT FOR FAMILIES OF ONE TO SIX PERSONS, JANUARY 1, 2000²—Continued

State	Family size					
	1	2	3	4	5	6
Oregon	384	550	697	861	1,008	1,175
Pennsylvania	317	505	669	826	971	1,128
Puerto Rico ³	206	296	379	453	522	601
Rhode Island	396	588	763	910	1,046	1,203
South Carolina	248	387	518	637	746	876
South Dakota	380	540	676	800	915	1,051
Tennessee	222	373	504	624	731	860
Texas	211	396	515	634	733	862
Utah	349	527	690	835	966	1,111
Vermont	519	697	870	1,020	1,162	1,305
Virginia	321	480	623	753	887	1,021
Virgin Islands	308	511	703	878	1,038	1,230
Washington	411	582	757	915	1,064	1,235
West Virginia	324	467	604	737	850	988
Wisconsin:						
Community service	(4)	745	846	937	1,017	1,118
W2 transition	(4)	713	814	905	985	1,086
Wyoming	303	498	613	704	798	899

¹ Food stamp calculations assume that the family does not receive an excess shelter deduction. In very low benefit States, combined benefits shown reflect the maximum food stamp allotment for the family size, but in some States the excess shelter deduction would increase food stamps (by up to \$83 monthly—more in Alaska and Hawaii).

² Calculations assume a single-parent family with no earned income and use normal rounding rules.

³ Puerto Rico does not have a standard Food Stamp Program, but it operates a program of nutritional cash assistance under a block grant. The table shows TANF benefits plus amounts from the Nutritional Cash Assistance Program.

⁴ Wisconsin has no one-person families in its regular W-2 (TANF) Program. Pregnant women without children are ineligible and "child-only" recipients have been moved into special programs.

Source: Table prepared by the Congressional Research Service.

Benefits for minimum wage workers

Table 7-11 shows annual earnings net of payroll taxes, plus TANF, the earned income credit (EIC), and food stamps (January 2000 levels) for a minimum wage worker with two children who works half time all year round. (This and subsequent tables should not be taken to imply that all workers actually receive these benefits.)

Table 7-12 shows the same thing for a full-time, year-round minimum wage worker.

Table 7-10 shows maximum Aid to Families with Dependent Children (AFDC)/TANF benefits for a three-person family by State for selected years from July 1970 to January 2000. Over the three decades, the real value of cash payments declined in all States. In 25 jurisdictions the decline was 50 percent or greater. However, part of this loss was offset by the intervening development of the Food Stamp Program, which in 1970 did not operate in more than half the Nation and lacked standard rules. In many States maximum combined TANF food stamp benefits for three persons (table

7–9) now exceed the inflation-adjusted value of AFDC alone on July 1970. The most dramatic impact of food stamps has occurred in Mississippi and Puerto Rico, where combined benefits for a family of three with no earnings (\$494 and \$379, respectively), now are double the real value of AFDC benefits back in July 1970 (\$242 and \$186).

TABLE 7–10.—AFDC/TANF MAXIMUM BENEFIT FOR A THREE-PERSON FAMILY BY STATE, SELECTED YEARS 1970–2000

State	Year							Percent change in real value, 1970–2000 ³
	July 1970 ¹	July 1975	July 1980	July 1985	January 1990 ²	January 1995 ²	January 2000 ²	
Alabama	\$65	\$108	\$118	\$118	\$118	\$164	\$164	– 42
Alaska	328	350	457	719	846	923	923	– 35
Arizona	138	163	202	233	293	347	347	– 42
Arkansas	89	125	161	192	204	204	204	– 47
California	186	293	473	587	694	607	⁴ 626	– 22
Colorado	193	217	290	346	356	356	356	– 57
Connecticut	283	346	475	569	649	680	636	– 48
Delaware	160	221	266	287	333	338	338	– 51
District of Columbia	195	243	286	327	409	420	379	– 55
Florida	114	144	195	240	294	303	303	– 39
Georgia	107	123	164	223	273	280	280	– 40
Guam	NA	NA	261	265	330	330	673	NA
Hawaii	226	428	468	468	602	712	⁵ 712	– 27
Idaho	211	300	323	304	317	317	293	– 68
Illinois	232	261	288	341	367	377	377	– 62
Indiana	120	200	255	256	288	288	288	– 45
Iowa	201	294	360	360	410	426	426	– 51
Kansas	222	321	345	391	409	429	429	– 55
Kentucky	147	185	188	197	228	228	262	– 59
Louisiana	88	128	152	190	190	190	190	– 50
Maine	135	176	280	370	453	418	461	– 21
Maryland	162	200	270	329	396	373	417	– 40
Massachusetts	268	259	379	432	539	579	⁵ 579	– 50
Michigan:								
Washtenaw County	NA	NA	NA	447	546	489	489	NA
Wayne County	219	333	425	417	516	459	459	– 52
Minnesota	256	330	417	528	532	532	532	– 52
Mississippi	56	48	96	96	120	120	170	– 30
Missouri	104	120	248	274	289	292	292	– 35
Montana	202	201	259	354	359	416	469	– 46
Nebraska	171	210	310	350	364	364	364	– 51
Nevada	121	195	262	285	330	348	348	– 34
New Hampshire	262	308	346	389	506	550	575	– 49
New Jersey	302	310	360	404	424	424	424	– 68

TABLE 7-10.—AFDC/TANF MAXIMUM BENEFIT FOR A THREE-PERSON FAMILY BY STATE, SELECTED YEARS 1970–2000—Continued

State	Year							Percent change in real value, 1970–2000 ³
	July 1970 ¹	July 1975	July 1980	July 1985	January 1990 ²	January 1995 ²	January 2000 ²	
New Mexico	149	169	220	258	264	381	439	–32
New York:								
New York City	279	332	394	474	577	577	577	–52
Suffolk County	NA	NA	NA	579	703	703	703	NA
North Carolina	145	183	192	246	272	272	272	–57
North Dakota	213	283	334	371	386	431	457	–50
Ohio	161	204	263	290	334	341	373	–46
Oklahoma	152	217	282	282	325	324	292	–56
Oregon	184	337	282	386	432	460	460	–42
Pennsylvania	265	296	332	364	421	421	421	–63
Puerto Rico	43	43	44	90	90	180	180	–3
Rhode Island	229	278	340	409	543	554	554	–44
South Carolina	85	96	129	187	206	200	204	–45
South Dakota	264	289	321	329	377	430	430	–62
Tennessee	112	115	122	153	184	185	185	–62
Texas	148	116	116	167	184	188	201	–69
Utah	175	252	360	376	387	426	451	–40
Vermont	267	322	492	583	662	650	708	–39
Virgin Islands	NA	131	209	171	240	240	240	NA
Virginia	225	268	310	354	354	354	354	–64
Washington	258	315	458	476	501	546	546	–51
West Virginia	114	206	206	249	249	253	328	–33
Wisconsin	184	342	444	533	517	517	⁶ 628	–21
Wyoming	213	235	315	360	360	360	340	–63
Median State ⁷	184	235	288	332	364	377	421	–47

¹Data on three-person families were not published or reported before 1975. Thus, the 1970 data were derived by reducing the reported four-person maximum benefit amount by the proportional difference between three- and four-person AFDC maximum benefit as shown in the July 1975 reports of the (then) Department of Health, Education and Welfare.

²Congressional Research Service survey data.

³Real percentage change. The Consumer Price Index for All Urban Consumers inflation adjustment factor used for converting July 1970 dollars to January 2000 dollars was 4.3256.

⁴Benefits for region 1.

⁵Benefits for persons exempt from work.

⁶Benefits for persons in W-2 transitions (work preparation activities).

⁷Among the 50 States and the District of Columbia.

NA—Not available.

Source: Table compiled by the Congressional Research Service on the basis of data from the U.S. Department of Health and Human Services and the Congressional Research Service.

TABLE 7-11.—ANNUALIZED EARNINGS AND INCOME FROM SELECTED MAJOR BENEFIT PROGRAMS FOR SINGLE PARENT WITH TWO CHILDREN WORKING HALF TIME AT MINIMUM WAGE IN MONTH 13 OF EMPLOYMENT, JANUARY 1, 2000

	Net earnings	EIC	TANF	Food stamps	Combined total	As a percent of 1999 poverty threshold				
						Net earnings	EIC	TANF	Food stamps	Combined total
Alabama	\$4,946	\$2,142	0	\$3,216	\$10,305	36.8	16.0	0.0	24.0	76.8
Alaska	5,426	2,350	\$11,076	0	18,853	40.4	17.5	82.5	0.0	140.5
Arizona	4,946	2,142	1,171	2,856	11,115	36.8	16.0	8.7	21.3	82.8
Arkansas	4,946	2,142	1,224	4,020	12,333	36.8	16.0	9.1	29.9	91.9
California:										
Region 1	5,523	2,392	5,872	1,296	15,083	41.1	17.8	43.7	9.7	112.4
Region 2	5,523	2,392	5,512	1,404	14,831	41.1	17.8	41.1	10.5	110.5
Colorado ¹	4,946	2,142	658	3,012	10,758	36.8	16.0	4.9	22.4	80.1
Connecticut	5,907	2,558	7,632	2,208	18,305	44.0	19.1	56.9	16.4	136.4
Delaware	5,426	2,350	2,804	2,244	12,825	40.4	17.5	20.9	16.7	95.5
District of Columbia	5,907	2,558	1,950	2,376	12,791	44.0	19.1	14.5	17.7	95.3
Florida	4,946	2,142	2,158	2,568	11,815	36.8	16.0	16.1	19.1	88.0
Georgia	4,946	2,142	812	2,964	10,865	36.8	16.0	6.0	22.1	80.9
Guam ²	4,946	2,142	3,800	3,228	14,117	36.8	16.0	28.3	24.0	105.2
Hawaii:										
Work exempt	5,042	2,184	7,284	3,252	17,763	37.6	16.3	54.3	24.2	132.3
Nonexempt	5,042	2,184	5,580	3,768	16,575	37.6	16.3	41.6	28.1	123.5
Idaho	4,946	2,142	1,370	2,796	11,255	36.8	16.0	10.2	20.8	83.8
Illinois	4,946	2,142	2,739	2,388	12,215	36.8	16.0	20.4	17.8	91.0
Indiana	4,946	2,142	0	3,216	10,305	36.8	16.0	0.0	24.0	76.8
Iowa ¹	4,946	2,142	2,970	2,316	12,374	36.8	16.0	22.1	17.3	92.2
Kansas ¹	4,946	2,142	2,582	2,436	12,107	36.8	16.0	19.2	18.1	90.2
Kentucky	4,946	2,142	0	3,216	10,305	36.8	16.0	0.0	24.0	76.8

TABLE 7-11.—ANNUALIZED EARNINGS AND INCOME FROM SELECTED MAJOR BENEFIT PROGRAMS FOR SINGLE PARENT WITH TWO CHILDREN WORKING HALF TIME AT MINIMUM WAGE IN MONTH 13 OF EMPLOYMENT, JANUARY 1, 2000—Continued

	Net earnings	EIC	TANF	Food stamps	Combined total	As a percent of 1999 poverty threshold				
						Net earnings	EIC	TANF	Food stamps	Combined total
Louisiana	4,946	2,142	0	3,216	10,305	36.8	16.0	0.0	24.0	76.8
Maine	4,946	2,142	5,122	1,680	13,891	36.8	16.0	38.2	12.5	103.5
Maryland ¹	4,946	2,142	1,523	2,760	11,371	36.8	16.0	11.3	20.6	84.7
Massachusetts: ¹										
Work exempt	5,763	2,496	1,788	2,460	12,507	42.9	18.6	13.3	18.3	93.2
Nonexempt	5,763	2,496	1,620	2,508	12,387	42.9	18.6	12.1	18.7	92.3
Michigan:										
Washtenaw County	4,946	2,142	3,503	2,160	12,752	36.8	16.0	26.1	16.1	95.0
Wayne County	4,946	2,142	3,143	2,268	12,500	36.8	16.0	23.4	16.9	93.1
Minnesota ¹	4,946	2,142	4,011	3,084	14,184	36.8	16.0	29.9	23.0	105.7
Mississippi	4,946	2,142	0	3,216	10,305	36.8	16.0	0.0	24.0	76.8
Missouri	4,946	2,142	0	3,216	10,305	36.8	16.0	0.0	24.0	76.8
Montana	4,946	2,142	3,411	2,184	12,684	36.8	16.0	25.4	16.3	94.5
Nebraska	4,946	2,142	0	3,216	10,305	36.8	16.0	0.0	24.0	76.8
Nevada	4,946	2,142	0	3,216	10,305	36.8	16.0	0.0	24.0	76.8
New Hampshire	4,946	2,142	4,222	1,944	13,255	36.8	16.0	31.5	14.5	98.7
New Jersey	4,946	2,142	2,410	2,484	11,983	36.8	16.0	18.0	18.5	89.3
New Mexico	4,979	2,157	3,493	2,160	12,789	37.1	16.1	26.0	16.1	95.3
New York: ¹										
New York City	4,946	2,142	4,615	1,824	13,528	36.8	16.0	34.4	13.6	100.8
Suffolk County	4,946	2,142	6,127	1,368	14,584	36.8	16.0	45.6	10.2	108.6
North Carolina	4,946	2,142	0	3,216	10,305	36.8	16.0	0.0	24.0	76.8
North Dakota	4,946	2,142	1,574	2,736	11,399	36.8	16.0	11.7	20.4	84.9

Ohio	4,946	2,142	3,298	2,220	12,607	36.8	16.0	24.6	16.5	93.9
Oklahoma	4,946	2,142	1,546	2,748	11,383	36.8	16.0	11.5	20.5	84.8
Oregon ¹	6,243	2,704	2,140	2,232	13,319	46.5	20.1	15.9	16.6	99.2
Pennsylvania	4,946	2,142	2,374	2,496	11,959	36.8	16.0	17.7	18.6	89.1
Rhode Island ¹	5,426	2,350	4,730	1,668	14,175	40.4	17.5	35.2	12.4	105.6
South Carolina	4,946	2,142	979	2,916	10,984	36.8	16.0	7.3	21.7	81.8
South Dakota	4,946	2,142	1,739	2,688	11,516	36.8	16.0	13.0	20.0	85.8
Tennessee	4,946	2,142	2,220	2,544	11,853	36.8	16.0	16.5	19.0	88.3
Texas	4,946	2,142	0	3,216	10,305	36.8	16.0	0.0	24.0	76.8
Utah	4,946	2,142	3,334	2,208	12,631	36.8	16.0	24.8	16.4	94.1
Vermont ¹	5,523	2,392	3,596	1,980	13,491	41.1	17.8	26.8	14.8	100.5
Virginia	4,946	2,142	4,248	1,932	13,269	36.8	16.0	31.6	14.4	98.9
Virgin Islands ²	4,946	2,142	0	5,136	12,225	36.8	16.0	0.0	38.3	91.1
Washington	6,243	2,704	3,172	1,920	14,039	46.5	20.1	23.6	14.3	104.6
West Virginia	4,946	2,142	1,794	2,676	11,558	36.8	16.0	13.4	19.9	86.1
Wisconsin: ¹										
Community service	4,946	2,142	2,760	2,388	12,237	36.8	16.0	20.6	17.8	91.2
W2 transition	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Wyoming	4,946	2,142	1,124	2,868	11,081	36.8	16.0	8.4	21.4	82.5

¹These States have their own earned income credits (generally calculated as a percentage of the Federal EIC) but they are not shown in this table.

²Guam and the Virgin Islands have territorial tax systems that mirror the Internal Revenue Code, including the earned income credit (EIC). However, revenues foregone and refunds paid under their EICs affect their own territorial treasuries, not the U.S. Treasury.

NA—Not applicable. (Persons with jobs are not eligible for the Wisconsin program of transitional aid.)

Note.—Puerto Rico is omitted from this table. It is not covered by the Federal income tax and has no EIC. A half-time minimum wage worker in Puerto Rico would be ineligible for Temporary Assistance for Needy Families (TANF).

Source: Table prepared by the Congressional Research Service based on State and Federal minimum wage laws, EIC law, food stamp law, and the CRS January 2000 Survey of State TANF benefit levels and program rules.

TABLE 7-12.—EARNINGS AND INCOME FROM SELECTED MAJOR BENEFIT PROGRAMS FOR SINGLE PARENT WITH TWO CHILDREN WORKING FULL TIME AT MINIMUM WAGE, WORKING IN MONTH 13, ANNUALIZED, JANUARY 1, 2000

	Net earnings	EIC	TANF	Food stamps	Combined total	As a percent of poverty threshold				
						Net earnings	EIC	TANF	Food stamps	Combined total
Alabama	\$9,893	\$3,888	0	\$1,920	\$15,701	73.7	29.0	0.0	14.3	117.0
Alaska	10,853	3,888	\$7,440	0	22,181	80.9	29.0	55.4	0.0	165.2
Arizona	9,893	3,888	0	1,920	15,701	73.7	29.0	0.0	14.3	117.0
Arkansas	9,893	3,888	0	1,920	15,701	73.7	29.0	0.0	14.3	117.0
California:										
Region 1	11,045	3,888	2,882	756	18,571	82.3	29.0	21.5	5.6	138.4
Region 2	11,045	3,888	2,522	864	18,319	82.3	29.0	18.8	6.4	136.5
Colorado ¹	9,893	3,888	0	1,920	15,701	73.7	29.0	0.0	14.3	117.0
Connecticut	11,813	3,867	7,632	2,208	25,520	88.0	28.8	56.9	16.4	190.1
Delaware	10,853	3,888	0	1,680	16,421	80.9	29.0	0.0	12.5	122.3
District of Columbia	11,813	3,867	0	1,428	17,108	88.0	28.8	0.0	10.6	127.5
Florida	9,893	3,888	0	1,920	15,701	73.7	29.0	0.0	14.3	117.0
Georgia	9,893	3,888	0	1,920	15,701	73.7	29.0	0.0	14.3	117.0
Guam ²	9,893	3,888	0	3,072	16,853	73.7	29.0	0.0	22.9	125.5
Hawaii:										
Work exempt	10,085	3,888	4,489	2,784	21,246	75.1	29.0	33.4	20.7	158.3
Nonexempt	10,085	3,888	2,785	3,300	20,058	75.1	29.0	20.7	24.6	149.4
Idaho	9,893	3,888	0	1,920	15,701	73.7	29.0	0.0	14.3	117.0
Illinois	9,893	3,888	953	1,644	16,378	73.7	29.0	7.1	12.2	122.0
Indiana	9,893	3,888	0	1,920	15,701	73.7	29.0	0.0	14.3	117.0
Iowa ¹	9,893	3,888	827	1,680	16,288	73.7	29.0	6.2	12.5	121.3
Kansas ¹	9,893	3,888	0	1,920	15,701	73.7	29.0	0.0	14.3	117.0
Kentucky	9,893	3,888	0	1,920	15,701	73.7	29.0	0.0	14.3	117.0

Louisiana	9,893	3,888	0	1,920	15,701	73.7	29.0	0.0	14.3	117.0
Maine	9,893	3,888	2,444	1,188	17,413	73.7	29.0	18.2	8.9	129.7
Maryland ¹	9,893	3,888	0	1,920	15,701	73.7	29.0	0.0	14.3	117.0
Massachusetts: ¹										
Work exempt	11,525	3,888	0	1,500	16,913	85.9	29.0	0.0	11.2	126.0
Nonexempt	11,525	3,888	0	1,500	16,913	85.9	29.0	0.0	11.2	126.0
Michigan:										
Washtenaw County	9,893	3,888	0	1,920	15,701	73.7	29.0	0.0	14.3	117.0
Wayne County	9,893	3,888	0	1,920	15,701	73.7	29.0	0.0	14.3	117.0
Minnesota ¹	9,893	3,888	691	3,084	17,555	73.7	29.0	5.1	23.8	130.8
Mississippi	9,893	3,888	0	1,920	15,701	73.7	29.0	0.0	14.3	117.0
Missouri	9,893	3,888	0	1,920	15,701	73.7	29.0	0.0	14.3	117.0
Montana	9,893	3,888	0	1,920	15,701	73.7	29.0	0.0	14.3	117.0
Nebraska	9,893	3,888	0	1,920	15,701	73.7	29.0	0.0	14.3	117.0
Nevada	9,893	3,888	0	1,920	15,701	73.7	29.0	0.0	14.3	117.0
New Hampshire	9,893	3,888	1,544	1,464	16,789	73.7	29.0	11.5	10.9	125.1
New Jersey	9,893	3,888	0	1,920	15,701	73.7	29.0	0.0	14.3	117.0
New Mexico	9,896	3,888	0	1,920	15,704	73.7	29.0	0.0	14.3	117.0
New York: ¹										
New York City	9,893	3,888	1,723	1,404	16,907	73.7	29.0	12.8	10.5	126.0
Suffolk County	9,893	3,888	3,235	960	17,975	73.7	29.0	24.1	7.2	133.9
North Carolina	9,893	3,888	0	1,920	15,701	73.7	29.0	0.0	14.3	117.0
North Dakota	9,893	3,888	0	1,920	15,701	73.7	29.0	0.0	14.3	117.0
Ohio	9,893	3,888	620	1,740	16,141	73.7	29.0	4.6	13.0	120.2
Oklahoma	9,893	3,888	0	1,920	15,701	73.7	29.0	0.0	14.3	117.0
Oregon ¹	12,486	3,713	0	1,248	17,447	93.0	27.7	0.0	9.3	130.0
Pennsylvania	9,893	3,888	0	1,920	15,701	73.7	29.0	0.0	14.3	117.0
Rhode Island ¹	10,853	3,888	1,792	1,140	17,673	80.9	29.0	13.4	8.5	131.7
South Carolina	9,893	3,888	0	1,920	15,701	73.7	29.0	0.0	14.3	117.0
South Dakota	9,893	3,888	0	1,920	15,701	73.7	29.0	0.0	14.3	117.0
Tennessee	9,893	3,888	676	1,728	16,185	73.7	29.0	5.0	12.9	120.6
Texas	9,893	3,888	0	1,920	15,701	73.7	29.0	0.0	14.3	117.0

TABLE 7-12.—EARNINGS AND INCOME FROM SELECTED MAJOR BENEFIT PROGRAMS FOR SINGLE PARENT WITH TWO CHILDREN WORKING FULL TIME AT MINIMUM WAGE, WORKING IN MONTH 13, ANNUALIZED, JANUARY 1, 2000—Continued

	Net earnings	EIC	TANF	Food stamps	Combined total	As a percent of poverty threshold				
						Net earnings	EIC	TANF	Food stamps	Combined total
Utah	9,893	3,888	656	1,728	16,165	73.7	29.0	4.9	12.9	120.4
Vermont ¹	11,045	3,888	0	1,632	16,565	82.3	29.0	0.0	12.2	123.4
Virginia	9,893	3,888	4,248	648	18,677	73.7	29.0	31.6	4.8	139.1
Virgin Islands ²	9,893	3,888	0	3,840	17,621	73.7	29.0	0.0	28.6	131.3
Washington	12,486	3,713	0	1,248	17,447	93.0	27.7	0.0	9.3	130.0
West Virginia	9,893	3,888	0	1,920	15,701	73.7	29.0	0.0	14.3	117.0
Wisconsin: ¹										
Community service ³	9,893	3,888	0	1,920	15,701	73.7	29.0	0.0	14.3	117.0
W2 transition	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Wyoming	9,893	3,888	0	1,920	15,701	73.7	29.0	0.0	14.3	117.0

¹These States have their own earned income credits (generally calculated as a percentage of the Federal EIC) but they are not shown in this table.

²Guam and the Virgin Islands have territorial tax systems that mirror the Internal Revenue Code, including the EIC. However, revenues foregone and refunds paid under their EICs affect their own territorial treasuries, not the U.S. Treasury.

³This entry applies to a person who has moved from community service to a full-time unsubsidized job (and thus is no longer eligible for a community service payment).

NA—Not applicable. (Persons with jobs are not eligible for the Wisconsin program of transitional aid.)

Note.—Puerto Rico is omitted from this table. It is not covered by the Federal income tax and has no EIC. A full-time minimum wage worker in Puerto Rico would be ineligible for TANF.

Source: Table prepared by the Congressional Research Service based on State and Federal minimum wage laws, EIC law, food stamp law, and the CRS January 2000 Survey of State TANF benefit levels and program rules.

BREAK-EVEN LEVELS

The earnings levels at which Temporary Assistance for Needy Families (TANF) eligibility ends (TANF break-even points) depend on a State's payment standard, its treatment of earnings, and duration on a job. Table 7-13 presents break-even points for a family of three for the first 13 months in a job. Two States ignore all earnings for a period of time (Alabama, for the first 4 months of employment and New Jersey for 1 month). Connecticut ignores all earnings so long as they are below the Federal poverty level (and the family has not reached the State's 21-month benefit cutoff). Some States retain old AFDC policy and count a higher proportion of earnings against the benefit after 4 months on a job, and still more after 1 year of work (Georgia is an example).

USES OF TANF FUNDS

Through fiscal year 1999, States spent \$33.5 billion out of \$46.8 billion in cumulative TANF awards for fiscal years 1997, 1998 and 1999 (table 7-14). They also transferred \$6.4 billion to the Child Care and Development Fund (CCDF) and the Social Services Block Grant, and obligated \$4.7 billion. This left an unobligated balance of \$2.2 billion. Nationally, expenditures represented 72 percent of total awards; transfers, 14 percent; unliquidated obligations (that is, obligated balances), 10 percent, and unobligated balances, 5 percent. The pattern of fund use varied widely among States: 10 States spent less than 60 percent of their TANF funds (Colorado, Florida, Idaho, Indiana, New Jersey, Ohio, Oklahoma, West Virginia, Wisconsin, and Wyoming); 3 States spent more than 90 percent (Delaware, Maine, and Nebraska); 4 States made no transfers of TANF funds (Nebraska, New Hampshire, North Dakota, and Oregon); and 4 States transferred more than 20 percent of funds (Indiana, Massachusetts, Michigan, and Wyoming).

EXPENDITURES

Trends

Total expenditures for TANF and predecessor programs peaked at \$30.1 billion in fiscal year 1995 and declined to \$21.5 billion in fiscal year 1998, then rose slightly (table 7-15). At the same time the share of total expenditures paid with Federal funds has declined, from 54.3 percent in 1990 and 53.7 percent in the peak spending year of 1995 to 52.1 percent in 1999. Through fiscal year 1996, data in the table represent Aid to Families with Dependent Children (AFDC), Emergency Assistance to Needy Families (EA), and JOBS. Data for the transition year of fiscal year 1997 combine expenditures for AFDC, EA, and JOBS with expenditures for TANF. Fiscal year 1998 expenditures are for TANF. State TANF expenditures represent spending counted toward the State maintenance of effort (MOE), including State spending on separate State programs (SSPs), but exclude child care spending that can be double counted toward both the TANF MOE and the Child Care and Development Block Grant (CCDBG) MOE.

TABLE 7-13.—TANF BREAK-EVEN POINTS—MONTHLY EARNINGS THAT END ELIGIBILITY, SINGLE-PARENT FAMILY WITH TWO CHILDREN, JANUARY 1, 2000

State	Month of employment												
	1	2	3	4	5	6	7	8	9	10	11	12	13
Alabama	(1)	(1)	(1)	(1)	\$193	\$193	\$193	\$193	\$193	\$193	\$193	\$193	\$193
Alaska	\$1,998	\$1,998	\$1,998	\$1,998	1,998	1,998	1,998	1,998	1,998	1,998	1,998	1,998	1,793
Arizona	572	572	572	572	572	572	572	572	572	572	572	572	572
Arkansas	697	697	697	697	697	697	697	697	697	697	697	697	697
California:													
Region 1	1,458	1,458	1,458	1,458	1,458	1,458	1,458	1,458	1,458	1,458	1,458	1,458	1,458
Region 2	1,398	1,398	1,398	1,398	1,398	1,398	1,398	1,398	1,398	1,398	1,398	1,398	1,398
Colorado	734	734	734	734	530	530	530	530	530	530	530	530	500
Connecticut	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157
Delaware	1,391	1,391	1,391	1,391	968	968	968	968	968	968	968	968	938
District of Columbia	839	839	839	839	839	839	839	839	839	839	839	839	839
Florida	787	787	787	787	787	787	787	787	787	787	787	787	787
Georgia	741	741	741	741	535	535	535	535	535	535	535	535	505
Guam	1,115	1,115	1,115	1,115	784	784	784	784	784	784	784	784	754
Hawaii:													
Work exempt	1,622	1,622	1,622	1,622	1,622	1,622	1,622	1,622	1,622	1,622	1,622	1,622	1,622
Nonexempt	1,344	1,344	1,344	1,344	1,344	1,344	1,344	1,344	1,344	1,344	1,344	1,344	1,344
Idaho	621	621	621	621	621	621	621	621	621	621	621	621	621
Illinois	1,131	1,131	1,131	1,131	1,131	1,131	1,131	1,131	1,131	1,131	1,131	1,131	1,131
Indiana	537	537	537	537	399	399	399	399	399	399	399	399	369
Iowa	1,041	1,041	1,041	1,041	1,041	1,041	1,041	1,041	1,041	1,041	1,041	1,041	1,041
Kansas	789	789	789	789	789	789	789	789	789	789	789	789	789
Kentucky	973	973	408	408	408	408	283	283	283	283	283	283	283
Louisiana	1,081	1,081	1,081	1,081	1,081	1,081	301	301	301	301	301	301	301
Maine	1,023	1,023	1,023	1,023	1,023	1,023	1,023	1,023	1,023	1,023	1,023	1,023	1,023

Maryland	627	627	627	627	627	627	627	627	627	627	627	627	627
Massachusetts:													
Work exempt	660	660	660	660	660	660	660	660	660	660	660	660	660
Nonexempt	646	646	646	646	646	646	646	646	646	646	646	646	646
Michigan:													
Washtenaw County ..	799	799	799	799	799	799	799	799	799	799	799	799	799
Wayne County	762	762	762	762	762	762	762	762	762	762	762	762	762
Minnesota ²	986	986	986	986	986	986	986	986	986	986	986	986	986
Mississippi	680	680	680	680	680	680	442	442	442	442	442	442	442
Missouri	1,116	1,116	1,116	1,116	1,116	1,116	1,116	1,116	1,116	1,116	1,116	1,116	373
Montana	813	813	813	813	813	813	813	813	813	813	813	813	813
Nebraska	443	443	443	443	443	443	443	443	443	443	443	443	443
Nevada	1,532	1,532	1,532	677	677	677	677	677	677	677	677	677	429
New Hampshire	1,131	1,131	1,131	1,131	1,131	1,131	1,131	1,131	1,131	1,131	1,131	1,131	1,131
New Jersey	(1)	847	847	847	847	847	847	847	847	847	847	847	847
New Mexico ³	928	928	928	928	928	928	928	928	928	928	928	928	928
New York:													
New York City	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067
Suffolk County	1,301	1,301	1,301	1,301	1,301	1,301	1,301	1,301	1,301	1,301	1,301	1,301	1,301
North Carolina	558	558	558	558	383	383	383	383	383	383	383	383	353
North Dakota	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	893	893	695	695	625
Ohio	977	977	977	977	977	977	977	977	977	977	977	977	977
Oklahoma	685	685	685	685	685	685	685	685	685	685	685	685	685
Oregon	616	616	616	616	616	616	616	616	616	616	616	616	616
Pennsylvania	823	823	823	823	823	823	823	823	823	823	823	823	823
Puerto Rico	360	360	360	360	300	300	300	300	300	300	300	300	300
Rhode Island	1,259	1,259	1,259	1,259	1,259	1,259	1,259	1,259	1,259	1,259	1,259	1,259	1,259
South Carolina	1,069	1,069	1,069	1,069	650	650	650	650	650	650	650	650	650
South Dakota	616	616	616	616	616	616	616	616	616	616	616	616	616
Tennessee	940	940	940	940	940	940	940	940	940	940	940	940	940
Texas	407	407	407	407	312	312	312	312	312	312	312	312	282
Utah	983	983	983	983	983	983	983	983	983	983	983	983	983

TABLE 7-13.—TANF BREAK-EVEN POINTS—MONTHLY EARNINGS THAT END ELIGIBILITY, SINGLE-PARENT FAMILY WITH TWO CHILDREN, JANUARY 1, 2000—Continued

State	Month of employment												
	1	2	3	4	5	6	7	8	9	10	11	12	13
Vermont	1,167	1,167	1,167	1,167	819	819	819	819	819	819	819	819	789
Virginia	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157	1,157
Virgin Islands	465	465	465	465	351	351	351	351	351	351	351	351	321
Washington	1,073	1,073	1,073	1,073	1,073	1,073	1,073	1,073	1,073	1,073	1,073	1,073	1,073
West Virginia	818	818	818	818	818	818	818	818	818	818	818	818	818
Wisconsin:													
Community service ..	1,330	1,330	1,330	1,330	1,330	1,330	1,330	1,330	1,330	1,330	1,330	1,330	1,330
W2 transition	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Wyoming	531	531	531	531	531	531	531	531	531	531	531	531	531

¹During these months all earnings are disregarded, and the State has no gross income limit.

²TANF break-even points in Minnesota share the earnings level at which the cash portion of the full standard is reduced to zero. The food stamp portion is not reduced (i.e., full food stamp benefits are paid) until earnings have reduced the cash portion to zero.

³A recipient in New Mexico could earn as much as \$1,264 without losing benefits. This could occur because New Mexico's excess hours disregard does not count income from the hours in excess of 29 hours per week.

NA—Not applicable. (Persons with jobs are not eligible for the Wisconsin program of transitional assistance.)

Source: Table prepared by the Congressional Research Service based on the CRS January 1, 2000 Survey of State TANF benefit levels and program rules.

TABLE 7-14.—STATE USE OF CUMULATIVE TANF GRANTS FOR FISCAL YEARS 1997, 1998, AND 1999

[In millions of dollars]

State	Total grant awards	Transfers	Available for TANF	TANF expenditures	Unexpended balance		
					Obligated	Unobligated	Total
Alabama	\$297.2	\$82.5	\$214.7	\$178.6	\$4.8	\$31.3	\$36.1
Alaska	148.8	40.8	108.0	101.0	0.0	7.0	7.0
Arizona	679.4	107.5	571.9	480.6	91.3	0.0	91.3
Arkansas	137.9	4.1	133.8	86.7	47.1	0.0	47.1
California	10,683.3	590.3	10,093.0	8,472.4	1,620.6	0.0	1,620.6
Colorado	323.3	59.8	263.5	186.4	77.1	0.0	77.1
Connecticut	800.4	53.9	746.5	705.7	0.0	40.7	40.7
Delaware	84.5	4.2	80.3	77.3	2.9	0.0	2.9
District of Columbia	250.2	38.8	211.4	161.3	32.8	17.3	50.1
Florida	1,731.0	320.1	1,410.9	1,018.3	392.6	0.0	392.6
Georgia	949.5	119.2	830.3	694.4	15.3	120.6	136.0
Hawaii	225.7	22.3	203.4	198.0	1.4	4.0	5.4
Idaho	78.0	13.2	64.8	31.7	16.9	16.2	33.1
Illinois	1,358.9	234.0	1,124.9	1,144.0	0.0	0.0	0.0
Indiana	620.4	186.1	434.3	259.8	174.5	0.0	174.5
Iowa	365.0	40.0	325.0	298.3	5.7	21.0	26.7
Kansas	305.8	43.6	262.2	262.2	0.0	0.0	0.0
Kentucky	531.8	119.4	412.4	412.4	0.0	0.0	0.0
Louisiana	473.4	102.1	371.3	259.0	0.0	112.2	112.2
Maine	228.7	23.1	205.7	205.7	0.0	0.0	0.0
Maryland	648.6	137.5	511.1	426.0	50.9	34.2	85.2
Massachusetts	1,398.1	415.4	982.7	913.6	0.0	69.1	69.1
Michigan	2,346.1	501.3	1,844.7	1,698.6	0.0	146.1	146.1
Minnesota	638.9	111.0	527.9	401.3	67.3	59.3	126.6
Mississippi	266.9	50.0	216.9	123.2	20.5	73.2	93.7

TABLE 7-14.—STATE USE OF CUMULATIVE TANF GRANTS FOR FISCAL YEARS 1997, 1998, AND 1999—Continued

[In millions of dollars]

State	Total grant awards	Transfers	Available for TANF	TANF expenditures	Unexpended balance		
					Obligated	Unobligated	Total
Missouri	621.9	86.8	535.1	508.3	15.3	11.4	26.8
Montana	124.6	21.8	102.8	80.4	0.0	22.4	22.4
Nebraska	165.4	0.0	165.4	156.2	0.0	9.2	9.2
Nevada	126.3	0.4	125.9	108.4	17.5	0.0	17.5
New Hampshire	115.6	0.0	115.6	105.0	4.6	6.0	10.6
New Jersey	1,110.3	333.1	777.2	524.1	253.1	0.0	253.1
New Mexico	322.5	27.0	295.5	238.7	0.0	56.9	56.9
New York	6,868.2	958.0	5,910.2	4,882.4	343.6	684.1	1,027.7
North Carolina	851.1	101.2	749.9	648.2	98.3	3.4	101.7
North Dakota	63.9	0.0	63.9	53.3	3.1	7.5	10.6
Ohio	2,183.9	218.4	1,965.5	1,231.6	583.9	150.0	733.9
Oklahoma	443.5	133.0	310.4	249.0	0.0	61.4	61.4
Oregon	501.4	0.0	501.4	477.6	23.8	0.0	23.8
Pennsylvania	1,886.2	180.0	1,706.2	1,554.1	123.3	28.9	152.1
Rhode Island	237.4	15.8	221.6	221.6	0.0	0.0	0.0
South Carolina	293.8	38.5	255.3	223.2	32.1	0.0	32.1
South Dakota	60.7	7.7	53.0	39.0	2.2	11.9	14.0
Tennessee	590.3	83.8	506.5	401.9	25.3	79.2	104.5
Texas	1,464.2	253.2	1,211.1	1,035.5	175.6	0.0	175.6
Utah	236.8	11.8	225.1	207.3	0.0	17.8	17.8
Vermont	142.1	31.3	110.7	107.8	0.0	3.0	3.0
Virginia	434.2	100.5	333.7	318.0	14.2	1.5	15.7
Washington	1,096.9	150.0	947.0	748.6	68.1	130.2	198.4
West Virginia	302.5	45.6	256.9	112.1	0.0	144.8	144.8
Wisconsin	953.2	184.4	768.8	447.9	290.1	30.7	320.9

Wyoming	60.5	18.0	42.4	7.3	0.0	35.1	35.1
Total	46,829.3	6,420.6	40,408.7	33,484.2	4,695.9	2,247.7	6,943.5
Percent of total	14	86	72	10	5	15

Source: Table prepared by the Congressional Research Service based on data from the U.S. Department of Health and Human Services.

TABLE 7-15.—TOTAL, FEDERAL, AND STATE EXPENDITURES FOR TANF AND PREDECESSOR PROGRAMS (AFDC, EA, AND JOBS), FISCAL YEARS 1990-99

[In millions of dollars]

Fiscal year	Total	Federal	State
Actual (current) dollars:			
1990	\$22,018	\$11,953	\$10,066
1991	24,133	13,169	10,964
1992	26,606	14,567	12,039
1993	27,037	14,790	12,247
1994	28,854	15,686	13,168
1995	30,091	16,173	13,918
1996	28,193	15,067	13,126
1997	23,179	12,494	10,686
1998	21,513	11,286	10,227
1999	21,728	11,323	10,405
Percent change: 1995-99 (change from peak expenditures)			
	- 27.8	- 30.0	- 25.2
Constant (1999) dollars:			
1990	26,773	14,534	12,239
1991	28,244	15,412	12,832
1992	30,341	16,612	13,729
1993	30,116	16,474	13,642
1994	31,459	17,102	14,357
1995	32,111	17,259	14,852
1996	29,497	15,764	13,733
1997	23,792	12,824	10,968
1998	21,784	11,429	10,356
1999	21,728	11,323	10,405
Percent change: 1995-99 (change from peak expenditures)			
	- 32.3	- 34.4	- 29.9

Note.—State TANF expenditures exclude child care expenditures that can be “double counted” toward both the Child Care and Development Fund and TANF maintenance-of-effort requirement.

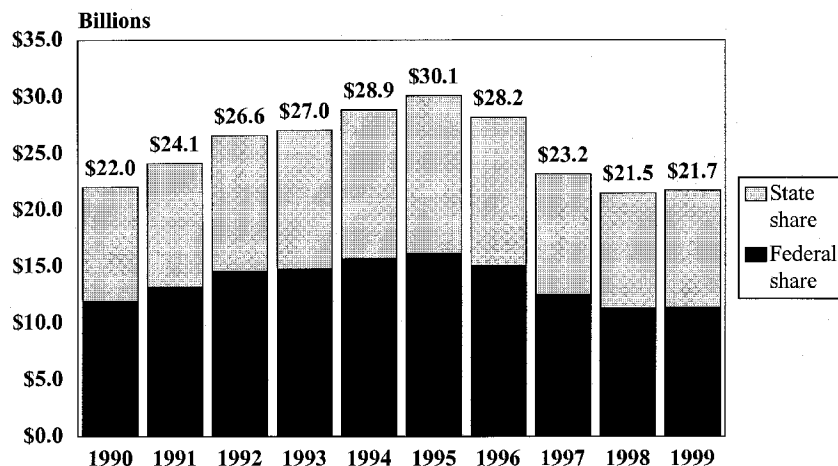
Source: Table prepared by the Congressional Research Service based on data from the U.S. Department of Health and Human Services.

Chart 7-2 shows the national trends in expenditures, from 1995 to 1999. Fiscal year 1995 and 1996 expenditures are Federal and State expenditures made under AFDC, EA, and JOBS. Fiscal year 1997 are transition year expenditures, combining TANF and pre-TANF expenditures. State expenditures under TANF exclude child care that could be credited toward the MOE requirements of both TANF and the CCDF.

Expenditures by State

Table 7-16 shows TANF and comparable pre-TANF (AFDC, EA and JOBS) expenditures, Federal and State, by State, for fiscal years 1995 and 1999. The Federal share of expenditures, which was a minimum of 50 percent under AFDC, has dropped

CHART 7-2. FEDERAL AND STATE EXPENDITURES FOR TANF AND PREDECESSOR PROGRAMS, FISCAL YEARS 1990-99



Note.—State expenditures include those made under the State TANF Program and State SSP expenditures but exclude State expenditures that can be double counted toward both the TANF and Child Care and Development Fund maintenance-of-effort requirements.

Source: Chart prepared by the Congressional Research Service based on data from the U.S. Department of Health and Human Services.

below that level in a number of States, including New York. Nationally Federal expenditures in fiscal year 1999 declined by \$4.9 billion (a 30 percent reduction) while State expenditures fell by \$3.5 billion (a 25 percent reduction) from their peak levels of fiscal year 1995.

TANF law gives States unlimited time in which to spend funds for assistance (benefits to meet a family's ongoing basic needs, plus supportive services for unemployed families), but requires that funds used for nonassistance must be obligated by the end of the fiscal year for which they are awarded and spent by the end of the next year. As shown in table 7-17, \$3.3 billion of total TANF expenditures made in fiscal year 1999 came from funds awarded for fiscal years 1997 and 1998. The table also shows that 16.7 percent of fiscal year 1999 TANF awards were transferred by States (6.2 percent to the Social Services Block Grant and 10.6 percent to the CCDF). Twenty States transferred 20 percent or more of their 1999 TANF awards (Alabama, Alaska, Florida, Illinois, Iowa, Kentucky, Louisiana, Massachusetts, Michigan, Minnesota, Missouri, New Jersey, North Carolina, Oklahoma, Tennessee, Vermont, Virginia, Washington, Wisconsin, and Wyoming).

TABLE 7-16.—FEDERAL AND STATE EXPENDITURES IN AFDC/TANF AND RELATED PROGRAMS, BY STATE, ¹ FISCAL YEARS 1995 AND 1999

[In millions of dollars]

State	1995			1999			Change in expenditures	
	Federal	State	Federal share (percent)	Federal	State	Federal share (percent)	Federal	State
Alabama	\$84.6	\$46.1	64.7	\$51.7	\$32.3	61.5	-\$32.9	-\$13.8
Alaska	60.7	60.0	50.3	38.2	47.2	44.7	-22.6	-12.8
Arizona	214.2	119.7	64.1	142.2	87.5	61.9	-72.0	-32.2
Arkansas	48.0	23.3	67.3	45.4	24.3	65.1	-2.5	1.1
California	3,708.2	3,701.1	50.0	3,345.5	2,821.0	54.3	-362.7	-880.0
Colorado	131.2	118.1	52.6	70.1	80.4	46.6	-61.1	-37.7
Connecticut	277.2	273.8	50.3	202.0	164.7	55.1	-75.3	-109.1
Delaware	35.4	34.4	50.7	32.7	21.5	60.4	-2.6	-12.9
District of Columbia	83.9	81.6	50.7	51.2	72.5	41.4	-32.7	-9.0
Florida	549.0	446.6	55.1	112.9	337.6	25.1	-436.1	-109.0
Georgia	317.0	208.4	60.3	235.1	152.6	60.6	-82.0	-55.9
Hawaii	101.3	99.0	50.6	86.9	81.0	51.8	-14.3	-18.0
Idaho	33.0	19.1	63.3	12.2	13.3	48.0	-20.7	-5.8
Illinois	595.4	580.1	50.7	409.5	373.2	52.3	-185.9	-206.9
Indiana	168.6	113.0	59.9	66.7	105.7	38.7	-101.9	-7.3
Iowa	126.7	85.0	59.8	113.3	56.9	66.6	-13.5	-28.1
Kansas	91.8	68.9	57.1	107.5	61.7	63.5	15.7	-7.3
Kentucky	156.9	81.1	65.9	126.3	76.5	62.3	-30.6	-4.6
Louisiana	140.1	76.4	64.7	69.2	53.9	56.2	-70.9	-22.5
Maine	74.1	45.9	61.7	68.0	38.8	63.6	-6.1	-7.1
Maryland	235.4	230.4	50.5	151.3	153.7	49.6	-84.0	-76.7
Massachusetts	411.2	401.8	50.6	270.5	316.1	46.1	-140.8	-85.7
Michigan	713.0	558.0	56.1	562.9	446.9	55.7	-150.1	-111.1
Minnesota	253.6	217.3	53.8	177.0	180.6	49.5	-76.6	-36.7
Mississippi	82.3	29.8	73.5	21.1	21.5	49.6	-61.2	-8.3
Missouri	210.4	151.6	58.1	188.4	111.6	62.8	-22.0	-40.1
Montana	45.5	22.5	66.9	24.9	14.4	63.3	-20.7	-8.1

Nebraska	59.3	46.6	56.0	85.6	24.0	78.1	26.3	-22.5
Nevada	44.7	40.0	52.8	37.5	25.0	60.1	-7.2	-15.0
New Hampshire	38.0	37.7	50.2	27.9	27.5	50.4	-10.0	-10.2
New Jersey	397.5	387.4	50.6	149.4	273.8	35.3	-248.1	-113.6
New Mexico	130.4	53.5	70.9	89.8	37.1	70.8	-40.6	-16.5
New York	2,532.0	2,499.8	50.3	1,533.6	2,016.7	43.2	-998.3	-483.1
North Carolina	320.3	213.9	60.0	222.8	133.4	62.6	-97.5	-80.5
North Dakota	26.1	16.6	61.2	23.9	8.1	74.8	-2.2	-8.5
Ohio	629.8	434.8	59.2	242.4	368.4	39.7	-387.4	-66.4
Oklahoma	134.6	69.5	65.9	85.3	54.7	60.9	-49.2	-14.8
Oregon	164.1	113.6	59.1	194.7	79.9	70.9	30.6	-33.7
Pennsylvania	798.9	702.5	53.2	603.7	387.6	60.9	-195.2	-314.8
Rhode Island	92.9	76.6	54.8	94.9	64.1	59.7	2.0	-12.5
South Carolina	97.1	48.8	66.5	70.9	31.8	69.0	-26.2	-17.0
South Dakota	20.5	11.4	64.2	12.4	8.3	59.8	-8.1	-3.1
Tennessee	183.6	112.7	62.0	120.5	88.3	57.7	-63.2	-24.3
Texas	474.4	318.6	59.8	339.2	216.8	61.0	-135.3	-101.9
Utah	71.5	35.5	66.8	54.6	20.8	72.4	-16.8	-14.6
Vermont	46.2	31.3	59.6	37.6	24.7	60.4	-8.5	-6.6
Virginia	143.8	140.9	50.5	129.9	106.8	54.9	-13.9	-34.1
Washington	397.8	364.8	52.2	212.3	257.6	45.2	-185.4	-107.2
West Virginia	96.6	38.0	71.8	14.6	40.6	26.4	-82.0	2.7
Wisconsin	306.0	217.8	58.4	153.4	152.4	50.2	-152.7	-65.4
Wyoming	18.1	12.7	58.9	3.4	9.3	26.9	-14.7	-3.3
Total	16,173.2	13,917.9	53.7	11,323.2	10,405.2	52.1	-4,850.0	-3,512.7

¹Excludes State TANF MOE child care expenditures that can also be counted toward the Child Care and Development Fund MOE.

Note.—Funds included in the columns for 1999 reflect actual State expenditures, not the annual amount of Federal TANF funding allocated for each State. Excludes State TANF maintenance-of-effort child care expenditures that can also be counted toward the Child Care and Development Fund maintenance-of-effort requirement.

Source: Table prepared by the Congressional Research Service based on data from the U.S. Department of Health and Human Services.

TABLE 7-17.—TANF GRANTS, TRANSFERS AND EXPENDITURES, FISCAL YEAR 1999

[In millions of dollars]

State	Fiscal year 1999 grant	Transfers			Fiscal year 1999 expenditures		
		Transfer to CCDF	Transfer to Social Services Block Grant	Total transfers	Spending from fiscal year 1999 funds	Spending from fiscal year 1997 and 1998 funds	Total expenditures in fiscal year 1999
Alabama	\$118.7	\$23.7	\$11.9	\$35.6	\$47.0	\$4.6	\$51.7
Alaska	64.5	13.8	5.6	19.4	38.2	0.0	38.2
Arizona	230.6	0.0	23.0	23.0	132.1	10.0	142.2
Arkansas	59.8	0.0	4.1	4.1	16.1	29.3	45.4
California	3,751.1	307.3	0.0	307.3	1,831.2	1,514.3	3,345.5
Colorado	142.7	0.0	20.3	20.3	45.3	24.9	70.1
Connecticut	266.8	0.0	24.1	24.1	202.0	0.0	202.0
Delaware	32.3	0.1	0.0	0.1	29.5	3.3	32.7
District of Columbia	92.6	18.5	9.3	27.8	32.1	19.2	51.2
Florida	591.8	117.6	59.2	176.8	22.4	90.5	112.9
Georgia	348.9	15.8	34.9	50.7	174.8	60.2	235.1
Hawaii	98.9	5.6	1.0	6.6	86.9	0.0	86.9
Idaho	33.1	6.6	3.3	9.9	0.0	12.2	12.2
Illinois	585.1	117.0	58.5	175.5	409.5	0.0	409.5
Indiana	206.8	56.0	6.0	62.0	16.7	50.1	66.7
Iowa	131.5	14.7	12.8	27.6	77.2	36.0	113.3
Kansas	101.9	6.1	10.2	16.3	85.6	21.9	107.5
Kentucky	181.3	36.2	18.1	54.4	126.9	- 0.6	126.3
Louisiana	172.3	51.7	0.0	51.7	41.6	27.6	69.2
Maine	78.1	7.6	2.5	10.1	68.0	0.0	68.0

Maryland	229.1	0.0	22.9	22.9	126.7	24.6	151.3
Massachusetts	479.4	91.9	47.9	139.8	270.5	0.0	270.5
Michigan	795.4	96.1	79.5	175.6	473.6	89.3	562.9
Minnesota	267.4	45.0	26.7	71.7	69.1	107.9	177.0
Mississippi	91.2	8.7	8.7	17.4	20.3	0.8	21.1
Missouri	217.1	43.4	21.7	65.1	125.2	63.2	188.4
Montana	45.5	5.5	0.0	5.5	23.5	1.4	24.9
Nebraska	58.0	0.0	0.0	0.0	48.9	36.7	85.6
Nevada	45.8	0.0	0.4	0.4	28.6	8.9	37.5
New Hampshire	38.5	0.0	0.0	0.0	27.9	0.0	27.9
New Jersey	404.0	80.8	40.4	121.2	78.5	70.9	149.4
New Mexico	132.7	13.7	0.0	13.7	65.5	24.3	89.8
New York	2,442.9	5.0	244.0	249.0	1,314.8	218.9	1,533.6
North Carolina	319.8	80.3	7.7	88.0	130.2	92.6	222.8
North Dakota	26.4	0.0	0.0	0.0	18.1	5.8	23.9
Ohio	728.0	0.0	72.8	72.8	206.0	36.4	242.4
Oklahoma	147.6	29.5	14.8	44.3	42.0	43.4	85.3
Oregon	166.8	0.0	0.0	0.0	143.0	51.7	194.7
Pennsylvania	719.5	127.0	0.0	127.0	460.8	142.9	603.7
Rhode Island	95.0	13.6	2.2	15.8	79.2	15.7	94.9
South Carolina	100.0	3.5	10.0	13.5	64.4	6.5	70.9
South Dakota	21.3	0.0	2.1	2.1	12.4	0.0	12.4
Tennessee	202.0	51.8	0.0	51.8	114.9	5.6	120.5
Texas	512.0	30.6	51.2	81.8	254.6	84.5	339.2
Utah	81.1	3.7	4.9	8.6	54.6	0.0	54.6
Vermont	47.4	7.7	4.7	12.4	31.9	5.7	37.6
Virginia	158.3	29.2	15.8	45.0	97.6	32.3	129.9
Washington	403.3	121.0	0.0	121.0	84.0	128.3	212.3
West Virginia	110.2	10.0	11.0	21.0	0.0	14.6	14.6

TABLE 7-17.—TANF GRANTS, TRANSFERS AND EXPENDITURES, FISCAL YEAR 1999—Continued

[In millions of dollars]

State	Fiscal year 1999 grant	Transfers			Fiscal year 1999 expenditures		
		Transfer to CCDF	Transfer to Social Services Block Grant	Total transfers	Spending from fiscal year 1999 funds	Spending from fiscal year 1997 and 1998 funds	Total expenditures in fiscal year 1999
Wisconsin	317.5	63.5	31.8	95.3	50.2	103.1	153.4
Wyoming	20.8	4.1	2.1	6.2	2.7	0.7	3.4
Total	16,712.6	1,764.0	1,028.2	2,792.2	8,002.9	3,320.4	11,323.2

Source: Table prepared by the Congressional Research Service based on data from the U.S. Department of Health and Human Services.

Fiscal year 1999 Temporary Assistance for Needy Families (TANF) expenditures, including State-funded MOE spending, totaled \$22.6 billion (table 7–18). Because it includes all State-funded MOE child care, this sum is higher than the \$21.7 billion fiscal year 1999 total shown in table 7–15. The difference represents child care outlays that can be counted for both the TANF and CCDF MOE. Of the \$22.6 billion total, \$13.5 billion (59.6 percent) was used for cash and work-based assistance, \$1.8 billion (7.8 percent) for work activities; \$2.0 billion (8.8 percent) for child care; \$2.3 billion (10.1 percent) for administration and computerization needed for tracking and monitoring, and \$3.1 billion (13.7 percent) for other purposes. The table shows sharp State variations. In 14 States (Alabama, Arkansas, Colorado, Delaware, Idaho, Indiana, Kansas, Michigan, Nevada, North Carolina, Oklahoma, South Carolina, Texas, and Wisconsin) cash and work-based assistance accounted for less than half of expenditures. At the other extreme, three States (Hawaii, New Mexico, and Vermont) attributed more than 80 percent of their spending to cash and work-based help. In 10 States child care accounted for 10 percent or more of TANF outlays (Alabama, Connecticut, Delaware, District of Columbia, Illinois, Massachusetts, Michigan, Minnesota, Missouri, New Jersey, North Carolina, Ohio, Oklahoma, and Wisconsin).

State maintenance-of-effort expenditures.—Table 7–19 shows total fiscal year 1999 State TANF maintenance-of-effort (MOE) expenditures broken down by three categories: expenditures under the regular TANF Program, State child care expenditures, and expenditures under separate State programs (SSPs). Inclusion of all MOE child care expenditures (\$1.4 billion) raises total State spending to \$11.3 billion (compared with \$10.4 billion in table 7–16, which excludes \$856 million in child care that could be double counted for both the TANF and Child Care and Development Fund (CCDF) MOE. Nationally, expenditures under the regular TANF Program accounted for 82.2 percent of State MOE spending, child care for 12.4 percent, and SSP programs for 5.4 percent. A total of 21 States reported MOE expenditures (other than child care) under SSPs. Two States (Hawaii and Tennessee) reported using no MOE funds for child care.

Expenditures per family.—Table 7–20 shows expenditures (excluding TANF MOE spending that also could be counted toward the CCDF MOE) per family for each year from fiscal year 1995 to fiscal year 1999. Expenditures per family did not change much between fiscal years 1995 and 1996, fell slightly in fiscal year 1997, then rose. Over the 4-year period, per-family expenditures were up \$2,088, or 33.5 percent). However, caution should be used in interpreting these numbers. The counts of families reflect only those receiving TANF “assistance.” Some States have moved families that were considered Aid to Families with Dependent Children (AFDC) families into SSPs other than TANF. For example, some States aid two-parent families and/or child-only cases in an SSP. Some forms of aid might not be considered by a State to be TANF assistance, and families receiving such aid might not be counted as a TANF family. Both of these factors would reduce the reported number of recipient families and thus inflate the calculated expenditure per family.

TABLE 7-18.—TOTAL TANF AND TANF MOE EXPENDITURES, BY STATE AND MAJOR CATEGORY, FISCAL YEAR 1999

[In millions of dollars]

State	Cash and work-based assistance	Work activities	Child care	Administration and systems	Other	Total expenditures
Alabama	\$35.3	\$15.4	\$14.4	\$10.7	\$15.1	\$90.9
Alaska	64.0	10.3	5.1	8.5	0.5	88.4
Arizona	121.6	14.5	12.3	34.1	57.2	239.7
Arkansas	23.8	22.0	5.1	7.6	13.0	71.6
California	4,289.9	311.7	411.6	425.3	813.5	6,252.1
Colorado	55.1	8.8	10.8	15.4	69.4	159.5
Connecticut	199.3	15.6	103.8	36.5	30.2	385.4
Delaware	23.7	10.2	11.9	13.5	0.0	59.4
District of Columbia ...	80.1	17.5	16.0	12.7	2.0	128.3
Florida	306.4	104.9	34.4	30.9	7.4	483.9
Georgia	206.8	30.7	35.2	39.1	98.1	409.9
Hawaii	148.9	5.7	0.0	13.3	0.0	167.9
Idaho	4.2	1.8	1.2	3.1	16.3	26.7
Illinois	574.1	33.3	117.0	115.3	0.0	839.6
Indiana	85.3	13.1	15.4	44.3	29.8	187.8
Iowa	91.9	24.3	6.2	29.1	23.7	175.2
Kansas	45.7	7.5	6.7	9.4	106.5	175.8
Kentucky	120.1	20.7	15.9	22.5	29.1	208.4
Louisiana	67.1	14.2	5.2	20.8	21.0	128.3
Maine	74.3	9.8	7.1	12.3	5.1	108.6
Maryland	189.2	49.5	26.1	58.0	5.5	328.3
Massachusetts	331.1	35.4	86.9	86.9	91.2	631.5
Michigan	435.3	151.7	308.5	60.3	78.5	1,034.2
Minnesota	233.8	45.0	50.4	47.8	0.3	377.3
Mississippi	26.7	7.4	1.7	7.6	0.8	44.3
Missouri	165.5	40.8	43.1	20.6	46.6	316.5
Montana	25.5	5.3	1.3	6.1	2.3	40.6
Nebraska	68.1	16.5	6.5	25.1	0.0	116.2
Nevada	27.6	1.5	2.2	13.4	20.0	64.7
New Hampshire	36.3	3.5	4.6	9.6	6.0	60.1
New Jersey	302.0	31.9	47.9	67.7	0.0	449.6
New Mexico	108.4	0.0	2.9	8.0	10.4	129.8
New York	2,347.2	179.9	182.0	442.6	500.6	3,652.3
North Carolina	176.0	3.7	43.9	29.4	141.1	394.1
North Dakota	22.0	1.6	1.0	5.7	2.6	33.0
Ohio	380.4	4.7	68.8	98.0	104.3	656.2
Oklahoma	57.9	31.4	27.4	8.7	25.2	150.7
Oregon	177.0	54.2	19.9	34.6	0.6	286.3
Pennsylvania	529.9	72.0	46.6	79.8	309.7	1,038.0
Rhode Island	115.0	7.6	14.3	17.7	9.7	164.3
South Carolina	38.6	22.9	4.1	19.7	21.6	106.9
South Dakota	11.3	3.3	0.8	3.3	2.9	21.6
Tennessee	110.0	34.4	4.7	19.6	40.1	208.8
Texas	233.4	47.5	34.7	62.3	212.7	590.6
Utah	40.6	25.5	4.5	9.3	0.1	79.9

TABLE 7-18.—TOTAL TANF AND TANF MOE EXPENDITURES, BY STATE AND MAJOR CATEGORY, FISCAL YEAR 1999—Continued

[In millions of dollars]

State	Cash and work-based assistance	Work activities	Child care	Administration and systems	Other	Total expenditures
Vermont	52.3	0.3	4.4	8.0	0.0	65.0
Virginia	140.2	60.8	21.9	35.0	0.3	258.1
Washington	316.9	39.2	34.1	58.5	55.4	504.0
West Virginia	32.7	3.1	3.0	18.8	0.6	58.2
Wisconsin	90.7	80.0	60.5	23.0	68.1	322.2
Wyoming	10.4	1.5	1.6	0.8	0.0	14.3
Total	13,449.5	1,754.0	1,995.5	2,290.7	3,095.2	22,584.9
Percent of total	59.6	7.8	8.8	10.1	13.7	100.0

Source: Table prepared by the Congressional Research Service based on data from the U.S. Department of Health and Human Services.

TABLE 7-19.—STATE MAINTENANCE-OF-EFFORT EXPENDITURES BY PROGRAM CATEGORY, FISCAL YEAR 1999

[In millions of dollars]

State	State expenditures under the TANF Program (excluding child care)	Total child care	Child care that can be double counted	Separate State program expenditures (excluding child care)	Total expenditures	Total expenditures minus child care that can be double counted
Alabama	\$32.2	\$6.9	\$6.9	\$0.1	\$39.2	\$32.3
Alaska	47.2	3.0	3.0	0.0	50.2	47.2
Arizona	87.5	10.0	10.0	0.0	97.6	87.5
Arkansas	21.1	5.1	1.9	0.0	26.2	24.3
California	2,617.2	240.2	85.6	49.2	2,906.6	2,821.0
Colorado	78.6	10.8	9.0	0.0	89.4	80.4
Connecticut	96.2	68.1	18.7	19.2	183.4	164.7
Delaware	14.1	11.9	5.2	0.6	26.7	21.5
District of Columbia ...	61.1	16.0	4.6	0.0	77.1	72.5
Florida	313.4	34.4	33.4	23.2	371.0	337.6
Georgia	79.0	35.2	22.2	60.5	174.8	152.6
Hawaii	32.3	0.0	0.0	48.6	81.0	81.0
Idaho	13.3	1.2	1.2	0.0	14.4	13.3
Illinois	308.1	81.8	56.9	40.2	430.1	373.2
Indiana	80.7	15.4	15.4	25.0	121.1	105.7
Iowa	55.7	6.2	5.1	0.1	62.0	56.9
Kansas	61.7	6.7	6.7	0.0	68.3	61.7
Kentucky	76.5	5.6	5.6	0.0	82.1	76.5
Louisiana	53.9	5.2	5.2	0.0	59.1	53.9
Maine	16.2	7.1	1.7	17.3	40.6	38.8
Maryland	120.1	23.6	23.3	33.2	177.0	153.7
Massachusetts	309.5	49.4	45.0	2.1	361.0	316.1
Michigan	362.7	97.3	24.4	11.3	471.3	446.9
Minnesota	149.6	50.4	19.7	0.3	200.3	180.6
Mississippi	21.5	1.7	1.7	0.0	23.2	21.5
Missouri	85.0	43.1	16.5	0.0	128.1	111.6
Montana	14.4	1.3	1.3	0.0	15.7	14.4
Nebraska	24.0	6.5	6.5	0.0	30.5	24.0
Nevada	25.0	2.2	2.2	0.0	27.2	25.0
New Hampshire	27.5	4.6	4.6	0.0	32.1	27.5
New Jersey	273.1	26.4	26.4	0.6	300.2	273.8
New Mexico	37.1	2.9	2.9	0.0	39.9	37.1
New York	1,694.9	182.0	102.0	241.8	2,118.7	2,016.7
North Carolina	128.5	42.8	37.9	0.0	171.3	133.4
North Dakota	8.1	1.0	1.0	0.0	9.1	8.1
Ohio	364.4	49.4	45.4	0.0	413.8	368.4
Oklahoma	48.4	16.9	10.6	0.0	65.3	54.7
Oregon	77.5	14.1	11.7	0.0	91.6	79.9
Pennsylvania	387.6	46.6	46.6	0.0	434.3	387.6
Rhode Island	45.8	14.3	5.3	9.4	69.4	64.1
South Carolina	31.8	4.1	4.1	0.0	35.9	31.8

TABLE 7-19.—STATE MAINTENANCE-OF-EFFORT EXPENDITURES BY PROGRAM CATEGORY, FISCAL YEAR 1999—Continued

[In millions of dollars]

State	State expenditures under the TANF Program (excluding child care)	Total child care	Child care that can be double counted	Separate State program expenditures (excluding child care)	Total expenditures	Total expenditures minus child care that can be double counted
South Dakota	8.3	0.8	0.8	0.0	9.1	8.3
Tennessee	88.3	0.0	0.0	0.0	88.3	88.3
Texas	216.8	34.7	34.7	0.0	251.4	216.8
Utah	19.9	4.5	4.5	0.9	25.3	20.8
Vermont	24.0	3.4	2.7	0.0	27.4	24.7
Virginia	84.1	21.3	21.3	22.7	128.2	106.8
Washington	257.6	34.1	34.1	0.0	291.7	257.6
West Virginia	40.6	3.0	3.0	0.0	43.6	40.6
Wisconsin	130.9	36.3	16.4	1.7	168.9	152.4
Wyoming	9.3	1.6	1.6	0.0	10.9	9.3
Total	9,262.4	1,391.1	856.4	608.2	11,261.6	10,405.2

Source: Table prepared by the Congressional Research Service based on data from the U.S. Department of Health and Human Services.

TABLE 7-20.—TOTAL TANF/AFDC AND RELATED PROGRAM EXPENDITURES PER FAMILY (EXCLUDES TANF MOE EXPENDITURES THAT COULD ALSO BE COUNTED TOWARD THE CCDF MOE), BY STATE, FISCAL YEARS 1995-99

State	1995	1996	1997	1998	1999	Change 1995-99	Percent change: 1995-98
Alabama	\$2,840	\$2,933	\$2,988	\$3,970	\$4,144	\$1,304	45.9
Alaska	9,716	9,843	10,139	9,619	10,092	376	3.9
Arizona	4,797	4,991	5,143	6,060	6,734	1,937	40.4
Arkansas	2,932	3,585	3,652	4,159	5,841	2,909	99.2
California	8,058	7,869	7,143	7,866	9,881	1,822	22.6
Colorado	6,465	7,547	7,079	8,234	10,553	4,088	63.2
Connecticut	9,036	7,538	7,091	8,940	10,805	1,769	19.6
Delaware	6,476	5,720	5,288	6,984	8,685	2,209	34.1
District of Columbia	6,177	5,922	5,378	6,820	6,493	315	5.1
Florida	4,313	4,368	4,327	6,167	5,494	1,180	27.4
Georgia	3,777	3,891	4,235	5,581	6,235	2,458	65.1
Hawaii	9,240	8,878	6,380	10,156	10,500	1,260	13.6
Idaho	5,738	5,589	2,377	10,441	18,461	12,724	221.8
Illinois	4,977	5,232	4,703	5,690	6,376	1,399	28.1
Indiana	4,292	3,834	3,962	4,418	4,698	406	9.5
Iowa	5,804	6,594	6,213	6,795	7,750	1,946	33.5
Kansas	5,694	6,109	8,390	8,600	13,170	7,476	131.3
Kentucky	3,158	3,631	3,460	3,680	4,757	1,599	50.6
Louisiana	2,713	2,564	2,747	3,457	3,127	414	15.3
Maine	5,534	5,918	6,270	6,989	7,929	2,395	43.3
Maryland	5,794	5,562	5,127	6,136	8,777	2,983	51.5
Massachusetts	8,061	8,317	8,512	9,375	10,769	2,708	33.6
Michigan	6,302	5,854	7,057	8,118	10,607	4,305	68.3
Minnesota	7,678	7,680	5,434	7,438	8,421	744	9.7
Mississippi	2,134	1,980	2,296	3,969	2,558	425	19.9

Missouri	4,055	4,355	4,311	4,942	5,892	1,837	45.3
Montana	5,917	5,483	5,899	6,715	8,138	2,221	37.5
Nebraska	7,143	7,170	4,912	4,880	9,673	2,529	35.4
Nevada	5,393	5,530	5,759	7,668	7,781	2,388	44.3
New Hampshire	7,006	7,591	7,924	9,036	8,712	1,705	24.3
New Jersey	6,602	6,350	5,460	6,050	6,799	197	3.0
New Mexico	5,340	5,457	5,950	5,212	4,975	- 365	- 6.8
New York	11,012	10,754	9,845	9,505	12,058	1,046	9.5
North Carolina	4,256	4,688	4,621	4,755	6,003	1,747	41.0
North Dakota	8,182	8,230	8,824	10,278	10,313	2,131	26.0
Ohio	4,666	4,668	4,441	4,997	5,367	702	15.0
Oklahoma	4,557	5,099	4,481	5,402	6,982	2,425	53.2
Oregon	7,072	7,613	9,579	11,202	16,277	9,205	130.2
Pennsylvania	7,332	7,860	5,682	7,016	9,383	2,051	28.0
Rhode Island	7,636	7,274	7,781	8,208	8,839	1,203	15.8
South Carolina	2,979	3,396	3,582	4,099	5,597	2,617	87.8
South Dakota	5,086	5,381	5,321	6,044	6,435	1,350	26.5
Tennessee	2,849	2,951	3,289	3,620	3,623	774	27.2
Texas	2,905	2,906	2,960	3,808	4,872	1,967	67.7
Utah	6,423	6,994	6,943	8,027	7,698	1,274	19.8
Vermont	8,027	7,876	7,392	7,512	9,430	1,403	17.5
Virginia	3,947	4,017	4,122	5,036	6,396	2,449	62.1
Washington	7,480	7,835	6,565	7,407	7,502	22	0.3
West Virginia	3,504	3,744	3,336	3,998	4,825	1,321	37.7
Wisconsin	7,238	6,977	8,704	22,378	15,975	8,737	120.7
Wyoming	5,920	5,244	5,780	7,967	15,725	9,805	165.6
Total	6,242	6,269	5,958	6,865	8,330	2,088	33.5

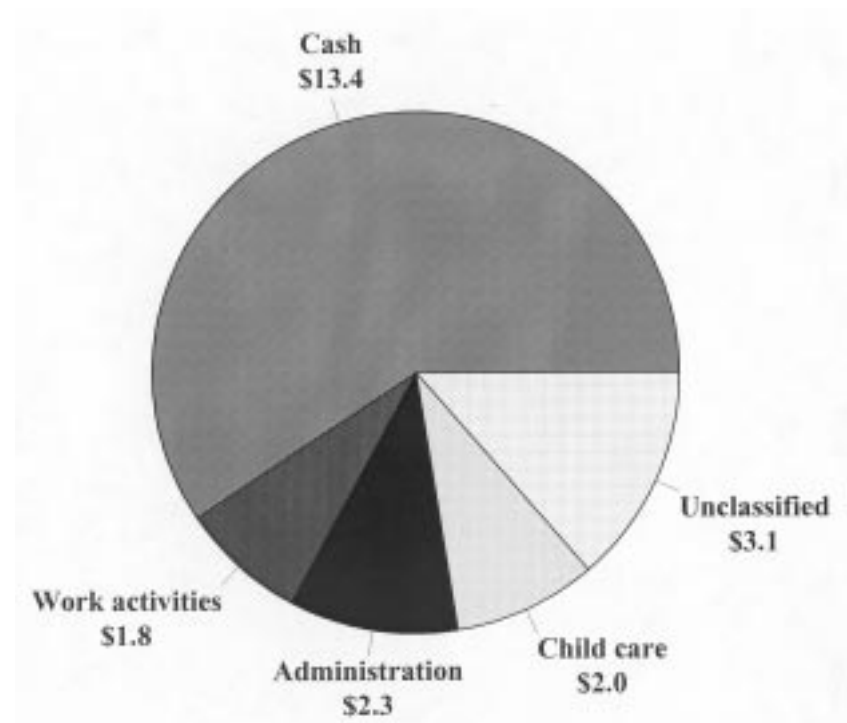
Note.—Excludes State TANF maintenance-of-effort child care expenditures that can also be counted toward the Child Care and Development Fund maintenance-of-effort requirement.

Source: Table prepared by the Congressional Research Service based on data from the U.S. Department of Health and Human Services.

Breakdown of expenditures.—As chart 7-3 shows, the bulk of fiscal year 1999 expenditures were made for cash assistance. Cash assistance accounted for spending of \$13.4 billion, 60 percent of total Federal and State MOE expenditures (down from \$14.6 billion in fiscal year 1998, 65 percent of total TANF spending). The second largest category was “unclassified” expenditures; that is, expenditures that did not fit into any of the other categories (cash, work program expenditures, child care, administration, and transitional assistance). The U.S. Department of Health and Human Services (DHHS) did not collect details on unclassified expenditures for fiscal year 1999, but this category could include payments for non-assistance such as transportation and work expenses. Unclassified expenditures were 14 percent of all expenditures; administrative costs accounted for 10 percent, child care for 9 percent, and work program expenditures totaled 8 percent.

CHART 7-3. FISCAL YEAR 1999 FEDERAL AND STATE TANF AND RELATED PROGRAM EXPENDITURES, BY CATEGORY. INCLUDES TANF CHILD CARE AND STATE CHILD CARE EXPENDITURES.

[DOLLARS IN BILLIONS]



Note.—Details may not add to total because of rounding.

Source: Chart prepared by the Congressional Research Service based on data from the U.S. Department of Health and Human Services.

Child care expenditures totaled \$2.0 billion. Most of these expenditures (\$1.4 billion) were State child care expenditures counted toward the TANF MOE requirement. Only \$0.6 billion was spent directly on child care from Federal TANF grants. However, most Federal funding for child care is provided through the CCDF (not shown in this section).⁵

WORK ACTIVITIES AND PARTICIPATION

Participation rates, fiscal year 1998

All jurisdictions except Guam, Puerto Rico, and the Virgin Islands achieved the all-family work rate in fiscal year 1998, but 15 failed the higher two-parent family work rate (two States and two territories reported having no two-parent families). The statutory minimums for fiscal year 1998 were 30 percent for all families and 75 percent for two-parent families; but, as shown in table 7–21, actual State standards were adjusted downward to give credit for reductions in caseload from fiscal year 1995 to fiscal year 1997 and, in the case of Vermont, to reflect terms of pre-TANF waivers still in effect. The six States that placed two-parent families in non-TANF Programs in fiscal year 1998 were Alabama, Florida, Georgia, Hawaii, Maryland, and New Jersey. Since then seven other States have moved two-parent families into SSPs: California and Connecticut, which met their fiscal year 1998 adjusted work targets of 33 percent and 67 percent, respectively, Delaware, Nebraska, Rhode Island, and Virginia, which failed their adjusted targets, which averaged 52 percent, and South Dakota, which reported no two-parent cases in fiscal year 1998. States that failed their minimum work participation rates are subject to a penalty (for first year's failure, loss of 5 percent of the TANF Block Grant, for second year's failure, 7 percent of the grant, with the penalty based on "the degree of noncompliance"), and under the law they must spend from State funds an amount equal to their penalties; finally, their required State MOE requirement is increased to 80 percent of its historic level. Penalties for failure to meet fiscal year 1998 two-parent work rates are shown in table 7–22. The law permits States that fail to achieve work rates to submit a corrective action plan or appeal the penalty on grounds of reasonable cause. In addition to the four named above, the jurisdictions that failed their fiscal year 1998 two-parent family work requirement were Alaska, Arkansas, District of Columbia, Guam, Minnesota, New Mexico, North Carolina, Pennsylvania, Texas, Washington, and West Virginia. In final TANF regulations, DHHS said States that offered TANF to noncustodial parents could choose whether to include them in calculating work participation rates of two-parent families. In fiscal year 1997, 16 States had failed the two-parent work requirements. Penalties were imposed on 2 States, and the other 14 States entered into "corrective compliance" plans.⁶ The National Council of State Human Services Administrators on March 9, 1999,

⁵For a discussion of CCDF Programs, see Congressional Research Service (1998).

⁶A corrective compliance plan must include an analysis of why the State failed the requirement and describe how, and by what time, it will discontinue the violation. A DHHS official said that if penalized States moved two-parent families into separate State programs, they would be required to achieve specified work rates for these families in accordance with a corrective compliance plan in order to have the penalty waived on grounds of corrective compliance.

TABLE 7-21.—TANF WORK PARTICIPATION RATES, FISCAL YEAR 1998

[In percent]

State	Overall rate				Two-person rate				
	Caseload reduction credit	Adjusted target	Participation rate achieved	Met target	Caseload reduction credit	Adjusted target	Participation rate achieved	Met target	Two-parent cases in caseload (percent)
Alabama	25.0	5.0	38.9	yes	(¹)	(¹)	(¹)	(¹)	(¹)
Alaska	3.2	26.8	42.5	yes	6.4	68.6	36.8	no	14.7
Arizona	21.3	8.7	30.2	yes	21.3	53.7	76.6	yes	1.8
Arkansas	13.4	16.6	19.4	yes	17.2	57.8	20.3	no	1.0
California	12.3	17.7	36.6	yes	42.3	32.7	36.2	yes	17.3
Colorado	22.5	7.5	28.7	yes	59.9	15.1	25.7	yes	1.0
Connecticut	8.5	21.5	41.4	yes	8.5	66.5	73.2	yes	6.3
Delaware	20.6	9.4	26.2	yes	20.6	54.4	23.7	no	1.9
District of Columbia	9.9	20.1	22.8	yes	44.9	30.1	22.5	no	0.5
Florida	24.2	5.8	34.5	yes	(¹)	(¹)	(¹)	(¹)	(¹)
Georgia	23.9	6.1	29.3	yes	(¹)	(¹)	(¹)	(¹)	(¹)
Guam	0.0	30.0	12.4	no	0.0	75.0	13.8	no	8.1
Hawaii	1.9	28.1	30.0	yes	(¹)	(¹)	(¹)	(¹)	(¹)
Idaho	25.8	4.2	28.6	yes	77.0	0.0	22.5	yes	2.4
Illinois	16.4	13.6	37.7	yes	30.0	45.0	77.7	yes	4.3
Indiana	31.9	0.0	29.9	yes	54.9	20.1	32.8	yes	2.2
Iowa	20.9	9.1	56.9	yes	23.6	51.4	53.6	yes	9.1
Kansas	28.1	1.9	41.3	yes	51.8	23.2	44.2	yes	4
Kentucky	13.7	16.3	38.3	yes	37.5	37.5	51.6	yes	3.6
Louisiana	28.0	2.0	29.2	yes	77.1	0.0	38.1	yes	0.3

Maine	14.9	15.1	45.6	yes	39.7	35.3	49.9	yes	6.2
Maryland	26.9	3.1	12.7	yes	(¹)	(¹)	(¹)	(¹)	(¹)
Massachusetts	22.7	7.3	29.0	yes	30.4	44.6	73.3	yes	3.1
Michigan	24.8	5.2	49.2	yes	36.6	38.4	63.9	yes	9.6
Minnesota	13.0	17.0	30.6	yes	32.5	42.5	30.8	no	6.2
Mississippi	26.3	3.7	25.2	yes	73.8	1.2	70.4	yes	0.0
Missouri	19.6	10.4	24.1	yes	79.7	0.0	34.9	yes	0.7
Montana	22.8	7.2	78.3	yes	22.8	52.2	86.4	yes	10.9
Nebraska	9.4	20.6	36.2	yes	21.9	53.1	39.5	no	4.4
Nevada	24.0	6.0	34.5	yes	43.3	31.7	58.7	yes	1.9
New Hampshire	24.5	5.5	37.3	yes	73.4	1.6	44.6	yes	0.9
New Jersey	15.3	14.7	26.5	yes	(¹)	(¹)	(¹)	(¹)	(²)
New Mexico	21.5	8.5	15.9	yes	39.4	35.6	16.8	no	3.2
New York	15.0	15.0	37.5	yes	36.5	38.5	58.8	Yes	3.2
North Carolina	20.0	10.0	14.5	yes	20.0	55.0	30.9	no	2.5
North Dakota	19.3	10.7	31.5	yes	(²)	(²)	(²)	(²)	(²)
Ohio	18.4	11.6	44.9	yes	25.8	49.2	51.5	yes	6.6
Oklahoma	32.3	0.0	36.2	yes	70.8	4.2	31.4	yes	0.4
Oregon	38.7	0.0	98.2	yes	65.2	9.8	95.2	yes	4.1
Pennsylvania	20.1	9.9	19.3	yes	48.7	26.3	21.8	no	2.6
Puerto Rico	12.9	17.1	6.8	no	(²)	(²)	(²)	(²)	(²)
Rhode Island	10.7	19.3	27.5	yes	23.9	51.1	32.4	no	2.4
South Carolina	11.0	19.0	42.7	yes	26.5	48.5	60.9	yes	0.5
South Dakota	18.8	11.2	39.2	yes	(²)	(²)	(²)	(²)	(²)
Tennessee	28.0	2.0	43.2	yes	70.4	4.6	39.1	yes	0.7
Texas	24.8	5.2	25.2	yes	27.1	47.9	44.3	no	8.9
Utah	27.5	2.5	39.8	yes	27.5	47.5	49.7	yes	1.3
Vermont	(³)	(³)	(³)	(³)	(³)	(³)	(³)	(³)	(³)
Virginia	23.2	6.8	27.5	yes	23.2	51.8	26.5	no	1.1

TABLE 7-21.—TANF WORK PARTICIPATION RATES, FISCAL YEAR 1998—Continued

[In percent]

State	Overall rate				Two-person rate				
	Caseload reduction credit	Adjusted target	Participation rate achieved	Met target	Caseload reduction credit	Adjusted target	Participation rate achieved	Met target	Two-parent cases in caseload (percent)
Virgin Islands	2.3	27.7	15.5	no	(²)	(²)	(²)	(²)	(²)
Washington	8.9	21.1	48.5	yes	22.8	52.2	45.5	no	12.8
West Virginia	10.8	19.2	33.4	yes	28.2	46.8	37.2	no	11.2
Wisconsin	46.3	0.0	64.0	yes	76.7	0.0	39.2	yes	3.6
Wyoming	32.2	0.0	55.3	yes	70.1	4.9	65.8	yes	0.7

¹Two-parent cases funded through separate State program.

²No two-parent cases or program.

³Not subject to participation rates as State claims waiver inconsistencies exempt all cases from participation rates.

Note.—The work participation rate standard before the application of the caseload reduction credit was 30 percent for the overall rate and 75 percent for the two-parent rate.

Source: Administration for Children and Families, U.S. Department of Health and Human Services.

TABLE 7-22.—PENALTIES FOR FAILING FISCAL YEAR 1998 TANF WORK PARTICIPATION RATE FOR TWO-PARENT FAMILIES (PROPORTIONAL REDUCTION BASED ON DEGREE OF FAILURE)

[Penalties in thousands of dollars]

State	Adjusted standard (percent)	Rate achieved (percent)	Percent of adjusted standard achieved	Base penalty	Reduced for percent of year	Proportionally reduced penalty	Reduced for two-parent percentage
Alaska	68.6	36.8	53.6	\$2,893.1	\$2,169.8	\$1,005.8	\$143.8
Arkansas	57.8	20.3	35.1	2,836.6	2,127.5	1,380.3	23.5
Delaware	54.4	23.7	43.6	1,453.1	1,453.1	820.0	29.5
District of Columbia	30.1	21.9	72.8	1,853.1	1,853.1	504.8	1.5
Minnesota	42.5	30.8	72.5	12,844.7	9,633.5	2,652.1	251.9
Nebraska	53.1	39.5	74.4	1,168.7	1,168.7	299.3	19.5
New Mexico	35.6	16.8	47.2	5,639.9	4,229.9	2,233.8	223.4
North Carolina	55.0	30.9	56.2	5,804.3	5,804.3	2,543.3	35.6
Pennsylvania	26.3	21.8	82.9	33,324.8	33,324.8	5,702.0	256.6
Rhode Island	51.1	32.4	63.4	4,751.1	4,355.2	1,593.8	90.8
Texas	47.9	44.3	92.5	9,146.8	9,146.8	687.4	38.5
Virginia	51.8	26.5	51.2	2,459.5	2,459.5	1,201.3	24.0
Washington	52.2	45.5	87.2	7,740.8	7,740.8	993.6	103.3
West Virginia	46.8	39.2	83.8	1,856.0	1,856.0	301.4	34.4

Source: Office of Family Assistance, U.S. Department of Health and Human Services.

adopted a resolution calling on the administration and Congress to consider modifying the two-parent work rules. Effective in fiscal year 1999, the statutory two-parent work participation rate rose to 90 percent.

DHHS reports that nationally, 35.4 percent of all Temporary Assistance for Needy Families (TANF) families and 42.3 percent of two-parent TANF families were credited with work participation in fiscal year 1998. (This means that they engaged in creditable activities for the required hours.) Participation rates show participants as a percentage of all families with an adult recipient (excluding those exempt from work because of having a child under 1 or because of a pre-TANF waiver, and those under work-refusal sanction for less than 3 months). Rates achieved varied widely: for the overall rate, from 12.7 percent in Maryland (and lower in Puerto Rico and Guam) to 98.2 percent in Oregon; for the two-parent rate, from 16.8 percent in New Mexico (and 13 percent in Guam) to 95.2 percent in Oregon.

Work activities

Participants in work activities recognized in TANF law.—As noted earlier, TANF law lists 12 activities that are countable in determining whether a State has achieved the required work participation rate. Table 7–23 shows the number of persons (adults or teen parents) in all TANF families who were credited with work and their work activities in fiscal year 1998. Because some persons participated in more than one activity, a percentage breakdown is not possible by activity. However, unsubsidized employment was by far the leading activity. Out of 699,573 families that met the overall work requirement, 490,837 persons had unsubsidized jobs. In the all-family group, the next most popular work activities were job search, with 87,371 participants, and work experience, with 83,376 persons. Three varieties of educational activities (vocational education, satisfactory school attendance, and education related to employment) accounted for 74,241 participants. Table 7–24 shows that a total of 61,208 two-parent families met the work participation standard in fiscal year 1998. Among them were 68,236 adult family members who had unsubsidized jobs (in some families, both parents worked), 10,630 who performed job search, 8,057 who engaged in work experience, and 4,823 who undertook educational activities.

In the JOBS Program for AFDC adults, education was the dominant work-related activity. In fiscal year 1995, 39.4 percent of JOBS participants were engaged in educational activities (high school, general education degree, remedial education, English as a second language, or higher education). Another 7.8 percent were engaged in vocational training (Committee, 1998, p. 482). In contrast, under TANF, only 10.6 percent of all adults, and 3.9 percent of those in two-parent families, who were credited with work during fiscal year 1998 engaged in one of the three listed educational activities (vocational education, satisfactory school attendance, and education related to employment). A GAO official told a subcommittee of the House Committee on Education and the Workforce in September, 1999, that under TANF “education and vocational

TABLE 7-23.—TANF WORK PARTICIPANTS¹ FOR ALL-FAMILY CATEGORY BY WORK ACTIVITY, FISCAL YEAR 1998

State	Number of participating families	Average monthly number of persons engaged in work by work activity										
		Unsubsidized employment	Subsidized employment	Work experience	On-the-job training	Job search	Community service	Vocational education	Job skills training	Education related to employment	Satisfactory school attendance	Providing child care
Alabama	3,674	2,278	—	405	16	832	53	404	28	—	192	—
Alaska	3,465	2,471	8	90	14	585	273	589	—	—	46	—
Arizona	7,278	6,662	3	742	6	748	88	528	54	21	104	—
Arkansas	1,384	453	26	125	94	433	22	250	—	9	39	10
California	179,953	156,384	2118	1,639	308	9,959	5,048	4,498	338	1,563	1,630	924
Colorado	3,608	1,894	165	402	11	255	197	1,135	11	—	44	—
Connecticut	15,439	13,633	—	462	11	1,594	—	645	—	—	64	—
Delaware	924	882	—	—	—	108	1	4	—	—	—	—
District of Columbia	3,685	3,174	432	347	122	854	51	59	21	29	—	—
Florida	19,854	14,990	136	438	—	1,174	1,251	1,287	55	50	2,421	193
Georgia	13,271	5,994	316	3,315	47	1,584	807	2,463	50	6	696	39
Guam	160	30	—	—	—	—	131	—	—	—	—	—
Hawaii	3,449	2,425	113	917	38	787	37	338	—	6	—	—
Idaho	284	135	6	18	1	115	4	91	—	1	2	—
Illinois	45,747	33,295	4	4,558	—	7,215	155	2,823	—	—	849	—
Indiana	9,262	8,792	7	107	15	706	—	310	85	124	124	—
Iowa	10,585	9,848	—	84	1	165	14	1,530	—	—	168	—
Kansas	3,222	2,063	—	733	5	1,148	4	40	55	154	—	—
Kentucky	12,931	7,090	—	3,227	54	265	267	2,650	1	—	243	—
Louisiana	8,754	5,305	51	2,244	17	305	—	1,855	—	23	23	—
Maine	5,068	2,813	—	222	13	2,073	720	275	122	2	300	14
Maryland	3,947	1,834	98	643	15	1,348	—	202	—	—	34	—

TABLE 7-23.—TANF WORK PARTICIPANTS¹ FOR ALL-FAMILY CATEGORY BY WORK ACTIVITY, FISCAL YEAR 1998—Continued

State	Number of participating families	Average monthly number of persons engaged in work by work activity										
		Unsubsidized employment	Subsidized employment	Work experience	On-the-job training	Job search	Community service	Vocational education	Job skills training	Education related to employment	Satisfactory school attendance	Providing child care
Massachusetts	12,479	7,773	405	125	—	621	1,420	639	720	218	992	44
Michigan	43,470	40,917	86	—	88	3,013	16	272	35	50	782	—
Minnesota	11,296	8,514	1	23	—	2,312	44	1,071	5	80	1,476	1
Mississippi	3,018	1,789	177	492	1	590	203	264	1	6	2	—
Missouri	6,521	3,195	218	1,329	28	1,189	—	—	864	622	215	—
Montana	3,417	762	—	1,912	—	3,030	18	480	—	—	42	—
Nebraska	3,218	2,052	—	14	20	1,481	27	109	83	—	204	—
Nevada	1,810	1,454	16	30	—	163	142	196	4	—	11	—
New Hampshire	1,188	858	—	57	3	166	—	123	64	—	123	—
New Jersey	14,276	5,570	—	7,172	40	2,060	7	1,948	58	436	192	10
New Mexico	2,801	2,503	28	187	—	14	79	43	13	—	13	—
New York	83,781	39,020	851	25,568	178	4,514	10,151	10,306	177	39	169	—
North Carolina	5,297	3,972	176	436	—	260	—	1,263	—	—	106	—
North Dakota	550	281	—	175	1	43	33	78	4	15	1	—
Ohio	42,023	24,211	278	13,667	9	6,434	—	5,356	—	10	1,677	—
Oklahoma	5,425	2,718	20	505	6	928	—	1,249	—	—	—	—
Oregon	1,479	727	174	174	8	494	—	—	57	62	133	—
Pennsylvania	17,735	13,937	—	110	10	3,518	—	1,160	—	16	52	—
Puerto Rico	75	30	—	—	—	45	—	—	—	—	—	—
Rhode Island	3,996	2,682	101	141	3	392	—	1,011	—	26	13	—
South Carolina	5,067	4,249	14	198	26	909	12	140	82	12	47	—
South Dakota	890	246	—	—	24	190	461	73	13	52	3	—

Tennessee	11,698	6,629	—	222	2,012	2,382	—	1,635	—	—	1,046	—
Texas	7,484	3,289	27	1,033	53	3,320	1	333	—	691	465	—
Utah	3,654	2,463	—	—	3	1,606	—	—	194	50	258	—
Vermont	1,702	1,224	47	89	10	433	—	253	16	—	80	—
Virginia Islands	146	16	1	39	19	62	5	28	9	26	22	23
Virginia	8,218	7,196	9	513	83	1,913	—	23	133	62	9	—
Washington	28,444	16,247	58	776	379	9,610	5,659	2,603	536	551	1,144	332
West Virginia	4,756	1,140	123	2,665	108	568	372	179	56	12	73	8
Wisconsin	7,473	2,649	25	4,915	4	2,760	703	7	1,226	—	—	—
Wyoming	242	79	5	91	1	98	2	65	2	—	5	—
Total	699,573	490,837	6,323	83,376	3,905	87,371	28,478	52,883	5,172	5,024	16,334	1,598

¹Excludes waiver operations.

Source: Table prepared by the Congressional Research Service based on data in U.S. Department of Health and Human Services (1999, table 3.5).

TABLE 7-24.—TANF WORK PARTICIPANTS¹ FOR TWO-PARENT FAMILY CATEGORY BY WORK ACTIVITY, FISCAL YEAR 1998

State	Number of participating families	Average monthly number of persons engaged in work by work activity										
		Unsubsidized employment	Subsidized employment	Work experience	On-the-job training	Job search	Community service	Vocational education	Job skills training	Education related to employment	Satisfactory school attendance	Providing child care
Alabama	—	—	—	—	—	—	—	—	—	—	—	—
Alaska	525	555	—	15	2	197	100	107	—	—	5	—
Arizona	211	291	—	52	—	110	9	12	1	2	4	—
Arkansas	23	14	—	4	5	9	1	9	1	—	—	—
California	29,597	38,452	706	244	109	1,495	47	445	36	906	141	7
Colorado	184	181	13	19	—	59	4	75	—	—	6	—
Connecticut	1,603	1,835	—	332	—	438	—	260	—	10	28	—
Delaware	13	15	—	—	—	2	—	—	—	—	—	—
District of Columbia	38	51	12	1	1	7	—	1	1	—	—	—
Florida	—	—	—	—	—	—	—	—	—	—	—	—
Georgia	—	—	—	—	—	—	—	—	—	—	—	—
Guam	18	12	—	—	—	—	15	—	—	—	—	—
Hawaii	—	—	—	—	—	—	—	—	—	—	—	—
Idaho	31	18	1	1	—	18	—	35	—	—	—	—
Illinois	3,937	3,756	4	1,039	—	480	80	151	7	—	89	—
Indiana	280	372	—	4	1	25	—	3	4	5	5	—
Iowa	932	1,445	—	14	—	38	4	147	—	—	23	—
Kansas	218	215	—	73	—	178	—	4	5	18	—	—
Kentucky	569	426	—	348	5	4	9	80	—	—	4	—
Louisiana	117	132	—	34	—	6	—	19	—	1	—	—

Maine	317	236	—	10	1	268	118	14	10	—	24	—
Maryland	—	—	—	—	—	—	—	—	—	—	—	—
Massachusetts	397	441	13	—	—	16	157	—	—	14	16	3
Michigan	3,156	3,989	16	—	9	487	11	29	—	27	38	—
Minnesota	1,320	1,690	—	8	—	407	4	81	1	54	95	—
Mississippi	2	2	—	1	—	—	1	1	—	—	—	—
Missouri	52	44	3	16	—	48	—	—	2	4	—	—
Montana	685	223	—	1,059	—	1,152	2	55	—	—	19	—
Nebraska	257	352	—	2	—	195	—	5	35	—	71	—
Nevada	134	169	1	4	—	36	20	11	2	—	2	1
New Hampshire	20	19	—	5	1	14	—	—	5	—	5	—
New Jersey	—	—	—	—	—	—	—	—	—	—	—	—
New Mexico	399	486	—	39	—	—	—	—	—	—	—	—
New York	5,576	4,196	—	1,735	—	297	1,199	171	—	50	—	—
North Carolina	188	196	16	6	—	24	—	27	—	—	—	—
North Dakota	—	—	—	—	—	—	—	—	—	—	—	—
Ohio	3,324	2,732	41	1,784	—	875	—	335	—	29	115	10
Oklahoma	18	9	—	7	—	8	—	6	—	—	—	—
Oregon	137	105	17	12	1	100	—	—	9	30	11	—
Pennsylvania	315	421	—	5	1	86	—	15	—	—	1	—
Puerto Rico	—	—	—	—	—	—	—	—	—	—	—	—
Rhode Island	369	358	8	11	1	118	—	20	—	5	2	—
South Carolina	147	155	—	2	—	32	—	1	2	—	1	—
South Dakota	—	—	—	—	—	—	—	—	—	—	—	—
Tennessee	72	46	—	5	13	27	—	15	—	—	13	—
Texas	764	431	1	218	3	617	—	24	—	1	14	—
Utah	21	27	—	—	—	15	—	—	—	—	2	—
Vermont	216	236	16	12	3	74	—	6	2	—	11	—
Virginia	213	255	—	21	2	105	—	1	3	7	—	—

TABLE 7-24.—TANF WORK PARTICIPANTS¹ FOR TWO-PARENT FAMILY CATEGORY BY WORK ACTIVITY, FISCAL YEAR 1998—Continued

State	Number of participating families	Average monthly number of persons engaged in work by work activity										
		Unsubsidized employment	Subsidized employment	Work experience	On-the-job training	Job search	Community service	Vocational education	Job skills training	Education related to employment	Satisfactory school attendance	Providing child care
Virgin Islands	—	—	—	—	—	—	—	—	—	—	—	—
Washington	3,693	3,183	—	236	—	2,350	1,628	359	—	274	71	274
West Virginia	1,032	397	38	625	13	163	90	14	—	4	28	8
Wisconsin	86	67	—	53	—	48	11	—	19	—	—	—
Wyoming	2	1	—	1	—	2	—	—	—	—	—	—
Total	61,208	68,236	908	8,057	171	10,630	3,510	2,538	145	1,441	844	303

¹Excludes waiver operations.

Source: Table prepared by the Congressional Research Service based on data in U.S. Department, 1999, table 3.6.

training are largely reserved for those who need it to get or keep a job or to advance on a career ladder.” (Fagnoni, 1999).

Work or job preparation activities.—Tables 7–23 and 7–24 provide data on official work participation rates. They show the number of TANF adults who engaged in 1 of 12 work activities listed in the law for the required hours and hence were counted in calculating the State’s work participation rate. A broader measure of work and work-related activity is shown in the next two tables; namely, the proportion of adults reported to be engaged in some form of work or job preparation activity at least 1 hour weekly. As table 7–25 shows, by this measure work activity has increased under TANF from that reported under Aid to Families with Dependent Children (AFDC). The percent of AFDC/TANF adults who were employed, engaged in subsidized work, engaged in job search, or engaged in educational activities rose in each category from fiscal year 1994 through fiscal year 1998. Especially sharp gains are shown for rates of actual employment: the unsubsidized employment rate was up 175 percent from 1994 to 1998, and the subsidized employment rate was up 292 percent. Table 7–26 provides this information by State for fiscal year 1998. The categories for reporting activities were different under AFDC than they are under TANF; categories were collapsed to make them as comparable as possible. However, some of the trends might be affected by changes in the way work or job preparation activities were reported.

TABLE 7–25.—PERCENT OF AFDC/TANF ADULTS ENGAGED IN WORK OR JOB PREPARATION ACTIVITY, FISCAL YEARS 1994–98

	1994	1995	1996	1997	1998
Some activity	19.2	20.4	22.4	24.7	35.3
Unsubsidized employment	8.3	9.3	11.3	13.3	22.8
Subsidized employment	1.4	1.2	1.7	2.4	5.5
Job search	4.0	4.1	4.7	5.3	5.1
Education	3.6	3.9	3.5	3.0	5.0
Other ¹	2.7	2.8	2.4	2.3	1.2

¹ Includes activities that States conduct under pre-TANF waivers from AFDC/JOBS rules.

Source: Congressional Research Service tabulations of the fiscal year 1998 Emergency TANF Data Report sample and fiscal year 1994–97 AFDC–QC files.

Employment of adult recipients.—Under TANF, there has been a sharp rise in the incidence of welfare and work. In fiscal year 1979, before Congress sharply limited a financial work incentive,⁷ about one in seven AFDC adults reported employment. Thereafter, as shown by chart 7–4, employment rates sank. During the 1980s through 1995, fewer than 1 in 10 AFDC adults worked. But in 1996, when several States began their own reforms under waivers from AFDC rules, the proportion increased to 11.3 percent. And in

⁷The work incentive was a requirement that in computing recipients’ benefits, States disregard the first \$30 earned monthly plus one-third of all remaining earnings, without time limit. The Omnibus Budget Reconciliation Act of 1981 limited the \$30 and one-third work reward to the first 4 months of a job, reduced the reward to \$30 in months 8–12, and ended it thereafter. Generally, after 4 months, a family’s AFDC benefit was reduced dollar-for-dollar for all “net” earnings (gross earnings minus a standard work expense allowance and actual child care costs up to statutory maximums) above \$30.

fiscal year 1998, the first full year of TANF, the share jumped sharply. That year 22.8 percent of all TANF adults were reported to be employed in unsubsidized jobs at least 1 hour weekly. In some States it soared above one-third, or higher (see table 7-26). The employment measures in chart 7-4 differ from official work participation rates of TANF law. To be counted as a TANF work participant in fiscal year 1998, a recipient in fiscal year 1998 had to work an average of 20 hours weekly (more in a two-parent family). In fiscal year 1998, 23.8 percent of TANF adults with unsubsidized jobs averaged fewer than 20 hours weekly of work (7.6 percent, fewer than 10 hours).

TABLE 7-26.—PERCENT OF TANF ADULTS ENGAGED IN WORK OR JOB PREPARATION ACTIVITY,¹ FISCAL YEAR 1998

State	In at least one activity	Unsubsidized employment	Subsidized work	Job search	Educational	Other
Alabama	32.8	20.2	3.6	6.5	6.2	0.0
Alaska	45.3	29.7	4.9	10.6	6.5	0.0
Arizona	43.7	38.5	4.2	4.5	4.1	0.0
Arkansas	34.2	8.4	5.0	10.3	10.0	2.1
California	36.0	28.0	1.6	2.6	3.5	0.7
Colorado	31.6	16.1	6.3	2.7	10.0	0.0
Connecticut	54.5	48.9	1.5	4.2	2.7	0.2
Delaware	26.8	22.3	0.1	6.0	0.1	0.0
District of Columbia	18.8	16.2	3.1	3.0	0.6	0.1
Florida	40.6	28.5	4.9	2.8	7.3	0.0
Georgia	30.3	12.0	12.2	3.3	6.9	0.0
Hawaii	32.1	24.2	7.3	5.5	2.4	0.0
Idaho	62.7	17.5	5.2	24.3	18.0	14.7
Illinois	36.2	26.4	3.5	4.9	3.4	0.1
Indiana	36.9	33.4	0.8	3.4	2.7	0.0
Iowa	59.4	52.4	0.9	1.5	11.5	0.0
Kansas	46.4	25.2	10.0	17.3	5.0	0.0
Kentucky	32.9	16.2	9.8	0.4	6.5	1.6
Louisiana	32.3	17.7	8.9	1.7	8.0	0.0
Maine	47.4	25.5	8.9	16.0	8.4	0.0
Maryland	21.8	7.2	3.4	10.6	1.7	0.0
Massachusetts	35.6	20.8	4.8	1.6	9.6	0.0
Michigan	49.4	44.4	0.2	5.6	1.2	0.0
Minnesota	45.8	31.7	0.5	11.0	8.5	2.0
Mississippi	34.3	18.8	9.7	6.5	4.1	0.8
Missouri	24.5	7.6	4.4	2.8	5.1	12.4
Montana	82.9	15.6	38.9	71.3	12.7	0.0
Nebraska	56.5	25.5	0.7	19.7	10.2	15.9
Nevada	36.5	22.3	3.5	6.6	5.5	3.4
New Hampshire	45.3	23.2	1.4	7.9	9.6	14.8
New Jersey	31.0	10.9	14.7	6.2	5.4	0.0
New Mexico	16.9	14.7	1.7	0.1	0.7	0.1
New York	30.6	14.2	12.7	1.7	4.5	0.0
North Carolina	18.5	10.6	2.0	1.1	6.9	0.0
North Dakota	33.8	15.3	11.6	5.9	4.9	0.5
Ohio	49.1	26.0	14.0	7.2	8.1	6.7

TABLE 7-26.—PERCENT OF TANF ADULTS ENGAGED IN WORK OR JOB PREPARATION ACTIVITY,¹ FISCAL YEAR 1998—Continued

State	In at least one activity	Unsubsidized employment	Subsidized work	Job search	Edu- cation	Other
Oklahoma	41.9	19.1	3.9	9.5	9.3	0.0
Oregon	54.6	8.5	5.3	13.3	10.1	32.0
Pennsylvania	29.5	22.2	0.1	5.5	2.9	0.3
Rhode Island	34.6	23.5	1.5	2.6	9.6	0.0
South Carolina	44.4	28.3	1.8	9.3	10.7	0.0
South Dakota	48.2	11.6	21.5	8.9	8.7	6.3
Tennessee	40.6	20.3	5.7	8.0	15.7	0.0
Texas	10.2	3.4	0.9	4.2	2.2	2.6
Utah	53.3	26.4	0.0	25.3	11.5	2.0
Vermont	43.5	26.8	2.4	10.9	11.5	0.0
Virginia	31.3	21.6	2.7	11.6	0.8	0.0
Washington	55.9	27.8	14.9	18.7	8.6	1.0
West Virginia	30.8	6.9	18.3	3.6	4.4	0.0
Wisconsin	75.9	23.1	56.1	25.0	14.1	0.0
Wyoming	46.6	13.8	14.9	21.2	10.6	3.7
Guam	5.0	2.4	2.6	0.0	0.0	0.0
Puerto Rico	2.7	1.1	0.0	1.6	0.0	0.0
Virgin Islands	42.9	0.0	12.9	15.7	22.1	2.3
Total	35.8	22.8	5.7	5.1	5.0	1.2

¹ Includes activities that States may conduct under pre-TANF waivers from AFDC/JOBS rules.

Source: Table prepared by the Congressional Research Service tabulations of the fiscal year 1998 Emergency TANF Data Report sample.

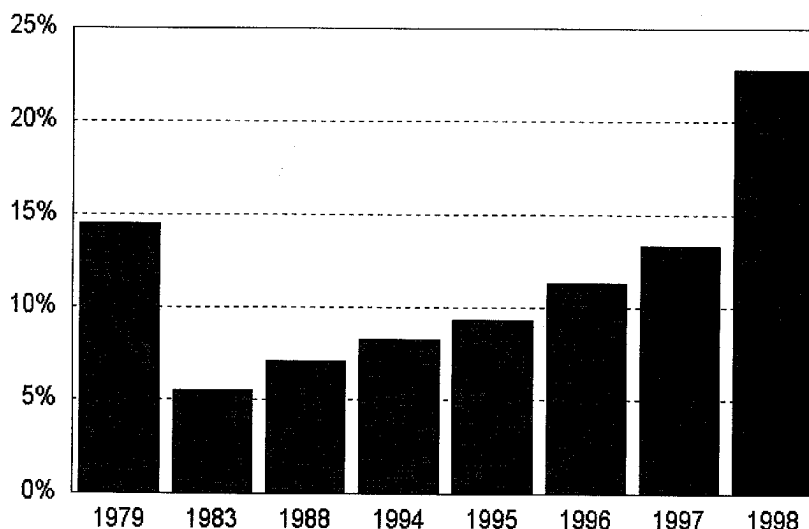
Under TANF, both States and recipients have a greater incentive to report work than they did under AFDC. Most States have increased the reward to recipients' work. Because failure to achieve work participation rates now carries the threat of fiscal penalties, States also have a stronger incentive to report recipients' work. Thus, some of the increase in the reported employment rate may be due to increased reporting.

Federal AFDC law stipulated what income had to be counted when determining AFDC eligibility and benefits. For applicants and recipients, the law from 1988 to 1996 set these rules: States were required to deduct both the first \$90 monthly of earnings as a standard work expense allowance and actual child care expenses up to statutory maximums of \$200 per child under age 2 or \$175 per older child. For recipients only, AFDC also had a time-limited work reward, taken after the work expense deduction. The reward was to disregard \$30 of earnings plus one-third of remaining earnings for the first 4 months of work and \$30 per month for months 5-12 on a job.

TANF has no Federal rules about treatment of earnings. More than three-fourths of TANF jurisdictions have raised earnings disregards from those that existed under AFDC. The new disregards permit recipients to keep more of their benefits as their earnings increase. They also permit recipients to stay on TANF at higher

earnings levels than AFDC; that is, they raise the exit point from welfare (and the entrance point, unless a State treats the earnings of an applicant less generously than those of a recipient as many do).

CHART 7-4. PERCENT OF AFDC/TANF ADULTS EMPLOYED, SELECTED YEARS 1979-98

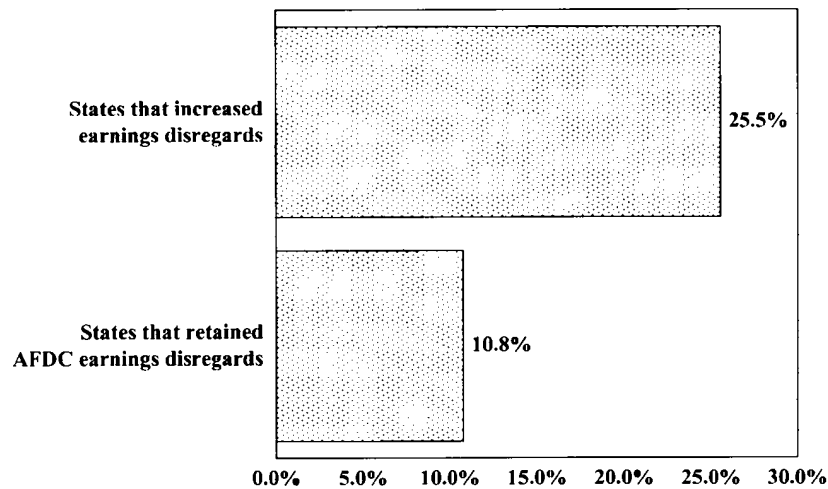


Source: Chart prepared by the Congressional Research Service, on the basis of data tabulations from the U.S. Department of Health and Human Services studies of characteristics of AFDC families (1979-88), quality control data tapes (1994-97), and the fiscal year 1998 Emergency Temporary TANF Data Report.

On average, the fiscal year 1998 employment rate for TANF adults in the 41 States with increased earnings disregards was much higher than in States that retained AFDC earnings disregards. Chart 7-5 shows that in fiscal year 1998, 25.5 percent of TANF adults in the States that raised their earnings disregards were employed. In contrast, 10.8 percent of TANF adults in the 13 jurisdictions that retained AFDC earnings disregards that year were employed.

Although average employment rates of TANF adults were higher in the States that liberalized treatment of earnings than in those that did not, there was considerable variation by State. Further, the low group average for States that kept AFDC rules was strongly affected by the 3.9 percent rate in Texas, which has the Nation's fourth largest TANF caseload. Also, although Delaware and Colorado retained AFDC earnings disregards, they also continued to operate "fill-the-gap" kinds of programs, which provide another form of work incentive. Under "fill-the-gap" programs, recipients are able to use earnings and/or child support payments to fill all or part of the income gap between the amount needed by the family, according to State standards, and the benefit amount actually paid by the State. Therefore, a dollar increase in earnings does not necessarily mean a dollar decrease in benefits in fill-the-gap States.

CHART 7-5. EMPLOYMENT RATES FOR TANF ADULTS IN STATES THAT RAISED EARNINGS DISREGARDS AND THOSE THAT DID NOT, FISCAL YEAR 1998



Source: Congressional Research Service tabulations of the fiscal year 1998 Emergency TANF Data Report sample and July 1998 CRS Survey of States regarding TANF financial eligibility and benefit rules.

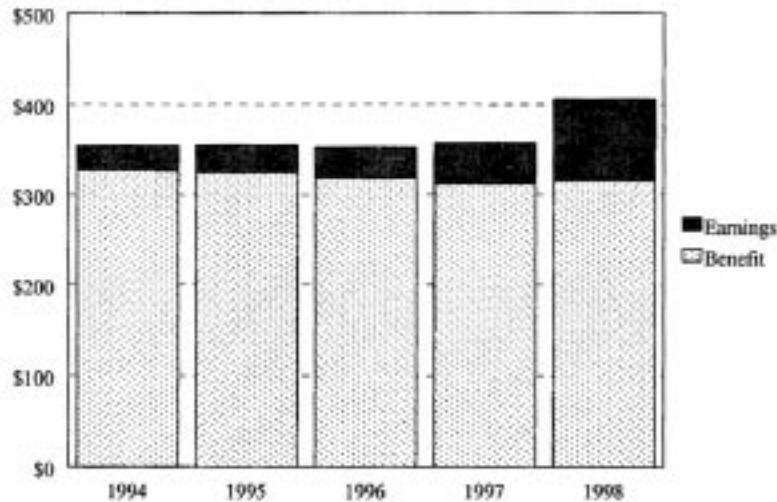
Average AFDC/TANF benefits and earnings

From fiscal year 1994 through fiscal year 1997, as the employment rate increased, average earnings also increased slightly, as shown in chart 7-6. However, declines in the average cash AFDC benefit offset those earnings increases so that the total (cash benefit plus earnings) remained relatively flat over these years. In fiscal year 1998, earnings jumped, as did the employment rate, and national average cash benefits also rose slightly, even though, as table 7-6 showed, average benefits in most States declined. Over the 4-year period, average benefits plus average earnings (including zero earnings for nonworkers) rose by 15 percent, from \$354 to \$406.

The increase in earnings and benefits could be at least partially explained by changes in State treatment of earnings. As noted before, under AFDC benefits generally were reduced one dollar for each one dollar of extra earnings after a short period of work. By contrast, under TANF most States permit recipients to keep more of their benefits as earnings increase.

The TANF Data Report provides no information about an important source of potential income for parents who combine TANF with earnings; namely, the earned income credit (EIC). In calendar year 1998, a family with one child could earn an EIC of up to \$2,271; a family with two or more children could earn a credit of up to \$3,756. Further, according to the U.S. Department of Health and Human Services (DHHS), Medicaid and food stamps were received in fiscal year 1998 by 98.1 percent and 83.5 percent of TANF families, respectively (U.S. Department, 1999, table 9:8, p. 85).

CHART 7-6. AVERAGE MONTHLY AFDC/TANF BENEFIT AND EARNINGS, FISCAL YEARS 1994-98



Source: Congressional Research Service tabulations of the fiscal year 1998 Emergency TANF Data Report file and the fiscal year 1994-97 (first three quarters) AFDC-QC data file. Data are missing for California and Minnesota.

CHARACTERISTICS OF AFDC/TANF FAMILIES

COMPOSITION OF FAMILIES, 1969-98

Since 1969, the proportion of welfare families with no adult recipient (child-only families) has more than doubled to 24 percent, and the average size of families has declined to 2.8 persons. Between 1969 and 1996, the latest year with available data, the proportion of AFDC/TANF families who live with nonrecipients increased from one-third to one-half (see table 7-27). The share of AFDC/TANF recipients who are teenage parents dropped from 2.4 percent in 1994 to 1.6 percent in 1998.

The fiscal year 1998 column of the table shows circumstances in the first full year of TANF; the fiscal year 1994 column shows circumstances when AFDC was at its historic peak. In this 4-year period, average family size did not change, the share of no-adult families rose sharply (while the share with single parents or two parents declined), and the share whose youngest child was 6 or older increased. The increase from 1994 in the share of TANF families that were child-only is not the result of an increase in the number of child-only families. The number of child-only families increased rapidly in the early 1990s (Blank, 1998), but the increase in the number leveled off in the mid-1990s, and in fiscal year 1998 was below the number of child-only families in fiscal year 1994. How-

TABLE 7-27.—COMPOSITION OF AFDC/TANF FAMILIES, SELECTED YEARS, 1969-98¹

	May 1969	March 1979	Fiscal year 1988	Fiscal year 1994	Fiscal year 1996	Fiscal year 1998
Number of family mem- bers						
Average number of family members	4.0	3.0	3.0	2.8	2.8	2.8
Number of adult recipi- ents (percent of all AFDC/TANF families) ¹						
One adult	78.4	78.9	81.2	74.4	70.7	68.7
Two adults or more	11.9	6.2	9.2	8.3	7.7	7.3
No adults	9.6	14.9	9.6	17.3	21.5	24.0
Number of child recipi- ents (percent of all AFDC/TANF families) ²						
One child	26.7	42.5	43.2	44.8	45.9	44.0
Two children	23.1	28.0	30.7	30.0	29.9	29.7
Three children	17.6	15.5	16.1	15.6	15.0	15.7
Four children or more	32.6	13.9	10.7	9.6	9.2	10.6
Age of youngest child (percent of all AFDC/ TANF families)						
Less than 6 years old	NA	56.5	60.6	62.7	60.0	57.3
6 years old and older	NA	43.5	39.4	37.3	39.0	42.7
Average age of adult reci- pients	³ 33.1	³ 28.7	³ 27	30.8	31.1	31.3
Teen parents (percent of all AFDC/TANF recipi- ents)	NA	2.2	2.2	2.4	1.9	1.6
Percent of AFDC/TANF families in households with nonrecipients	33.1	40.2	36.8	⁴ 46.4	⁴ 50	NA

¹The 1984-88 tabulations exclude Utah, West Virginia, Wisconsin, Puerto Rico and the Virgin Islands because the U.S. Department of Health and Human Services concluded that 1998 data on no-adult families for these States were unreliable.

²Rhode Island was excluded from 1994-98 tabulations of the percentage of families with a given number of child recipients because 1998 data were found unreliable.

³Median age of mothers.

⁴This item is from the U.S. Department of Health and Human Services series of studies on characteristics of AFDC families (U.S. Department, 1970, 1982, undated).

NA—Not available.

Note.—Data for 1969 are for May; data for 1979 are for March; the other columns are average monthly data for fiscal years.

Source: Table prepared by the Congressional Research Service based on data from the U.S. Department of Health and Human Services. For 1969, 1979, and 1988, data are from the U.S. Department of Health and Human Services Series of Studies, Characteristics and Financial Circumstances of AFDC Families. Congressional Research Service tabulations of these data exclude "unknowns." Unless otherwise indicated, for 1994, 1996, and 1998, data are from Congressional Research Service tabulations of the 1998 Emergency TANF Data Report sample and the AFDC-QC data file.

ever, as the caseload declined, the number of child-only families fell at a lower rate than the number of families with an adult.

Table 7-27 shows that the share of AFDC/Temporary Assistance for Needy Families (TANF) families with two or more adults, 7.3 percent in fiscal year 1998, was below the 8.3 percent rate of fiscal year 1994. Under AFDC, a two-parent family could be served only if the second parent was disabled or was unemployed (defined as working fewer than 100 hours monthly) and had a work history. TANF ended those rules, and many States have used their new discretion to base two-parent eligibility on income, a change that increased potential caseloads. However, the reported trend in two-adult TANF families is affected by State decisions to place these families in separate State programs (SSPs) rather than TANF. By the start of fiscal year 2000, according to a DHHS official, the number of States that served two-parent families in SSPs had more than doubled from 6 in fiscal year 1998 to 13. As noted earlier, several States were penalized in fiscal years 1997 and 1998 for failure to meet work participation rates for two-parent families in the regular TANF Program.

MARITAL STATUS OF PARENTS

In fiscal year 1996, the last full year of AFDC, the marital status of their parents was known for about 8.5 million recipient children (data were missing or unclear for about 0.2 million other children). In all, 5.1 million children, 60.4 percent of the children with parental marital data, were living with a single parent who had not married the second parent; 2.2 million (25.1 percent) were with a parent who was divorced or separated. Another 1.1 million (12.9 percent) were in two-parent families and presumed married; finally, 140,000 children (1.6 percent) were living with a widowed parent (data from U.S. Department of Health and Human Services, Characteristics and Financial Circumstances of AFDC Families, Fiscal Year 1996).

The Emergency TANF Data Report for fiscal year 1998 covered 6 million TANF children. Congressional Research Service (CRS) tabulations about the marital status of parents, however, exclude 0.6 million children from seven jurisdictions (Colorado, Georgia, Guam, North Carolina, Oregon, Rhode Island, and Texas). Moreover, for about 1 million children, data about the marital status of parents were missing or unknown. Thus, relevant data were available for 4.4 million children. Tabulations show that the parents of 2.6 million children (57.6 percent of the children with available data) were never married; 1.4 million (31.7 percent) married; 0.4 million (9.9 percent) divorced; and 0.04 million (0.8 percent) widowed.

RACE AND ETHNICITY OF AFDC/TANF ADULTS

The majority of TANF adults are nonwhite (table 7-28). In fiscal year 1998, non-Hispanic whites accounted for slightly more than one in three TANF adults (35.8 percent). Nonwhites accounted for close to two-thirds of adults on TANF as follows: Non-Hispanic blacks, 37.3 percent; Hispanics, 20.1 percent; Native American/

Alaska Natives, 1.6 percent; Asian/Oriental Pacific Islanders, 4.6 percent; and adults of other racial/ethnic groups, 0.6 percent.

Over the fiscal year 1994–98 period, nonwhites have increased as a percent of all TANF adults. In fiscal year 1994, non-Hispanic whites represented an estimated 40 percent of the AFDC caseload, but only an estimated 36 percent of the fiscal year 1998 TANF caseload. Non-Hispanic blacks grew as a share of the caseload every year except 1996 and increased their share over the period by 8 percent. Hispanics also grew as a share of the caseload until fiscal year 1998. Table 7–28 shows the trend in the racial/ethnic makeup of the national caseload from fiscal year 1994 to fiscal year 1998. Table 7–29 presents State-by-State data on the percentage of nonwhite AFDC/TANF adults over the same period.

TABLE 7–28.—RACIAL/ETHNIC COMPOSITION OF AFDC/TANF ADULTS, FISCAL YEARS 1994–98

[In percent]

	1994	1995	1996	1997	1998
Non-Hispanic white	41.4	39.4	39.7	37.5	35.8
Non-Hispanic black	34.5	35.2	34.5	35.2	37.3
Hispanic	19.1	20.1	20.3	22.2	20.1
Asian/Oriental Pacific Islander	3.8	4	4.1	4	4.6
Native American	1.3	1.3	1.4	1.1	1.6
Other	NR	NR	NR	NR	0.6

NR—Data not reported.

Source: Congressional Research Service tabulations of the fiscal year 1998 Emergency TANF Data Report sample.

TABLE 7–29.—PERCENTAGE OF AFDC/TANF ADULTS WHO ARE NONWHITE,¹ FISCAL YEARS 1994–98

State	1994	1995	1996	1997	1998
Alabama	74.5	74.7	70.8	70.7	75.1
Alaska	50.8	52.0	52.1	0.0	55.5
Arizona	55.9	59.8	58.4	63.5	64.4
Arkansas	54.3	54.2	52.9	51.4	69.3
California	68.8	68.9	62.1	69.3	67.7
Colorado	55.5	54.7	55.9	65.9	56.1
Connecticut	65.4	68.0	67.2	69.2	68.3
Delaware	67.5	68.9	70.1	64.3	70.2
District of Columbia	98.9	98.8	99.2	99.5	99.6
Florida	60.2	65.1	62.9	67.8	74.6
Georgia	75.9	74.3	72.8	77.5	81.3
Guam	96.2	96.9	97.9	98.8	97.3
Hawaii	73.7	76.8	75.1	82.4	82.1
Idaho	15.8	17.5	12.9	12.0	12.3
Illinois	65.3	65.7	68.3	68.8	73.0
Indiana	36.7	40.8	43.0	39.9	41.7
Iowa	14.2	14.3	16.3	12.9	16.2
Kansas	31.9	33.8	34.2	28.9	37.7

TABLE 7-29.—PERCENTAGE OF AFDC/TANF ADULTS WHO ARE NONWHITE,¹ FISCAL YEARS 1994-98—Continued

State	1994	1995	1996	1997	1998
Kentucky	19.1	16.8	19.4	21.2	20.9
Louisiana	80.0	81.3	80.3	82.2	84.4
Maine	4.2	2.7	2.2	2.8	4.5
Maryland	73.6	71.4	76.1	78.6	80.4
Massachusetts	47.4	54.3	50.3	52.4	53.7
Michigan	50.2	53.2	52.1	56.7	53.8
Minnesota	36.3	40.5	42.3	44.4	48.1
Mississippi	82.9	81.5	86.5	84.3	86.3
Missouri	41.7	43.7	47.4	50.0	52.6
Montana	29.1	31.3	37.4	39.3	48.9
Nebraska	33.4	32.3	36.3	40.4	41.2
Nevada	38.8	39.2	39.6	39.2	47.3
New Hampshire	1.4	3.5	3.3	3.7	6.2
New Jersey	76.3	79.2	80.6	77.1	85.2
New Mexico	75.3	78.2	73.6	74.5	75.6
New York	71.8	73.4	76.3	72.7	77.5
North Carolina	60.7	65.2	65.9	68.0	69.8
North Dakota	40.7	39.9	43.3	52.5	57.7
Ohio	38.3	42.6	43.5	40.7	49.6
Oklahoma	43.4	40.8	42.7	46.3	49.7
Oregon	17.0	16.3	16.6	21.4	18.7
Pennsylvania	50.6	53.2	53.7	57.1	60.9
Puerto Rico	99.9	100.0	99.9	100.0	100.0
Rhode Island	39.1	39.2	42.9	50.5	45.0
South Carolina	72.7	73.2	71.3	76.3	74.6
South Dakota	55.1	56.5	54.4	63.7	74.6
Tennessee	49.3	50.9	55.1	54.5	66.5
Texas	76.0	77.8	78.7	78.5	80.6
Utah	24.0	20.0	22.4	22.4	27.4
Vermont	0.9	4.5	2.5	0.5	2.3
Virginia	67.0	66.6	66.4	60.6	62.6
Virgin Islands	100.0	98.3	100.0	97.7	98.2
Washington	26.3	27.5	27.0	26.5	32.6
West Virginia	6.2	6.8	8.3	4.9	6.7
Wisconsin	52.4	53.6	58.4	67.6	83.0
Wyoming	20.5	24.1	26.8	27.1	47.4
Total	58.6	60.6	60.3	62.5	64.2

¹ Defined in this table to include non-Hispanic Blacks, Hispanics, Asian/Oriental Pacific Islanders, and Native Americans.

Source: Table prepared by the Congressional Research Service based on fiscal year 1994-97 AFDC-QC files and tabulations of the fiscal year 1998 Emergency TANF Data Report sample.

EDUCATIONAL ATTAINMENT OF TANF ADULTS

Tabulations of the March 1999 Current Population Survey show that TANF adults tend to have below-average schooling. In fiscal year 1998, 47 percent of TANF adults did not have at least 12 years of school or an educational credential. This compares with 15

percent of the total U.S. population aged 25–64 without a high school degree in 1997.

It is not possible to compare the educational attainment of TANF adults with those of AFDC adults because data are lacking. For fiscal years 1992–96, DHHS did not publish tables about adult years of education because the information was unknown for a high percentage of cases (“unknowns” accounted for 50 percent of the adults in 1991, the last year with published data).

LIVING ARRANGEMENTS OF TANF CHILDREN

Tabulations of the AFDC Quality Control data file by CRS show that in fiscal year 1994, about 1.5 million out of 9.8 million AFDC children lived in families with no adult recipient (“child-only” families). By law, their adult caretakers had to be relatives, but it is not known whether they were parents, grandparents, aunts, or other relatives. It is presumed that most were themselves ineligible for AFDC because they were recipients of SSI, illegal aliens, or nonneedy persons, for instance. However, some may have chosen not to join welfare, even though eligible.

The proportion of welfare children living in families with no adult recipient climbed from 15 percent in fiscal year 1994 to 20.8 percent in fiscal year 1998 (Emergency TANF data report sample file), and the share of child-only AFDC/TANF families made a corresponding increase, from 17.3 percent in 1994 to 24 percent in 1998 (table 7–27). More than 7 out of 10 children (71.8 percent) lived with a single parent in 1998, and fewer than one in 10 (7.4 percent) lived with two parents.

Analysis of the Emergency TANF Data Report sample file for fiscal year 1998 provides information about family relationships. Table 7–30 shows that of children in families without an adult recipient 63 percent were in their parent’s household, 24.3 percent were with a grandparent, 9.7 percent were in the household of another relative, and 3.1 percent were with a stepparent or an unrelated household head. Among all family types, 90.3 percent of

TABLE 7–30.—CHILD’S RELATIONSHIP TO HEAD OF HOUSEHOLD BY FAMILY TYPE, FISCAL YEAR 1998

[In percent]

Child’s relationship to family head	Family type			
	Single-parent	Two-parent	Child-only	All families
Child	97.4	98.8	63.0	90.3
Grandchild	1.6	0.4	24.3	6.2
Other related	0.6	0.3	9.7	2.5
Stepchild or unrelated child	0.5	0.6	3.1	1.0

Note.—Excludes data for Puerto Rico, Rhode Island, Texas, Utah, the Virgin Islands, West Virginia, and Wisconsin.

Source: Congressional Research Service tabulations of the fiscal year 1998 Emergency TANF Data Report sample file.

TANF children lived with a parent, 6.2 percent with a grandparent, 2.5 percent with another relative, and 1.0 percent were with a step-parent or an unrelated household head.

WELFARE-TO-WORK (WTW) GRANT PROGRAM

The Balanced Budget Act of 1997 (Public Law 105–33) created a 2-year \$3 billion WTW Grant Program to serve hard-to-employ welfare recipients and noncustodial parents. After set-asides, 75 percent of WTW funds were designated for matching formula grants and 25 percent for competitive grants. For fiscal years 1998 and 1999, available formula grants totaled \$2.135 billion and competitive grants \$712 million. States and localities have 3 years from the award date in which to spend the funds. The original law set aside \$100 million for performance bonuses, \$30 million for Indian tribal grants, and \$24 million for evaluations. Public Law 106–113 reduced the performance bonus amount to \$50 million.

Although WTW is a component of TANF (Sec. 403(a)(5) of the Social Security Act), it is administered by the U.S. Department of Labor (DOL) and not DHHS. Formula grants were allocated by DOL to States on the basis of their shares of the national adult TANF population and the poverty population. States are required to distribute 85 percent of the formula grants to local work force investment areas; at least half of the State's substate allocation formula must be based on the "high poverty" population⁸ of the work force investment area and the rest on its population of long-term welfare recipients and/or unemployed persons. Competitive grants were awarded directly to local work force investment boards, other local government entities, and private entities that applied in conjunction with one of the former.

WTW funds are focused on hard-to-employ TANF recipients. As originally enacted, at least 70 percent of funds had to be used for the benefit of TANF recipients (and noncustodial parents) with at least two specified barriers to work who themselves (or whose minor children) were long-term recipients (30 months of AFDC/TANF benefits) or were within 12 months of reaching the 5-year limit on federally funded TANF or a shorter State time limit. The target groups had to have at least two of these three work impediments: (1) lack a high school diploma and have low skills in reading or mathematics; (2) require substance abuse treatment for employment; or (3) have a poor work history. Remaining funds (up to 30 percent) had to be used for persons having characteristics associated with long-term welfare use. WTW eligibility was liberalized by Public Law 106–113. Effective July 1, 2000, States may use WTW formula grant allotments and State matching funds on behalf of four new groups: (1) long-term TANF recipients without specified work barriers; (2) former foster care youths 18–24 years old; (3) TANF recipients who are determined by criteria of the local work force investment board to have significant barriers to self-sufficiency; and (4) non-TANF custodial parents with income below the poverty line. Not more than 30 percent of the funds may be used for the three latter new groups. The revised law also changed

⁸Defined as the number of persons in poverty in excess of 7.5 percent of the area's total population.

rules for noncustodial parents. Eligible under the new rules, provided they comply with an oral or written personal responsibility contract, are noncustodial parents who are unemployed, underemployed, or having difficulty paying child support if their minor children are eligible for or receive TANF benefits (with priority for those whose children are long-term recipients), received TANF during the preceding year, or are eligible for or receive certain other income-tested benefits. The expanded eligibility rules took effect on January 1, 2000, for competitive grants. Federal expenditures from formula grants for the newly eligible groups may not be made until October 1, 2000, even though obligations may be incurred for them beginning July 1, 2000.

Activities that may receive WTW funds are the conduct and administration of community service or work experience programs; job creation through wage subsidies; on-the-job training; contracts with providers of readiness, placement, and postemployment services; job vouchers for placement, readiness, and postemployment services; job retention or support services if these services are not otherwise available; and, added by Public Law 106-113, up to 6 months of vocational education or job training (however, vocational education or job training does not become an allowable formula grant activity until July 1, 2000).

As of September 30, 1999, \$1.969 billion had been awarded to States in WTW formula grants for fiscal years 1998 and 1999, but States reported spending only \$220 million of these funds (table 7-31). The table shows that six States did not participate in either year (Idaho, Mississippi, Ohio, South Dakota, Utah, and Wyoming) and that another three States (Arizona, Delaware, and North Dakota) did not participate in fiscal year 1999. Any funds not awarded to States revert to the Federal Treasury (Public Law 105-277). Over the 2 years, a cumulative total of 85,396 persons participated in the formula grant program. Two States, Pennsylvania and Oregon, accounted for 19 percent of all WTW formula grant participants, although their TANF caseloads represented only 5 percent of the national total.

By the end of fiscal year 1999, all available competitive grant funds (\$712 million) had been awarded to 189 entities. Competitive grant expenditures to that date totaled \$76.3 million and more than 23,000 persons had been served. The two most popular work activities planned by successful bidders for competitive grants were skills training (including on-the-job training) and job placement; job creation was least often mentioned. Child care, substance abuse treatment, and transportation services were about equally popular among supportive services (Devere, 2000).

TABLE 7-31.—WELFARE-TO-WORK EXPENDITURES, FISCAL YEARS 1998 AND 1999

[In thousands of dollars]

State	Fiscal year 1998 grant al- lotments	Fiscal year 1999 grant al- lotments	Expenditures in fiscal year 1998		Expenditures in fiscal year 1999		Participants
			Federal ex- penditures	State (match) expenditures	Federal ex- penditures	State (match) expenditures	
Alabama	\$13,978	\$13,017	0	\$19	\$153	\$89	313
Alaska	2,927	2,709	0	0	1,120	862	2,328
Arizona ¹	9,000	NP	0	0	556	276	238
Arkansas	8,490	7,932	\$324	0	4,248	4,245	1,174
California ²	190,417	177,228	998	0	39,464	3,723	7,359
Colorado	9,879	9,214	2	0	843	6,412	342
Connecticut ¹	12,006	11,184	0	0	5,637	5,475	4,454
Delaware	2,762	NP	0	0	31	0	84
District of Columbia	4,646	4,327	0	0	173	0	43
Florida	50,757	47,414	0	0	1,774	0	1,173
Georgia	28,409	26,489	827	0	10,413	0	5,072
Guam	585	546	0	0	122	0	118
Hawaii	5,086	4,719	44	1,702	1,511	1,056	411
Idaho	NP	NP	0	0	0	0	0
Illinois ²	48,663	45,324	4,332	4,247	18,612	42,746	6,985
Indiana	14,552	13,578	131	0	2,411	1,300	670
Iowa	8,332	7,779	103	87	3,352	1,110	556
Kansas	6,668	6,202	50	21	2,780	751	920
Kentucky	17,723	16,521	108	0	2,748	1,842	1,791
Louisiana	23,707	22,113	1,126	128	9,322	4,319	3,403
Maine	5,156	4,804	35	18	1,062	811	393
Maryland	14,941	13,915	1	19	1,178	681	285

Massachusetts	20,692	19,260	1,223	0	9,620	9,255	3,038
Michigan	42,226	39,345	0	0	0	0	0
Minnesota ²	14,503	13,537	443	46	7,444	1,966	3,742
Mississippi	NP	NP	0	0	0	0	0
Missouri ²	19,767	18,432	872	436	9,961	4,980	3,296
Montana ²	3,194	2,975	255	129	2,697	1,706	476
Nebraska ²	4,022	3,763	518	259	1,824	877	938
Nevada	3,384	3,174	43	291	494	1,139	194
New Hampshire	2,762	2,574	0	0	203	32	76
New Jersey ¹	23,527	21,709	0	0	2,133	0	1,197
New Mexico	9,716	9,059	108	0	440	0	197
New York	96,886	90,324	0	0	4,522	1,208	1,570
North Carolina	25,332	23,634	54	0	6,903	0	1,500
North Dakota	2,762	NP	0	37	219	1,174	497
Ohio	NP	NP	0	0	0	0	0
Oklahoma	11,742	10,920	119	0	3,647	211	779
Oregon	8,637	8,084	0	0	4,194	10,878	7,402
Pennsylvania	44,296	41,358	0	462	6,965	14,877	8,777
Puerto Rico ¹	34,566	32,219	0	0	7,398	1,583	1,537
Rhode Island	4,420	4,109	13	0	615	0	271
South Carolina ²	12,006	11,107	2,068	999	5,195	2,341	2,803
South Dakota	NP	NP	0	0	0	0	0
Tennessee	21,644	20,215	517	277	3,526	1,556	1,863
Texas	76,059	70,934	0	0	7,409	0	1,038
Utah	NP	NP	0	0	0	0	0
Vermont	2,762	2,574	0	25	937	420	412
Virginia	16,549	15,404	5	0	2,599	103	921
Virgin Islands ¹	554	515	0	0	121	33	84
Washington	22,675	21,143	0	0	4,194	6,370	2,624

TABLE 7-31.—WELFARE-TO-WORK EXPENDITURES, FISCAL YEARS 1998 AND 1999—Continued

[In thousands of dollars]

State	Fiscal year 1998 grant al- lotments	Fiscal year 1999 grant al- lotments	Expenditures in fiscal year 1998		Expenditures in fiscal year 1999		Participants
			Federal ex- penditures	State (match) expenditures	Federal ex- penditures	State (match) expenditures	
West Virginia ¹	9,805	9,143	0	0	4,108	2,640	1,628
Wisconsin	12,886	12,032	2	0	1,682	577	424
Wyoming	NP	NP	0	0	0	0	0
Total	1,026,058	942,560	14,320	9,202	205,732	139,626	85,396

¹State did not report any data for fiscal year 1998.

²These States are currently expending fiscal year 1998 and 1998 grant funds. Therefore, the expenditures for fiscal year 1999 reflect expenditures from fiscal year 1998 and 1999 grant funds.

NP—Not participating.

Note.—Reflects data current as of January 27, 2000.

Source: Table prepared by the Congressional Research Service based on data from the U.S. Department of Labor.

Data from DOL show that expenditures from formula grants for the more disadvantaged group (long-term welfare recipients with at least two of three specified work impediments) averaged \$3,627 per participant in the last quarter of fiscal year 1999, more than double the average expenditures of \$1,578 for other participants, those with characteristics associated with long-term welfare enrollment. In the case of competitive grants, however, there was only a small difference in expenditures between the two groups (\$3,191 compared with \$2,806).

Public Law 106–113 repealed the original WTW reporting provisions, which required specified data about participating families, and substituted a requirement that the Secretary of Labor, in consultation with the DHHS Secretary and others, establish data collection and reporting rules.

WELFARE DYNAMICS

DURATION FINDINGS

Concern about long-term use of Aid to Families with Dependent Children (AFDC) was one of the reasons that Congress ended the program, named the replacement program Temporary Assistance for Needy Families (TANF), and barred States from using TANF grants to pay unending benefits to a family. Studies of families' use of AFDC (Ellwood & Bane, 1985; Pavetti, 1995) had shown:

- New enrollees could be expected to spend an average of 6 years, including repeat spells, on AFDC.
- For families on AFDC at any given time, the average expected length of AFDC receipt, counting repeat spells, was 13 years.
- Almost half of recipients on the rolls at a given time had received benefits, counting repeat spells, for more than 5 years.
- Most episodes of AFDC enrollment were found to end within 12 months, but most families who exited AFDC came back within 24 months.
- Durations on AFDC were above average for never-married parents, nonwhites, those with a child under 1, high school dropouts, and those without recent work experience.

Final data for AFDC show that the median number of months of a family's most recent spell on the program rose from 24 months in fiscal year 1996 to 26 months in fiscal year 1997. Further, the number of families continuously on the rolls for 60 months or more climbed from 935,460 in fiscal year 1994 to 1,019,175 in fiscal year 1996.⁹ In the same period the overall caseload declined by 10 percent, in part because fewer new families joined the rolls. More specifically, the number of new AFDC/TANF families fell from 293,510 in fiscal year 1994 to 254,745 in fiscal year 1995, 240,731 in fiscal year 1996, and 186,125 in fiscal year 1997.

Experience with TANF is too short, and data too limited, to tell whether duration of welfare spells is changing. The available data for fiscal year 1998 show a family's total time on the TANF Program only since the program began in a State and not time previously spent on AFDC.

⁹In fiscal year 1997 (AFDC/TANF transition year) the number of families continuously enrolled for at least 30 months declined to 957,731.

EXITS AND RETURNS TO AFDC/TANF

Movement on and off the AFDC rolls was frequent. Based on monthly caseload data, work exits from AFDC generally accounted for slightly less than half of all exits within a 5-year period, and many who left returned to the rolls very quickly. Within 1 year of their exit, 45 percent of ex-recipients returned to the program; within 2 years, 58 percent; within 4 years, 69 percent. Those who left AFDC because of employment remained off the program somewhat longer than those who left for other reasons (Committee, 1998, pp. 532–35). A study using 1979–93 data from the National Longitudinal Survey of Youth concluded that, after adjusting for other attributes of the parent and family, the likelihood of leaving AFDC for at least 2 years decreased with the length of time that women received benefits (Sandefur, 1998).

Several recent State studies indicate that the percentage of returnees to welfare has dropped significantly under TANF (even before time limits would prevent their return). Table 7–32 shows the share of leavers in a number of States who were back on the program 12 months after their exit. In some of the studies, the calculations cover all leavers, in others, only those who were off TANF for at least 1 month or for at least 2 months (families sometimes regarded as “churners”). Counting all leavers, the share back on TANF 1 year after exit ranged from 18 percent in Kansas to 24 percent in Maryland and Colorado. In studies that included only families who were off TANF for at least 1 or 2 months, the return rate at 1 year ranged from 6.5 percent (two-parent families in San Mateo, California) and 13 percent (single-parent families in Georgia) to 21 percent (Massachusetts). Also, when 30-day “churners” were omitted from Maryland calculations, the TANF return rate at 1 year dropped from 24 percent to 18 percent. The Maryland study concluded: “Given Federal time limits, preventing returns to welfare among those who have exited is of tremendous importance.” (University of Maryland, 1999).

The San Mateo, California, study cited in table 7–32 also examined circumstances of applicant families who were “informally diverted” from TANF between July 1997 and September 1998. It found that 10.3 percent of one-parent families and 7.1 percent of two-parent families received TANF 1 year after they were denied aid. Larger proportions, 24.3 percent and 14.2 percent, respectively, received TANF at some time during the year.

Meyer and Cancian (1996), in a study based on 14 years of data from the National Longitudinal Survey of Youth, analyzed the poverty status of women in the 5 years after their first observed exit from AFDC. They found that more than half (55 percent) of former recipients were poor 1 year after first departing from AFDC; about 40 percent were poor after 5 years. More than one-fifth (22 percent) were never poor in the first 5 years. The researchers said that in each of the 5 years, about 60 percent of the women had earnings and 40 percent had income from a spouse or partner. AFDC was received by 30–40 percent of the women each year; child support or alimony by 17–19 percent.

TABLE 7-32.—RETURNS TO TANF WITHIN 1 YEAR OF EXIT

State program	Study	Time of TANF exit	Family categories in study	Leavers included	Percent back on TANF 1 year after exit
California CALWORKS (Mancuso & Moses, 1999).	Examining circumstances of leavers.	Fourth quarter of 1996.	All (one- and two-parent families separately examined).	Includes only cases off TANF for at least 2 months.	14.1 percent (one-parent cases). 6.5 percent (two-parent cases)
Colorado Works (London & Valvano, 1999).	Postprogram employment and earnings for Colorado Works closed cases.	July–Sept. 1997	Adult cases	All included	23.8 percent
Georgia TANF (Foster, 1999).	Amended quarterly progress report.	1997	Single-adult cases	Includes only cases off TANF for at least two straight months.	13.2 percent
Kansas Temporary Assistance to Families (TAF) (Department of Social, 1999).	Statistical summary of leaver survey.	Dec. 1997–Nov. 1998	All	All	18 percent
Maryland TANF (School of Social Work, 1999).	Life after welfare: third interim report.	October 1996–March 1998.	All	All ¹	24.2 percent
Massachusetts Transitional Aid to Families with Dependent Children (TAFDC; Department of Transitional, 1999).	How are they doing? (Round four) Longitudinal study.	Dec. 15, 1996–June 14, 1997.	All	Includes only cases off TANF for at least 30 days.	20.9 percent

TABLE 7–32.—RETURNS TO TANF WITHIN 1 YEAR OF EXIT—Continued

State program	Study	Time of TANF exit	Family categories in study	Leavers included	Percent back on TANF 1 year after exit
New York Family Assistance (FA; Rockefeller Institute, 1999).	A study of work and benefit use after case closing.	January–March 1997	Excludes child-only cases, adults without identifiable Social Security numbers and cases closed when families moved out of State.	Includes only cases off TANF for at least 2 months.	19 percent
Washington Work First (Ahn & Fogarty, 1999).	A study of Washington State TANF departures Cohort II.	Fourth quarter 1997	All except child-only cases.	Includes only cases off TANF for at least 2 months.	16 percent

¹The Maryland study also provided data on all closures except: (a) those due to sanctions and (b) cases that returned to TANF within 30 days. For the first group, the rate of return to TANF at 12 months was 23.7 percent; for the second group, 17.8 percent.

Source: Table prepared by the Congressional Research Service based on evaluation studies listed in table.

SELECTED PROVISIONS OF STATE TANF PROGRAMS

Table 7–33 shows some major provisions of Temporary Assistance for Needy Families (TANF) Programs, State by State. The table is based on TANF State plans for fiscal years 2000–2001, the DHHS 1999 annual report, State laws, and CRS benefit surveys. In 1999, many State legislatures liberalized some TANF rules (allowing more TANF recipients to engage in postsecondary education, providing transportation support, etc.). Some States increased maximum benefit levels. These changes were facilitated by abundant TANF funds and by the dramatic cut in caseload numbers, which has sharply reduced effective work participation rates required for all families.

State plans provide different levels of detail, have no standard format, and sometimes describe similar programs in different ways. Column 2 shows how long a recipient may receive basic assistance without engaging in work as defined by the State (24 months is the Federal outer limit). Column 3 shows the first activity required of an applicant/recipient. Column 4 shows the State cutoff time limit (60 months is the Federal outer limit).¹⁰ This does not mean that all recipients will lose eligibility for ongoing cash assistance after being on the rolls for the number of months in the column. States have the power to stop their own benefit cutoff clocks by exemption (not counting months of assistance during which persons have a time-limit exemption). Some States exempt certain groups, such as the aged, from the clock. Some stop their clocks during months in which recipients work a minimum number of hours (examples include Illinois, Louisiana, Maryland, and Rhode Island). States also may extend federally funded assistance beyond their own cutoff point if it is shorter than 60 months. The Federal clock is a different matter; States have no power to stop the Federal clock unless: (1) they use their own funds for benefits during months when persons are exempted from the State clock;¹¹ or (2) under terms of a pre-TANF waiver to the State that included a State time clock, the State makes exemptions to that time limit and uses Federal funds to pay exempted persons. In the former case, months of State-counted aid are not counted by the Federal clock; in the latter case, months not counted by the State clock even though federally funded, need not be counted by the Federal clock (15 States appear to have this option).

¹⁰The law forbids use of Federal TANF funds for “assistance” to any family that includes a member who as an adult has received 60 months of aid. TANF regulations define “assistance” narrowly, as payments directed at ongoing basic needs, plus supportive services for nonemployed families. No time limit applies to “nonassistance,” other TANF-funded services and aid.

¹¹For example, Illinois and Maryland use maintenance-of-effort (MOE) funds to pay benefits to persons whose State clock is stopped while they work.

TABLE 7-33.—SELECTED PROVISIONS OF STATE TANF PROGRAMS

State	Work-trigger time limit (months)	First activity required	State-set benefit cutoff limit (in months)	When first families reach time limit	Maximum benefits, family of three		Family cap?
					07/96	01/00	
Alabama	24	Immediate job search for employable applicants	60. Aid continues for cases where caretaker was not TANF recipient (child-only cases). Exemptions stop State clock. No extensions specified	12/01	\$164	\$164	No
Alaska	24	Self-sufficiency planning	60. No exemptions and extensions specified	07/02	923	923	No
Arizona	24	Assessment; work activity as soon as possible	24 out of 60 for EMPOWER, 60 for Arizona Works pilot; 60-month lifetime limit. Aid continues for children. Exemptions stop State clock. Extensions to complete education/training (up to 8 months) and if unable to find work (up to 6 months)	10/97	347	347	Yes
Arkansas	Immediate	Job search	24. Exemptions stop State clock. (includes any month when person is exempt from required work). Extensions for program compliant persons if unable to find work, to complete education (6-month general limit), or to prevent child neglect	07/00	204	204	Yes
California	18	Job search	18 or (if working or in community service) up to 60. Exemptions stop State clock. Aid continues for minors (counties decide form: cash or voucher). Extension of 18-month limit (up to 6 months) if job imminent or no job available	06/99 (State work trigger benefit cutoff)	596	¹ 626 ² 596	Yes
Colorado	24	Sign individual responsibility plan: immediate work activity may be required	60. No exemptions. Extensions for up to 20 percent of caseload for "good cause."	07/02	356	356	No
Connecticut	Immediate	Job search/job readiness	21. Exemptions stop State clock. Up to 6-month unlimited extensions if program compliant and unable to find job, or earnings below payment standard + \$90. State-funded safety net provides vouchers and third party payments for non-compliant families who reach time limit	10/97	636	636	Yes

Delaware	One-parent: 24 Two-parent: immediate	One-parent: job search Two-parent: immediate workfare (for at least one parent)	24 (or, if working or in community service) up to 48. Exemptions for months worked at least 20 hours weekly if countable income below need standard. Time limit lifted if State unemployment rate exceeds 7.5 percent (or national average). Up to 12-month extension if State failed to provide services, no job available, or if caretaker received aid for 96 straight months (workfare required)	10/99	338	338	Yes
District of Columbia	24	Immediate job search/job readiness for applicants assessed	60. Exemptions stop State clock. No extensions specified	03/02	415	379	No
Florida	Immediate	Assignment to work activity	24 out of 60 (36 out of 72 if have poor skills and little work experience). 48 lifetime limit for both. Aid continues for cases where caretaker was not TANF recipient (child-only cases). Exemptions stop State clock. Some hardship extensions and 1-month extensions (up to total of 12) for each month spent in subsidized or unsubsidized work. Extension for child (via protective payment) otherwise at risk of out-of-home placement	10/98 (earlier for waiver cases)	303	303	Yes
Georgia	24	Recipients expected to participate in full-time work activity whenever feasible	48. No exemptions. Hardship extensions (20 percent of caseload limit)	01/01	280	280	Yes
Guam	60 days (if not work exempt)	Register at one-stop career center	60	7/02	673	673	Yes
Hawaii	24	Applicants not exempt from work referred within 12 months to further assessment/orientation and employment planning	60. Exemptions stop State clock. Aid to all work-exempt families, including those whose caretaker was not a TANF recipient, continues. 3-month renewable extensions for families in which all adults are program compliant	12/01	712	³ 712 ⁴ 570	No
Idaho	Immediate	Job search required for all adult recipients	24. Exemptions stop State clock. Aid continues for families where caretaker was not TANF recipient (child-only cases). Extensions for families with disabled child or adult if unable to obtain job with earnings equal to State maximum benefit	07/99	317	293	Yes (flat benefit)
Illinois	24	Job search/work activity required at application	No State limit if working required hours; 24 if not in work/workfare and youngest child older than 12; 60 otherwise. Exemptions stop State clock. State funds exemptions for families working required hours (unlimited); single parent who is full-time postsecondary student with satisfactory grade point average (36 months); and for family headed by minor parent	07/99	377	377	Yes

TABLE 7-33.—SELECTED PROVISIONS OF STATE TANF PROGRAMS—Continued

State	Work-trigger time limit (months)	First activity required	State-set benefit cutoff limit (in months)	When first families reach time limit	Maximum benefits, family of three		Family cap?
					07/96	01/00	
Indiana	24	Sign personal responsibility plan	24. Aid continues for children. Exemptions stop State clock. Up to 24 extra months may be earned through full-time work (1-month extension for 6 months work)	05/97	288	288	Yes
Iowa	Immediate	Immediate work activity	60. Aid continues for child living with nonparent caretaker. Limited exemption stops State clock. No extensions specified	1/02	426	426	No
Kansas	24	Immediate job search may be required	60. Exemptions stop State clock. Aid continues for families where caretaker was not TANF recipient (child-only cases). Extensions for up to 20 percent of caseload	10/01	429	429	No
Kentucky	24	Work registration a condition of eligibility	60. Specified extensions (up to 20 percent of caseload) including program compliant adult without sufficient work and grandparent of child at risk of foster care)	10/01	262	262	No
Louisiana	24	Work activity mandated for most recipients	24 out of 60. Lifetime 60. Exemptions stop State clock, including months when earned income disregard applies (6-month maximum). Up to 12-month extension to complete education or training	01/99	190	190	No
Maine	24	Immediate job search for two-parent families whose principal earner is underemployed and for single parent with no child below age 5 who has skills needed for work	60. Extensions for whole family if all members are program compliant. Adults with 3 or more sanctions are ineligible for a specified time	11/01	418	461	No
Maryland	Not specified. Localities design own work plans	Sign responsibility contract	60. Exemptions stop State clock, including months when family member has earnings. No extensions specified	1/02	373	417	Yes

Massachusetts	60 days (Single parent with child under school age exempt.)	Community service (State waiver) required after 60 days	24 out of 60. Exemptions stop State clock. Unlimited 6-month extensions in certain cases, including if working full time but making less money than would be eligible to receive as cash aid; recipient may be required to undergo vocational assessment and participate in subsidized work. State funds extension beyond 60-month Federal limit	12/98	565	³ 579 ⁴ 565	Yes
Michigan	2	Immediate work placement or job search for those assessed able. (Community service required if no job after 2 months.)	No State limit. Eligible families not self-sufficient after 60 months of federally funded TANF will receive State-funded aid	No State limit	⁵ 489 ⁶ 459	⁵ 489 ⁶ 459	No
Minnesota	One-parent: 6 Two-parent: immediate	Job search for work ready—postponed if participant proposes education program (up to 1 year) likely to lead to earnings above TANF income limits. Job readiness for non-work ready	60. Limited exemptions stop State clock. No extensions specified	07/02	532	532	No
Mississippi	24	Assessment within 30 days and work referral	60. No exemptions. Unspecified extensions (20 percent of caseload limit)	10/01	120	170	Yes
Missouri	24	Sign individual responsibility plan; State may require work of some persons at any time	60. Exemptions stop State clock (including months recipient was in wage supplementation program). No time limit for permanently disabled individuals and those age 60 or older. Extensions for hardship and battered persons	12/01	292	292	No
Montana	24	Develop and sign family investment agreement, which may require work before 24 months	60. (24 maximum in Pathways Program, followed by 36 maximum in community services). Exemptions granted only while in Pathways. Unspecified extensions (of 60-month limit) within 20 percent of caseload cap	⁷ 2/01	438	469	No
Nebraska	24 from signing of self-sufficiency contract	Assessment and development of self-sufficiency contract	24 out of 48; 60 lifetime. Exemptions stop State clock. (Under waiver, exempt months also do not count toward Federal 60-month time limit.) Extension if no job available, if agency failed to provide services in agreement, or if adult recipient no longer able to meet conditions of agreement	12/98	364	364	Yes
Nevada	24	Immediate job search	24, then ineligible for 12; 60 lifetime. No exemptions. Up to 6-month extension if need more time to achieve self-sufficiency. Hardship extensions (24- or 60-month limit); only 20 percent of caseload for 60-month limit	01/00	348	348	No

TABLE 7-33.—SELECTED PROVISIONS OF STATE TANF PROGRAMS—Continued

State	Work-trigger time limit (months)	First activity required	State-set benefit cutoff limit (in months)	When first families reach time limit	Maximum benefits, family of three		Family cap?
					07/96	01/00	
New Hampshire	26 weeks	Immediate job search/job readiness activities for 26 weeks maximum, then workfare for additional 26 weeks maximum	60. Extensions allowed by reason of hardship or if family includes a battered person or one who has suffered extreme cruelty. State plans to define other "hardship" criteria (apparently within 20 percent of caseload cap)	10/01	550	575	No
New Jersey	24	Register for WorkFirst; engage in job search	60. Up to 12-month State-funded extension if in full-time work but still eligible for benefits; if no job/work activity available; or if terminated from job through no fault of own. Specified extensions within 20 percent of caseload cap (for Federal funding)	02/02	424	424	Yes
New Mexico	2	Assessment and completion of individual responsibility plan. (By end of third month must be fully participating in work activity.)	60. Extensions for persons at least age 60 and for disabled persons or caretakers of a disabled family member	07/02	389	439	No
New York	24	Assessment	No State limit. State-funded safety net continues basic aid for whole family (but it is in noncash form unless the parent is exempt from work requirements) after Federal limit is reached	No State limit	⁸ 703 ⁹ 577	⁸ 703 ⁹ 577	No
North Carolina	12 weeks	Register with employment program (condition of eligibility)	24 then ineligible for 36; 60 lifetime. Exemptions stop State clock. County Board of Social Service may grant extension for program compliant families at end of 24-month limit or during 36 months of ineligibility.	08/98	272	272	Yes
North Dakota	24	Required to engage in work activities once determined work ready	60. Extensions (20 percent of caseload limit) allowed for persons physically or mentally unable to work; needed to care for severely disabled child; aged caretaker relatives; and victims of domestic violence	07/02	431	457	Yes
Ohio	24	Immediate assignment to Federal or State work activity	36. (24 months after reaching time limit, family may receive an extra 24 months for good cause.) County may provide hardship extensions from State time limit for up to 20 percent of average monthly caseload	10/00	341	373	No

Oklahoma	24	Job search. Development of employment plan and assignment to work or work activity as soon as possible	60. No exemptions. No extensions specified	10/01	307	292	Yes
Oregon	Not specified	Assessment. Engage in required activities	24 out of 84. Exemptions stop State clock. (Months in compliance with work program do not count and months when earned income equals or exceed 173 percent of State minimum wage count only as 40 percent of a month.) Aid continues for cases where caretaker was not TANF recipient (child-only cases). Up to 1 percent of caseload (or 400 families, if greater) may receive extensions for good faith effort to find work	07/98	460	460	No
Pennsylvania	24	Immediate job search	60. No exemptions. No categorical extensions (but State may provide hardship extensions to 20 percent of caseload)	03/02	421	421	No
Puerto Rico	2 (if not work exempt)	Develop individual responsibility plan. Perform community service if no job after 2 months	60.	07/02	180	180	No
Rhode Island	24	Develop employability plan	60. State-funded aid continues for children. Exemptions stop State clock (includes stopping of State clock for any recipient working 30 or more hours per week). No extensions specified	05/02	554	554	No
South Carolina	24	Applicants must document at least 10 employer contacts during application process (recommended 2 weeks). If fail to do so without good cause, application is denied	24 out of 120; 60 lifetime. Exemptions stop State clock. Up to 6-month extension for persons in approved training programs; up to 12-month extension if program compliant but no job. Thereafter, county director may grant month-to-month extensions	10/98	200	204	Yes
South Dakota	2	Sign personal responsibility plan. Perform community service if no job after 2 months	60. Extension policy not specified	12/01	430	430	No
Tennessee	Immediate	Agree to personal responsibility plan that requires immediate work preparation or work activities	18 at a time (then 3 months off); 60 lifetime. Exemptions stop State clock. Parent/caretaker functioning below grade level 9 not subject to Federal or State time limit (most must attend school). Up to 6-month extensions if in high unemployment area. Extensions if working and family income is below payment standard plus \$90	04/98	185	185	Yes

TABLE 7-33.—SELECTED PROVISIONS OF STATE TANF PROGRAMS—Continued

State	Work-trigger time limit (months)	First activity required	State-set benefit cutoff limit (in months)	When first families reach time limit	Maximum benefits, family of three		Family cap?
					07/96	01/00	
Texas	Not specified	Work force orientation (condition of eligibility)	12 for some high school graduates; 24 for those with 3 years of high school or specified recent work; 36 for those with less than high school diploma and with less than 6 months work experience. Aid continues for children. Exemptions stop State clock. Extensions on case-by-case basis	05/97	188	201	No
Utah	Immediate	Complete individual employment plan	36. Up to 24-month extension if employed 80 hours in 6 of 24 previous months. Extension if circumstances have prevented earnings sufficient to close the case	01/00	426	451	No
Vermont	One-parent: 30 Two-parent: 15 New resident: 5	Create family development plan and participate in work readiness. (Community service required if no job after times in left column.)	No State limit (Also, Vermont maintains that the 60-month limit on use of Federal TANF funds is inconsistent with its waiver program.)	No State limit	633	708	No
Virginia	90 days	Referred to work program within a month of case approval	24 out of 60; 60 lifetime. Exemptions stop State clock. Extensions (3–12 months) if program compliant but no job, in continuing education and training directly related to employability, or living in area of State with unemployment above 10 percent	07/97	354	354	Yes
Virgin Islands	24	Sign an individual responsibility plan	60. Unspecified hardship extensions (up to 20 percent of caseload)	07/02	240	240	No
Washington	Immediate	Job search as part of employability assessment	60. Exemptions will not stop the State clock until family has received 52 months of aid. Extensions allowed (20 percent of caseload limit) for hardship or victims of domestic violence. State plans to establish specific hardship criteria	01/02	546	546	No
West Virginia	24	Attend work program orientation; sign personal responsibility contract	60. Extensions on case-by-case basis	01/02	253	328	No
Wisconsin	Immediate	Work or training activity immediate; community service required by employables if no job after 2 months	60. Limited exemption (no job, high unemployment area) stops State clock. Extensions on case-by-case basis	10/01	517	¹⁰ 673 ¹¹ 628	Yes (flat benefit)

Wyoming	Immediate	Job search	60. If received AFDC for 36 or more months before 1/97, then eligible for 24 months assistance after 1/31/97. Extensions for adult student within 1 year of degree or completing vocational training	01/02 (2/99 for previous AFDC families)	360	340	Yes
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¹ Region 1 of California.

² Region 2 of California.

³ Work exempt.

⁴ Nonwork exempt.

⁵ Washtenaw County, Michigan.

⁶ Wayne County, Michigan.

⁷ Montana's State time limit clock is different from its Federal one, which first families are to reach February 2002 (sooner for certain interstate migrants).

⁸ Suffolk County, New York.

⁹ New York City.

¹⁰ Community service jobs.

¹¹ W-2 transitions (work preparation activities).

Source: Table prepared by the Congressional Research Service on the basis of information in TANF State plans, State laws, and State regulations and the TANF 1999 annual report prepared by the U.S. Department of Health and Human Services.

When the Federal clock is reached, any State may extend federally funded aid to up to 20 percent of the caseload on grounds of hardship or presence of a battered family member.¹² For cases in which the State has chosen 60 months as its own benefit cutoff limit, the table shows the kinds of extensions that the State says it will allow; i.e., the table lists the categories of persons who will continue to be aided even if they require State funding because they do not fit into the Federal 20 percent hardship/battered person allowance. Some States do not list any extensions, and some States indicate that they plan to restrict any extensions to 20 percent of the caseload. Three States have no State benefit cutoff time limit (Michigan, New York, and Vermont).

LEGISLATIVE HISTORY

(For a more extensive legislative history of AFDC, see previous editions of the *Green Book*.)

Public Law 104–193, the Personal Responsibility and Work Opportunity Reconciliation Act established the program of Temporary Assistance for Needy Families (TANF) and appropriated funds for annual block grants through fiscal year 2002. August 22, 1996.

Public Law 105–333, the Balanced Budget Act of 1997, established the Welfare-to-Work (WTW) Grant Program and appropriated \$3 billion for the 2-year period, fiscal years 1998 and 1999. This act also made technical corrections to TANF. August 5, 1997.

Public Law 106–113, the Consolidated Appropriations Act, broadened eligibility for WTW grants and added limited vocational educational or job training to allowable activities. November 29, 1999.

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¹²TANF regulations provide that if a State exceeds the 20 percent allowance for hardship or domestic violence extensions, the State may be eligible for a “reasonable cause” exemption from the penalty for violating the time limit.

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