

***One Year After Federal Welfare Reform:
A Description of State Temporary Assistance for Needy Families
(TANF) Decisions as of October 1997***

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I. Introduction

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) created the Temporary Assistance for Needy Families (TANF) block grant, replacing the Aid to Families with Dependent Children (AFDC) program and giving states flexibility to create new cash assistance programs for families with children. While the federal legislation establishes a variety of minimum requirements in some areas, there is considerable flexibility for states to exceed these minimum requirements and a number of areas are open to state discretion.

This paper reviews some of the major decisions that states have made regarding the design of cash assistance programs under TANF, based on information available as of October 1997. This time period is appropriate because by October 1997 all state TANF plans had been approved and most states had enacted legislation in response to the new TANF block grant. Not all aspects of TANF programs are included in this review, however. State decisions concerning immunization requirements, treatment of interstate migrants, and teen parent school attendance requirements are among those not included in this paper. We focus on some of the major decisions regarding program eligibility and benefits, time limits, and work requirements.¹

The following section of the paper discusses the sources used for the descriptions of state programs. The remaining sections describe different aspects of state programs as follows:

- Asset limits
- Income eligibility limits
- Diversion assistance payments
- Eligibility of two-parent families
- Time limits
- Exemptions from time limits
- Extensions to time limits
- Implementation dates of time limits
- Work exemptions
- Work sanctions
- Work requirement time limits
- Benefit amounts
- Earnings disregards
- Family caps
- Child support pass-through

For each of these sections we describe briefly how these provisions were applied under the former AFDC program and under waivers, the changes made by PRWORA, and the decisions that states have made concerning each provision. The final section describes the potential for county variation within states.

1. The information in this paper reflects state TANF policy *decisions*. For some program rules, it will be some time before we know when these are implemented.

II. Information Sources

Although all states have now replaced their AFDC programs with TANF-funded programs, the timing of the implementation of new programs has differed across states. Some states are continuing many of the program elements that had been in place under waivers before the passage of PRWORA in August 1996. Others have redesigned their cash assistance programs since PRWORA, as reflected in the TANF plans submitted by the states to the U.S. Department of Health and Human Services (DHHS). Several states have enacted new state legislation since the time that their state plan was originally submitted, modifying their existing program or creating an entirely new one.

The information sources used for this paper reflect this variety of ways that state programs have developed. For all states, TANF plans were obtained from DHHS and reviewed to understand the basic decisions made by the states. For states maintaining elements of their waivers under TANF, the terms and conditions of these waivers were used, along with information collected by the Urban Institute concerning which waiver provisions have been implemented. State legislation and/or regulations pertaining to TANF-funded programs were used in many cases to further understand state decisions, especially for states in which legislation was enacted after the submission of the original state plan. In a number of states, caseworker manuals for cash assistance programs were used to extract more detailed information about program rules. For the section on child support, information collected by the federal Office of Child Support Enforcement was used in conjunction with the aforementioned sources. Finally, a draft version of this paper was sent to TANF administrators in all 50 states and the District of Columbia for review and subsequent comments were incorporated into the final paper.

The program rules described in this paper reflect the most recent information available on state programs as of October 1997.² For some states, the program rules described here have already been implemented; however for other states in which legislation has recently been enacted, the provisions may not have been implemented yet. We provide information on dates of implementation for different program rules in tables in each section. For states in which the program is in the process of being phased in across the state, we describe the program that will be in place once the phase-in is complete.³

2. For New Mexico, the program described in this paper is the PROGRESS program. However, implementation of PROGRESS was blocked in September by the state Supreme Court, and the state is operating its old AFDC program until legislative action can be taken.

3. In some states there may be areas in which the state is conducting a demonstration or pilot program with rules that differ from those in the rest of the state. Examples include the Work First demonstration program in selected counties in Minnesota and a program in certain counties in Tennessee that alters certain asset rules. These demonstrations and pilots are not described in this paper.

III. Eligibility

*Asset Limits*⁴

Under AFDC, families receiving assistance were not allowed to accumulate more than \$1,000 in countable resources. This limit excluded the value of certain assets, including the value of a vehicle up to \$1,500. Under waivers, many states increased the asset limit for recipient families, increased the value of the vehicle exemption, or allowed families to establish restricted savings accounts. Restricted savings accounts allow recipients to contribute earned income to an account to be used for certain specified purposes, and the savings accumulated are not counted toward the asset limit.

Under PRWORA, the federal government made no provisions regarding asset limits, including vehicle exclusions, so states have the flexibility to set their own asset rules. PRWORA did give states the authority to use TANF funds to create Individual Development Accounts (IDAs), a form of restricted savings account that allows recipients to accumulate savings to be used for postsecondary education, home ownership, and business capitalization.

Table III.1 shows the asset limits that states have adopted under TANF. Thirty-nine states have increased the asset limit for recipients above the \$1,000 limit allowed under AFDC. Forty-eight states have increased the vehicle exemption from the \$1,500 exemption allowed under AFDC, with 22 states excluding at least the full value of the first vehicle from consideration. Twenty-two states allow recipients to accumulate additional savings in a restricted savings account set aside for a specific purpose allowed by the state.

Table III.2 shows the implementation dates for changes in policy regarding the total countable asset limit. Implementation dates for changes to vehicle exemption and restricted savings account policy is not shown. The table shows whether current policies were adopted before 1992, between 1992 and the passage of PRWORA (August 1996), or after the passage of PRWORA. The time period between 1992 and the passage of PRWORA roughly corresponds to the time period in which states were implementing changes under waivers. However, some waivers that were approved prior to passage of PRWORA were not implemented until the state began its TANF program.

Twelve states have maintained the asset limit that was set for recipients under the former AFDC program. Eleven states implemented changes to the AFDC asset limit through a waiver. The remaining 25 states implemented changes to their asset limit after the passage of PRWORA. Of the states that changed their asset limit, five implemented in selected counties and later expanded to cover all counties.

4. Asset rules may differ for families applying for assistance and families who are already receiving assistance. This section discusses only asset rules for recipient families.

Table III.1: Asset Limits for Recipients

State	Asset Limit	Vehicle Exemption	Restricted Savings Account
Alabama	\$2,000/3,000 ¹	one vehicle ²	---
Alaska	1,000	all vehicles for approved purposes ³	---
Arizona	2,000	one vehicle	\$9000
Arkansas	3,000	one vehicle	*
California	2,000/3,000 ⁴	\$4,650	5,000
Colorado	2,000	one vehicle	*
Connecticut	3,000	one vehicle	---
Delaware	1,000	4,650	5,000
Dist. of Columbia	1,000	1,500	---
Florida	2,000	8,500	---
Georgia	1,000	4,650	5,000
Hawaii	5,000	one vehicle	---
Idaho	2,000	4,650	---
Illinois	3,000	one vehicle	---
Indiana	1,500	1,000	---
Iowa	5,000	3,889 ⁵	*
Kansas	2,000	one vehicle	---
Kentucky	2,000	one vehicle	5,000
Louisiana	2,000	10,000	6,000
Maine	2,000	one vehicle	10,000
Maryland	2,000	one vehicle	---
Massachusetts	2,500	5,000	---
Michigan	3,000	one vehicle ⁶	---
Minnesota	5,000 ⁷	7,500 ⁸	---
Mississippi	1,000	1,500	---
Missouri	5,000 ⁹	one vehicle; \$1,500 of second	---
Montana	3,000	one vehicle ¹⁰	No limit
Nebraska	4,000/6,000 ¹¹	one vehicle	---
Nevada	2,000	one vehicle	---

1. The asset limit is \$2,000 for assistance units without a member age 60 or over, and \$3,000 for assistance units with a member age 60 or over.

2. The value of one vehicle per licensed driver in assistance unit is exempt.

3. Any vehicle needed for family transportation, as a home, to produce self-employment income, to transport a disabled person, or to participate in approved work activities is exempt.

4. The asset limit is \$2,000 for most families, and \$3,000 for families in which any member is over the age of 60.

5. The value of one vehicle up to \$3,889 for each adult and working teenage child is exempt.

6. The value of up to two vehicles if "necessary as a condition of employment" is exempt.

7. The asset limit is effective 1/1/98. Prior to 1/1/98 the asset limit is \$1,000.

8. The vehicle exemption is effective 1/1/98. Prior to 1/1/98 the vehicle exemption is \$4,650.

9. This is the asset limit for families with self-sufficiency agreements.

10. All other income producing vehicles are exempt.

11. The asset limit is \$4,000 for a single individual, and \$6,000 for two or more individuals.

Table III.1: Asset Limits for Recipients (continued)

State	Asset Limit	Vehicle Exemption	Restricted Savings Account
New Hampshire	\$2,000	one vehicle ¹²	---
New Jersey	2,000	\$9,500	---
New Mexico	1,500	one vehicle	*
New York	2,000/3,000 ¹³	4,650	*
North Carolina	3,000	5,000	---
North Dakota	5,000/8,000 ¹⁴	one vehicle	---
Ohio	1,000	4,650	\$10,000
Oklahoma	1,000	5,000	2,000
Oregon	2,500/10,000 ¹⁵	10,000	* ¹⁶
Pennsylvania	1,000	one vehicle	*
Rhode Island	1,000	4,650	--- ¹⁷
South Carolina	2,500	10,000	10,000
South Dakota	2,000	4,650 ¹⁸	1,000
Tennessee	2,000	4,600	---
Texas	2,000/3,000 ¹⁹	4,650	---
Utah	2,000	8,000 ²⁰	---
Vermont	1,000	one vehicle	10,000 ²¹
Virginia	1,000	7,500 ²²	5,000
Washington	1,000	5,000 ²³	3,000
West Virginia	2,000	4,500 ²⁴	---
Wisconsin	2,500	10,000	---
Wyoming	2,500	12,000 ²⁵	---

Source: Urban Institute summary of state TANF decisions as of October 1997.

Note: Asset rules may differ for families applying for assistance and for families who are already receiving assistance. This table refers only to asset rules for recipient families.

* Limit on restricted savings is unspecified.

12. The value of one vehicle per adult in assistance unit is exempt.

13. The asset limit is \$2,000 for most families, and \$3,000 for families in which any member is over the age of 60.

14. The asset limit is \$5,000 for a single individual, and \$8,000 for two or more individuals.

15. The asset limit of \$2,500 is increased to \$10,000 for families with at least one JOBS participant who is progressing in his/her self-sufficiency plan.

16. The state allows participants in JOBS Plus to establish an IDA to be used for education.

17. Rhode Island state law provides for a statewide pilot program which allows recipients to keep up to \$2,500 in an IDA for microenterprise, but the program is limited to 30 recipients.

18. The value of a second vehicle up to \$4,650 is exempt when it is used for employment or training by another member of assistance unit.

19. The asset limit is \$2,000 for most families, and \$3000 if an elderly or disabled person is in the household.

20. Exempt the entire value of a vehicle when it is equipped to transport a disabled household member.

21. The account is restricted to savings from earnings, but there is no restriction on what the savings may be used for.

22. The vehicle exemption shown is based on rules that apply to families subject to the time limit. The vehicle exemption is \$1,500 for families exempt from the time limit.

23. The entire value of a vehicle is exempt when it is equipped to transport a disabled household member.

24. The entire value of a vehicle is exempt when it is used for employment or to transport a disabled household member.

25. The value of a second vehicle up to \$12,000 is exempt for married couples.

Table III.2: Asset Limit Implementation Dates

State	Implementation of current policy:			State	Implementation of current policy:		
	Before 1/92	1/92 - 8/96	After 8/96		Before 1/92	1/92 - 8/96	After 8/96
Alabama			X	Montana		X* ¹	
Alaska	X			Nebraska			X
Arizona			X	Nevada			X
Arkansas			X	New Hampshire			X
California			X	New Jersey			X
Colorado			X	New Mexico			X
Connecticut		X		New York			X
Delaware	X			North Carolina		X	
Dist. of Columbia	X			North Dakota		X* ²	
Florida			X ³	Ohio	X		
Georgia	X			Oklahoma	X		
Hawaii			X	Oregon		X* ⁴	
Idaho			X	Pennsylvania	X		
Illinois			X	Rhode Island	X		
Indiana		X		South Carolina			X
Iowa		X		South Dakota			X
Kansas			X	Tennessee			X
Kentucky			X	Texas			X
Louisiana			X	Utah		X* ⁵	
Maine			X	Vermont	X		
Maryland			X	Virginia	X		
Massachusetts		X		Washington	X		
Michigan			X	West Virginia			X* ⁶
Minnesota			X ⁷	Wisconsin		X	
Mississippi	X			Wyoming			X
Missouri		X					

Source: Urban Institute summary of state TANF decisions as of October 1997.

Note: This table refers only to the implementation of states' asset limits on total countable resources. The table does not reflect implementation dates for vehicle exemption and restricted savings accounts policies.

* Asset limit began in selected counties or with a limited number of cases and later expanded to cover all cases.

1. The asset limit policy began early in 1996 in 8 counties and was phased in to statewide by 2/97.
2. The asset limit policy began in 1996 in 11 counties and is scheduled to be phased in by 1/98.
3. Implementation date of the asset limit policy is unknown, but known to be after 10/96 TANF implementation.
4. This asset limit policy began early in 1995 in 6 counties and was phased in to statewide by 7/96.
5. This asset limit policy began early in 1993 in 7 counties and was phased in to statewide by 7/96.
6. This asset limit policy began early in 1997 in 9 counties and is scheduled to expand to statewide by 1/98.
7. This policy will be implemented statewide by 1/98. Until then, the IV-A asset limit is used statewide.

Income Eligibility Limits

Under AFDC, recipient families were subject to two income eligibility tests.⁵ First, a family's income before earnings disregards (gross income) had to be less than 185% of the state's need standard. The need standard was based on each state's definition of the cost of meeting the basic living needs for a family of a given size. Second, a family's income after the application of the earned income disregard (net income) had to be less than the payment standard, because otherwise the computed benefit would be less than zero and the family would be ineligible.⁶ Under waivers, a few states made changes to income eligibility tests, such as removing the gross income test or setting income eligibility limits in relation to the federal poverty level. Changes to income eligibility limits were also made implicitly whenever states changed need or payment standards or modified earnings disregards under waivers. PRWORA did not specify the income eligibility tests that states were to use under TANF, and this implicitly gave them the flexibility to either maintain the AFDC eligibility rules or create new ones.

Many states have maintained the income eligibility tests that existed under AFDC, but several have made changes. Income eligibility rules under TANF are described in detail in appendix Table A.1. The rules themselves do not provide an easy basis for comparison of state policies for a number of reasons. First, some states compare income to the need or payment standard and others compare it to the poverty threshold, but without knowing the size of the need or payment standards relative to the poverty threshold it is difficult to compare eligibility limits. Second, a number of state policy choices -- including benefit levels, earned income disregards, and income tests -- interact in ways that make it difficult to understand the ultimate effect of these policies.

For these reasons, we have computed the income eligibility limit for a *recipient* family of three with no unearned income or child care expenses, in order to compare state policies.⁷ The results of these calculations as of October 1997 and July 1996 are shown in Table III.3. Because the earned income disregard, which affects net income, varies over time in some states, we show income eligibility limits in the initial month and in the thirteenth month of earnings. The income eligibility limits (also referred to as breakevens) shown in Table III.3 should be interpreted as the earnings level at which eligibility ends

5. Applicants were treated somewhat differently from recipients in that the earnings disregard used for the net income test, as described below, was only \$90. However, in this paper only the income eligibility tests for recipients are described.

6. The meaning of the term "payment standard" differs across states, but in this paper (as in most states) it refers to the amount from which net income is subtracted in order to compute the benefit. (In many states, the payment standard is less than the need standard. In no state is it greater than the need standard.) For example, if the payment standard is \$400 and net income is \$100, then the benefit would be computed by subtracting \$100 from \$400. Therefore if net income were to exceed \$400 the family would not be eligible.

7. Income eligibility limits may be different for applicant families. For families with unearned income the income eligibility limits are generally lower because a portion of earnings is disregarded in at least some of the eligibility tests. Families with child care expenses receive additional earned income disregards in some states which would increase the income eligibility limits for these families.

for a recipient family of three. Families of three with earnings less than the amount shown would presumably receive a benefit.⁸

The first column shows that in the initial month, income eligibility limits in October 1997 vary from as high as \$1,740 in Alaska to \$400 in Texas. In 5 states -- Alabama, Kentucky, Mississippi, Nevada, and New Jersey -- all earnings are disregarded in the initial month of earnings and there is no gross income limit, so there is effectively no earned income limit in the initial month. The limits at the thirteenth month of earnings in October 1997 vary from \$1,640 in Hawaii to \$210 in Alabama. Income eligibility limits are lower in the thirteenth month than in the initial month in the 16 states that phase out earnings disregards over time.

The middle two columns in Table III.3 show the income eligibility limits in July 1996, just prior to the passage of PRWORA.⁹ The final two columns in Table III.3 show how income eligibility limits have changed for recipients between July 1996 and October 1997. Ten states have made no changes to their income limits. Twenty-five states have increased the income limits for both the initial month and the thirteenth month of earnings, and two have lowered eligibility limits for both time periods. Six states have made changes to their earnings disregards that have caused the income eligibility limits to be lower in the initial month than they had been under AFDC, but higher in the thirteenth month. Alabama has increased income limits in the first month but decreased them in the thirteenth month. Three states have increased income limits in the thirteenth month while the income limits in the first month remains unchanged, and two states have increased income limits in the first month while the income limits in the thirteenth month remains unchanged.¹⁰

8. Again, this assumes the family has no unearned income or child care expenses and meets all other eligibility criteria. In addition, most states do not pay benefits of less than \$10, with the result that actual benefit eligibility ends at a slightly lower level in these states.

9. For states with waivers that affected income eligibility limits, the waiver policy is only shown if the policy was in effect in the majority of the state.

10. In two states, Minnesota and North Dakota, direct comparisons of income eligibility limits are difficult because under the states' TANF programs TANF and food stamp assistance are issued as a combined benefit with one integrated set of eligibility rules. Therefore the income limits are higher than they had been under AFDC because food stamp eligibility limits (which are set at the federal level) are higher than AFDC.

Table III.3: Income Eligibility Limits for Recipients in the Initial Month and After One Year of Earnings for a Family of Three with No Unearned Income or Child Care Expenses, October 1997 and July 1996

State	<u>TANF Income eligibility limit in October 1997:</u>		<u>AFDC Income eligibility limit in July 1996:</u>		<u>Change in income eligibility limit:</u>	
	1st month of earnings	13th month of earnings	1st month of earnings	13th month of earnings	1st month of earnings	13th month of earnings
Alabama	* ¹	\$210	\$370	\$250	**	(\$50)
Alaska	\$1,740	1,560	1,660	1,120	\$70	440
Arizona	590	590	640	440	(60)	150
Arkansas	560	560	430	290	130	260
California	1,360	1,360	1,220	1,220	140	140
Colorado	750	510	750	510	nc	nc
Connecticut	1,110 ²	1,110 ²	1,080 ²	1,080 ²	30	30
Delaware	1,370	920	630	430	740	500
Dist. of Columbia	690	470	740	510	(50)	(40)
Florida	810	810	570	390	230	410
Georgia	760	510	760	510	nc	nc
Hawaii	1,640	1,640	1,190	800	450	840
Idaho	610	610	600	410	20	210
Illinois	1,110	1,110	1,080	1,080	30	30
Indiana	550 ³	380 ³	550	380	nc	nc
Iowa	1,070	1,070	1,070	1,070	nc	nc
Kansas	790	790	760	520	30	280
Kentucky	*	650	910	620	**	30
Louisiana	1,210	310	410	280	810	30
Maine	1,020 ⁴	1,020 ⁴	950	640	70	380
Maryland	520	520	680	460	(160)	60
Massachusetts	1,050 ⁵	1,050 ⁵	1,050 ⁵	1,050 ⁵	nc	nc
Michigan	770	770	770	770	nc	nc
Minnesota	1,310 [†]	1,310 [†]	920	620	**	**
Mississippi	* ⁶	460	670	460	**	nc
Missouri	560	380	560	380	nc	nc
Montana	800	800	960	650	(160)	150
Nebraska	670	670	670	450	nc	220
Nevada	*	440	640	440	**	nc
New Hampshire	1,100	1,100	950	640	160	460

1. There is no income limit in the first month of earnings only if the recipient timely and accurately reports receipt of the earnings.
2. Limit is based on rules that apply to families subject to the time limit. Income eligibility limits are lower for families exempt from the time limit.
3. Recipients with incomes in excess of the income limits shown (but less than \$1,785 in the 1st month of earnings and \$1,200 in the 13th month of earnings) are still considered eligible for TANF and TANF related services, but will not receive a cash assistance grant.
4. Limit shown is for counties using the \$150 and 50% earnings disregard. For counties using the 20% and \$134 earnings disregard, the income eligibility limit is \$860.
5. Limit is based on rules that apply to families subject to the time limit. Income eligibility limits are lower for families exempt from the time limit.
6. There is no income limit in the first month of earnings only when full time employment is obtained within 30 days from the initial authorization of TANF benefits or 30 days from the start date of Job Readiness/Job Search activities.

Table III.3: Income Eligibility Limits for Recipients in the Initial Month and After One Year of Earnings for a Family of Three with No Unearned Income or Child Care Expenses, October 1997 and July 1996 (continued)

State	<u>TANF Income eligibility limit in October 1997:</u>		<u>AFDC Income eligibility limit in July 1996:</u>		<u>Change in income eligibility limit:</u>	
	1st month of earnings	13th month of earnings	1st month of earnings	13th month of earnings	1st month of earnings	13th month of earnings
New Jersey	*	\$850	\$780	\$530	**	\$320
New Mexico	\$720	720	700	480	\$20	240
New York	1,070	1,070	990	670	80	400
North Carolina	940	630	940	630	nc	nc
North Dakota	1,140 [†]	1,140 [†]	770	520	**	**
Ohio	930	930	930	630	nc	300
Oklahoma	730	730	580	400	150	340
Oregon	620	620	620	550	nc	70
Pennsylvania	800	800	720	490	80	310
Rhode Island	1,280	1,280	950	640	330	640
South Carolina	930	630	910	610	20	20
South Dakota	630	630	880	600	(250)	30
Tennessee	830	830	1,140	770	(310)	60
Texas	400	280	400	280	nc	nc
Utah	950	950	950	950	nc	nc
Vermont	960	960	950	950	20	20
Virginia	1,110 ⁷	1,110 ⁷	1,080 ⁷	1,080 ⁷	30	30
Washington	1,090	1,090	940	640	150	450
West Virginia	440	440	500	340	(60)	100
Wisconsin	1,280 ⁸	1,280 ⁸	740/900 ⁹	740/610 ⁹	540/380	540/670
Wyoming	540	540	1,010	680	(470)	(140)

Source: Urban Institute summary of state TANF decisions as of October 1997.

Notes: The income eligibility limit (also known as the breakeven) refers to the earnings level at which eligibility ends. However, most states do not pay benefits of less than \$10, with the result that actual benefit eligibility ends at a slightly lower earnings level in these states. The income eligibility limits shown are for recipients; income eligibility limits may be different for applicant families. For states in which income eligibility levels vary within the state because of variation in benefit levels, the income limit shown is for the area with the largest portion of the state population.

All values have been rounded to the nearest \$10. Values in final two columns may not reflect the difference between the 1997 and 1996 values shown due to rounding error.

* There is effectively no income limit because 100 percent of earnings are disregarded in the initial month of earnings.

** Change cannot be determined because there is no income limit in 1997 or TANF and food stamps are issued as a combined benefit in 1997.

† TANF and Food Stamps are issued as a combined benefit with one set of program rules, so eligibility levels reflect both TANF and Food Stamps program rules.

“nc” indicates no change

Numbers in parentheses indicate a reduction in income eligibility limits.

7. Limit is based on rules that apply to families subject to the time limit. Income eligibility limits are lower for families exempt from the time limit.

8. Families with earnings up to the amount shown are eligible for some W-2 services, however, unlike in all other states these families in unsubsidized employment do not receive cash assistance.

9. Half of the AFDC caseload in July 1996 was subject to an earnings disregard policy which disregarded \$120 and 1/6 of the remainder resulting in an income limit of \$740. The other half of the AFDC caseload in July 1996 was subject to the standard AFDC disregard policy resulting in an income limit of \$900 in the first month of earnings and \$610 in the 13th month of earnings.

Diversion Assistance Payments

Diversion assistance payments are offered to families who are eligible for TANF with the intent of providing assistance to families with short-term needs.¹¹ By accepting the diversion assistance payment, the family generally agrees not to re-apply for cash assistance for a specified period of time. Payment may be made in cash or as a vendor payment -- that is, a restricted payment made directly to a third party for a specific purpose such as payment of rent or car repair. Often, diversion payments are a multiple of the maximum monthly benefit that a family would have received if the family received TANF. States sometimes provide supportive services such as child care or Medicaid along with diversion assistance.

Three states (Montana, Utah, and Virginia) began providing diversion assistance payments under waivers, but under TANF states are free to provide such payments without waivers and a total of 22 states have decided to do so. Table III.4 shows the states that are providing diversion payments statewide under TANF, and some of the major policy options they have concerning such payments, including the maximum payment amount, the form of the payment, the frequency with which a family is eligible for a payment, and the period of ineligibility following receipt of the diversion assistance payment. A typical maximum payment for many states is a payment equal to three months of cash assistance. Of the 21 states in which the method of payment is known, 11 make cash payments, 7 make cash or vendor payments, 1 (Maine) makes only vendor payments, and 2 (California and Colorado) have left the method of payment for counties to decide. Of the 16 states in which the frequency of payment is known, 6 allow a family to receive only one diversion payment in a lifetime and 10 allow the possibility of more than one payment to a family. The period of ineligibility for TANF following receipt of diversion assistance varies across states but is often equal to or greater than the number of months included in the diversion payment. In six states, there is no initial period of TANF ineligibility, but each state has a period of time where the diversion payment counts against the benefit.

11. There are three types of programs that seek to divert TANF applicants from ongoing cash assistance and are typically referred to as “diversion programs”: 1) “Applicant job search” which requires those applying for TANF assistance to seek out employment before eligibility for cash assistance is granted; 2) “Diversion support services” which provides only support services, such as medical, child care, or transportation assistance, to persons with short term needs, but who do not require cash assistance; and 3) “Lump sum diversion assistance payments” which is described in this chapter. States may also operate an emergency assistance program that offers assistance similar to a diversion program. However, those programs are usually not specifically intended to divert families from ongoing cash assistance and are not included in this report. Finally, diversion assistance should not be confused with grant diversion programs, the name some states give to the process of subsidizing private sector jobs for TANF recipients through diverting the recipients grant to the employer.

Table III.4: Diversion Assistance Payments Under TANF

State	Maximum Diversion Assistance Payment ¹	Form of Payment ²	How Often Payment Can Be Received	Period of TANF Ineligibility After Receiving Payment
Alaska	2 months	Cash	Once per 12 months	None (3 months) ³
Arizona ⁴	3 months	Cash	†	None (3 months) ⁵
Arkansas	3 months	Cash	Once per lifetime	100 days
California	*	*	†	†
Colorado ⁶	3 months	*	*	*
Florida	2 months	Cash	Once per lifetime	3 months
Idaho	3 months	Cash	Once per lifetime	Twice the number of months included in payment
Kentucky	\$1,500	Cash or vendor	Once per 12 months	12 months ⁷
Maine	3 months	Vendor	Once per lifetime	None (3 months) ⁸
Maryland	3 months ⁹	Cash or vendor	No limit ¹⁰	Number of months included in payment
Minnesota	4 months	Cash or vendor	Once per 36 months	Number of months included in payment
Montana ¹¹	3 months	Cash	Once per lifetime	Twice the number of months included in payment
North Carolina	3 months	†	†	†
Ohio	*	Cash or vendor	*	†
Rhode Island	3 months	Cash	†	6 months
South Dakota	2 months	Cash or vendor	No limit ⁹	None (3 months) ¹²

1. Number of months indicates that a family may receive a payment up to the maximum benefit for that number of months. For example, in Alaska the maximum diversion assistance payment equals two months of the maximum TANF payment.

2. A vendor payment is a restricted payment made directly to a third party for a specific purpose, e.g. payment of rent.

3. If a family applies for benefits within 3 months of receiving a payment, the payment will be counted as income.

4. The diversion program in Arizona is not yet implemented. Implementation is pending resolution of issues tied to potential TMA eligibility for diversion clients.

5. If a family applies for benefits within 3 months, the department shall prorate the diversion payment over 3 months and subtract it from the TANF assistance payment.

6. Counties have the option of whether or not to implement a diversion assistance program for applicants eligible under TANF. Counties also have the option to operate a separate diversion program for applicants not eligible for cash assistance under TANF.

7. The period of ineligibility may be waived on a case by case basis if denial of assistance would endanger the child.

8. If a family applies for assistance within three months of receiving diversion payment, the amount in excess of what they would have received if they were on TANF assistance must be paid back.

9. A family may be eligible for a diversion payment of up to 12 months if compelling reasons exist.

10. A family may be eligible more than once if a new emergency occurs.

11. Montana has 2 separate programs which provide diversion assistance payments. Characteristics of these payments, as listed in the table, are the same. Participants receiving payments in one program are not excluded from later receiving payments in the second program.

12. If a family begins receiving TANF assistance within 3 months, they will be required to reimburse the state the amount of the payment to be deducted from the first three months of assistance.

Table III.4: Diversion Assistance Payments Under TANF (continued)

	Maximum Diversion Assistance Payment¹	Form of Payment²	How Often Payment Can Be Received	Period of TANF Ineligibility After Receiving Payment
Texas ¹³	\$1,000	Cash	Once per 12 months	12 months
Utah	3 months	Cash	No limit	None (3 months) ³
Virginia	4 months	Cash or vendor	Once per 60 months	4/3 the number months included in payment ¹⁴
Washington	\$1,500	Cash or vendor	Once per 12 months	None (12 months) ¹⁵
West Virginia	3 months	Cash	Once per lifetime	3 months
Wisconsin ¹⁶	\$1,600	Cash	Payment cannot exceed \$1,600 in 12 month period	†

Source: Urban Institute summary of state TANF decisions as of October 1997.

Note: Only states that provide a lump sum diversion assistance payment are included in this table. States which provide applicant job search diversion or support services diversion are not included.

* County option.

† Information not available from source materials.

13. The diversion program is phasing-in, starting with one county in November 1997. It will be effective statewide by August 1998.

14. The period of TANF ineligibility after receiving a diversion payment in Virginia is equal to the equivalent number of days of regular TANF benefits provided as the diversion payment times 4/3, or 1.33. For example, if someone received a diversion payment equivalent to 4 months of TANF benefits, then the period of ineligibility would equal 120 days times 1.33, or 160 days.

15. If a family begins to receive assistance within 12 months of receiving diversion payment, the payment will be treated as a loan from the State and recovered by deduction from the recipient's cash grant on a prorated basis.

16. The diversion program in Wisconsin differs from others in that the lump sum payment is a loan to assist with expenses related to obtaining or maintaining employment and must be repaid to the state. Repayments are expected within 12 months but may be extended to 24 months.

*Eligibility of Two-Parent Families*¹²

Under AFDC, eligibility for two-parent families was restricted to those families in which the children were “deprived” of parental support due to the incapacitation of a parent or the unemployment or underemployment of the principal wage earner of the family. Two-parent families with an incapacitated parent were treated similarly to single parent families while two-parent families with an unemployed/underemployed principal wage earner received benefits as part of the AFDC for Unemployed Parents (AFDC-UP) program. As a condition of eligibility, AFDC-UP families had to meet three requirements in addition to those required of single-parent families and two-parent families with an incapacitated parent:

- The 100-hour rule: AFDC-UP applicants and recipients were eligible only as long as the principal wage earner was unemployed as defined as working less than 100 hours per month.
- A 30-day waiting period: AFDC-UP applicants were not eligible for assistance until after the principal wage earner had been unemployed for at least thirty days.
- The work history rule: AFDC-UP applicants had to demonstrate previous attachment to the labor force by working in six or more quarters in any 13-calendar-quarter period ending within one year before application for assistance, or by being eligible for unemployment compensation within one year before application.

As part of the 1988 Family Support Act, all states were required to adopt an AFDC-UP program, and a few states received authorization to conduct demonstrations removing the 100-hour rule for AFDC-UP applicants and recipients. Twenty-three states were given the option to set time limits on AFDC-UP eligibility by denying assistance after an AFDC-UP family had received assistance for at least 6 months out of a 12 month period.¹³ At the time of the passage of PRWORA, however, only twelve states had time limits on AFDC-UP families.

Under waivers, more states began experimenting with eliminating the 100-hour rule as well as the other AFDC-UP rules. States which removed all three AFDC-UP eligibility rules and the AFDC-UP time limits essentially stopped differentiating two-parent families from single parent families for eligibility purposes.

PRWORA eliminates the federal requirement that states impose the extra eligibility restrictions on two-parent families, thus devolving responsibility for these decisions to the states. States may choose to retain the AFDC rules for two-parent families, eliminate the rules and treat two-parent families as it does single parent families, or implement new rules which treat two-parent families differently from single parent families.

12. Two-parent families may be treated differently than single parent families in other programs areas, such as work requirements. Only eligibility issues will be discussed in this section.

13. The 27 states (plus the District of Columbia) that operated an Unemployed Parent program as of September 26, 1988 were required to continue operating the program without any time limit on eligibility.

Table III.5 lists for each state the eligibility rules and time limits in place for two-parent, non-disabled families. Thirty-five states treat eligibility for two-parent families the same as for single-parent families. Seven states have retained all three AFDC-UP eligibility rules. One state (Indiana) has retained all three AFDC-UP eligibility rules for applicants, but no longer applies the 100-hour rule to recipients. Three states (Arizona, Georgia, and Massachusetts) only have a work history rule, although Georgia's work history rule is somewhat modified. California has retained the 100-hour rule, but only for applicants, modified its 30-day waiting period, and eliminated the work history rule. South Dakota has retained the 100-hour rule, but eliminated the 30-day waiting period and modified its work history rule. Washington has retained its work history rule, eliminated its 100-hour rule and modified its 30-day waiting period. Oklahoma has retained its work history rule and 30-day waiting period, but eliminated the 100-hour rule. Only one state (Arizona) has retained the six out of twelve month time limit for two-parent families. One other state (Utah) established a seven out of thirteen month time limit on two-parent families in addition to time limits these states impose on all families receiving assistance.

Table III.5: Eligibility Rules and Time Limits for Two-Parent, Non-Disabled Families

State	100-hour rule	30-day waiting period	Work history rule	6 out of 12 month time limit
Alabama				
Alaska				
Arizona			X	X
Arkansas				
California	†	X ¹		
Colorado				
Connecticut				
Delaware				
Dist. of Columbia	X	X	X	
Florida				
Georgia			X ²	
Hawaii				
Idaho				
Illinois				
Indiana	†	X	X	
Iowa				
Kansas				
Kentucky	X	X	X	
Louisiana				
Maine	X	X	X	
Maryland				
Massachusetts			X	
Michigan				
Minnesota				
Mississippi	X	X	X	
Missouri ³	X	X	X	
Montana				
Nebraska				
Nevada				
New Hampshire	X	X	X	
New Jersey				

1. California: The 30-day waiting period has been modified to a four week waiting period.

2. Georgia eliminated the 6 out of 13 quarters work history rule, but still requires at least one parent in a two-parent, non-disabled family to have a recent connection to the work force as defined as one of the following: (1) currently working average of at least 20 hours per week, (2) received unemployment compensation in current month or within the past 12 months prior to month of application, (3) working less than 20 hrs/wk and has earned \$500 within the six months prior to application, (4) receiving retirement benefits in the month of application or six months prior, or (5) has received disability benefits based on 100% disability in any of the last six months.

3. Missouri: The 100-hour rule, 30-day waiting period, and work history rule are not in effect if both parents are under 21.

Table III.5: Eligibility Rules and Time Limits for Two-Parent, Non-Disabled Families (continued)

State	100-hour rule	30-day waiting period	Work history rule	6 out of 12 month time limit
New Mexico				
New York				
North Carolina				
North Dakota				
Ohio				
Oklahoma		X	X	
Oregon				
Pennsylvania	X	X	X	
Rhode Island				
South Carolina				
South Dakota	X		X ⁴	
Tennessee				
Texas				
Utah				X ⁵
Vermont				
Virginia				
Washington	⁶	X ⁷	X	
West Virginia				
Wisconsin				
Wyoming				

Source: Urban Institute summary of state TANF decisions as of October 1997.

Note: "X" indicates that the rule is in effect as of October 1997. For definitions of these rules, see page III-12.

† State has retained the 100-hour rule for applicants, but not for recipients.

4. South Dakota has modified the work history rule such that two parent families are required to have \$1,500 in gross earnings from employment within 6 months prior to the month of application.

5. Utah's time limit for two-parent, non-disabled families is 7 out of 13 months.

6. The 100-hour rule is not in effect for recipients. It is also not in effect for applicants as part of a one-year statewide pilot.

7. Washington's 30-day waiting period only applies only to clients who refuse employment (including voluntary quits) without good cause.

IV. Time Limits

Under AFDC, there were no restrictions on the number of months families were eligible to receive assistance.¹⁴ However, several states received waivers that established a time limit for cash assistance for all families. These “termination” or “reduction” time limits would either terminate or reduce a family’s benefit after a set period of time, unless that family was exempt or received an extension of additional time.

Under PRWORA, states may not use TANF funds to provide assistance to a family that includes an adult who has received assistance for more than sixty months, and the state may set a time limit of less than sixty months. However, the state is allowed to exempt up to twenty percent of its caseload from the sixty month time limit, and states may use their own funds to provide assistance to families after sixty months.¹⁵ Further, states with less restrictive time limits approved as waivers under AFDC may choose to continue that time limit policy under TANF.

Table IV.1 shows the time limits for each state, the general categories of persons who are exempt, and the provisions in place for extensions of assistance for families that exceed the time limit. Because states may define the terms “time limits”, “exemptions”, and “extensions” differently from one another and there is no standard definition under federal regulations, we will first define how these terms are used in this paper. We also show implementation dates of time limits in Table IV.2.

Definition of Time Limits

In this paper, time limits refer to a period of cash assistance receipt, after which a family will no longer be able to receive the full benefit amount. In addition, we distinguish between time limits which terminate a family’s benefit and those which reduce a family’s benefit. These time limits differ from the work activity time limits described in section V, in which a family must participate in community service or other similar work activities within a specified time period in order to continue receiving assistance. As shown in Table IV.1, some states have adopted lifetime time limits while others have adopted periodic time limits, (e.g., a family may only receive assistance for 24 months out of every 60 month period.) A few states have adopted both a periodic and a lifetime time limit. This is shown in Table IV.1 as two separate rows for the state for cases in which the exemptions or extensions differ for the two time limits (e.g., Arizona and Florida).

14. The exception was for two-parent Unemployed Parent cases, which in some states were limited to six months of assistance in any twelve month period. This section discusses only time limits that apply to all families, not the restrictions that may apply only to two-parent families in states that retain this policy under TANF.

15. The Department of Health and Human Services has issued regulations describing which state funds that count towards the maintenance-of-effort requirement may be used to provide assistance to families without regard to the 60 month time limit. A description of these regulations is found in “The New Framework: Alternative State Funding Choices Under TANF,” Steve Savner and Mark Greenberg, Center for Law and Social Policy.

Exemptions from Time Limits

Exemptions from time limits are criteria by which states exclude certain families from the time limit. These exemptions typically apply for the months in which the family meets one or more of the exemption criteria, so that such months do not count towards the time limit. For example, if a family is exempt because of a parent's disability or because the youngest child is less than one year of age, those months are not counted towards the time limit. But the exemption will no longer apply after the child's first birthday or if the person recovers from the disability.

Table IV.1 lists a variety of conditions that states may use to exempt a family from the time limit. This list is not based on federal regulations, but simply on the types of exemptions that states have used in designing their time limit policies. The table does not list exemptions that are required in all states under PRWORA, namely:

- families that do not contain an adult receiving assistance;
- months of assistance received by an adult as a minor child not the head of household or married to the head of the household; and
- any month in which the family lived on an Indian reservation or Alaskan Native village with unemployment above 50 percent.

Because of complications arising from state policies regarding the first and second of these federally-specified exemptions, this paper does not list exemption policies related to teen parents or families of nonparent caretaker relatives.¹⁶

Table IV.1 lists types of exemptions that states have used in designing their time limit policies. These exemptions fall under the following categories:

- Age of parent/caretaker
- Disability or illness of parent/caretaker
- Caring for a disabled person
- Caring for a young child
- General hardship or other barriers to employment
- No job available or high local unemployment
- Victim of domestic violence
- Other

16. Complications may arise with regard to policies for teen parents and non-parent caretaker relatives because we do not have complete information at this time regarding which family members are considered part of the assistance unit for cases in which the primary adult is not a parent, or cases in which a teen parent lives with his/her parent. Such families could be exempt from time limits either through specific state regulation or by defining the assistance unit such that the unit is a child-only case (in the case of the non-parent caretaker) or such that the teen parent is not considered the head of household. Because consistency in understanding state policies for these families is therefore difficult and beyond the scope of this paper, exemptions for these families are omitted.

The age exemption applies if the household head is above a certain age, often 60 years. The “general hardship” or “other barriers to employment” category is listed for many states whose policies include a vague statement exempting families that do not fit one of the first four specific causes for exemption. Alaska, for example, exempts families that are “suffering from a hardship”; Arkansas exempts families that have faced “extraordinary circumstances or barriers” to finding employment or families in which an exemption is necessary to protect a child from risk of neglect. The “no job available” or “high local unemployment” category is used by some states as a general policy to allow for cases in which a family cannot find employment despite good effort, and by other states as a trigger mechanism to suspend the time limit when local unemployment exceeds a specified level. For example, in Louisiana a family is exempt if the parent or parents have actively sought employment but has not been able to find work; in Delaware, time limits do not apply whenever the state unemployment rate exceeds the national average by at least two percentage points or when the state unemployment rate exceeds 7.5 percent.

Some states have not yet defined the criteria by which a family will be exempt from the time limit; these are shown in Table IV.1 with exemptions “not specified”. In some of these cases the state has explicitly mentioned in legislation or other documents that the specification of exemptions will be made at a later date, especially in states where the first time limits will not begin to apply for nearly five years. In other states, we found no explicit statement of intent to delay defining exemption criteria, but we also found no specification of the types of exemption criteria that would be used other than a reference to an exemption of up to 20 percent of the caseload.

Extensions to Time Limits

Extensions to time limits describe policies that allow a non-exempt family that has exceeded the time limit to continue receiving assistance for an extended period. The distinction between an exemption and an extension is arbitrary in some cases, but we have for most states followed the language used by the state. Table IV.1 shows the criteria by which a family may qualify for an extension and the time period for which an extension may be granted. In a few states the length of the extension is not specified.

As shown in Table IV.1, 45 states have a time limit for the termination of assistance for the entire family. In 25 of these states, the earliest termination time limit is 60 months. Nineteen states have a termination time limit of less than 60 months, including those with periodic time limits (such as 24 out of 60 months). Iowa has an individualized time limit that results in benefit termination after the time period set by the family and the department is reached. Four states--California, Maryland, New York, and Rhode Island--do not have a termination time limit; they continue to provide a reduced benefit to either the entire family or just the children after the state time limit is reached.¹⁷ And two states, Michigan and Vermont, have no time limits under state law.

17. New York recipients may be eligible for continued assistance past the federal 60 month time limit under the state Safety Net Assistance program which provides the full benefit to the entire family but payment is made in the form of vouchers or other restricted payments.

Table IV.1 shows the importance of considering not only the length of the time limit but also the exemptions and extensions used by the state to fully understand the effect of time limits on families. For example, Idaho and Oregon seem to have similar time limit policies when just the length of time of assistance is considered -- 24 months and 24 out of 84 months. However, in Idaho there are no exemptions to the 24 month time limit and extensions are provided only to families in which the adults in the unit are disabled, ill, or needed in the home to care for a disabled or ill family member. By contrast, families in Oregon are exempt from the time limit in any month in which the adults in the unit are disabled, needed in the home to care for a disabled family member, participating in work activities, or not participating but with good cause. Further, extensions are provided to any family that is making a good faith effort to find employment. This implies that in Oregon many more families may continue to receive assistance after their first 24 months of receiving assistance.

Implementation Dates of Time Limits

Table IV.2 shows for each state the date that the time limit was adopted.¹⁸ Time limits in states marked with an asterisk initially applied to selected counties or selected cases, but were later expanded to cover the whole caseload. Two implementation dates are listed for states that implemented a time limit prior to PRWORA and then added a lifetime limit after PRWORA.

As shown in Table IV.2, 6 states had time limits which began in selected counties or applied to a small proportion of the caseload and were later expanded to statewide (Delaware, Florida, Nebraska, Tennessee, Texas, Virginia). Twelve states implemented time limits prior to the passage of PRWORA, six of which added a lifetime limit under PRWORA. For example, Arizona implemented a time limit of 24 out of 60 months for families in 1995 and subsequently added a 60 month lifetime limit after PRWORA was enacted in 1996. The remaining states implemented time limits after PRWORA, with the exception of Michigan and Vermont which have no time limit.

18. This table shows the dates that the state adopted their particular time limit. It must be noted that the federal lifetime time limit -- 60 months -- may take precedence, at least as far as limiting states' ability to spend federal TANF dollars to provide cash assistance for particular families.

Table IV.1: State Time Limits, Exemptions, and Extensions

State	Time Limit	Benefit Termination or Reduction	Exemption due to:							Extensions:			
			Age	Dis-ability/ Illness	Caring for disabled person	Caring for young child (age)	General hardship/ other personal barriers to employment	No job available/ high local unemployment	Victim of domestic violence	Other	Criteria for extension	Length of extension	
Alabama	60 months	Termination		X	X ¹					X	(a)	No extensions	
Alaska	60 months	Termination		X	X		X			X		No extensions	
Arizona	24 out of 60 months	Reduction*	X	X	X					X		1) Extra time needed to complete education or training; 2) Inability to find employment with good cause, including lack of transportation or child care	1) Up to 8 months; 2) 6 months, renewable
	60 months	Termination								X		No extensions	
Arkansas	24 months	Termination					X			X	(b)	Adult had been exempted or deferred from work activities according to work exemption criteria; child needs protection from the risk of neglect ²	Not specified
California	60 months	Reduction*	X	X	X		X				³	No extensions	
Colorado	60 months	Termination		X	X					X	(c)	No extensions	
Connecticut	21 months	Termination	X	X	X	X (1 yr) ⁴	X					Making a good faith effort to find employment; victims of domestic violence or other circumstances beyond family's control that prevent work	6 months, renewable
Delaware	48 months	Termination		X	X				X			1) Agency failed to provide services specified in personal contract; 2) No suitable employment available or other unique circumstances	1) Months that agency failed contract; 2) 12 months

1. The exemption is only for caring for a disabled *child*.
2. The decision to give an exemption or extend the time limit is at the discretion of the county office.
3. Counties have the option to exempt victims of domestic violence.
4. Child subject to family cap may not be cause for exemption.

Table IV.1: State Time Limits, Exemptions, and Extensions (continued)

State	Time Limit	Benefit Termination or Reduction	Exemption due to:							Extensions:	
			Age	Dis-ability/ Illness	Caring for disabled person	Caring for young child (age)	General hardship/ other personal barriers to employment	No job available/ high local unemployment	Victim of domestic violence	Other	Criteria for extension
District of Columbia	60 months	Termination	Not specified							No extensions	
Florida	24 out of 60 months ⁵	Termination	X							No extensions	
	48 months	Termination	No exemptions							No extensions	
Georgia	48 months	Termination	X				X		X	No extensions	
Hawaii	60 months	Termination	X	X	X	X (6 mos)				Making a good faith effort to find a job and fulfillment of work requirements	3 months, renewable
Idaho	24 months	Termination	No exemptions							Disability/illness or need to care for disabled/ill family member Unlimited	
Illinois	24 months; re-eligible after 24 months	Termination	X	X	X	X (13 yrs)				Participation in a "pay after performance" work program	Not specified
	60 months	Termination								(d)	No extensions
Indiana	24 months	Reduction*	X	X	X	X (1 yr) ⁶			(e)	Inability to find employment and compliance with program requirements, or unique circumstances beyond family's control ⁷	1-12 months, renewable
	60 months	Termination	No exemptions							No extensions	

5. For long-term recipients with poor job skills and little experience the time limit is increased to 36 out of 72 months.

6. The age that qualifies a parent for exemption had been 2 years prior to December 1997. The age for exemption will be lowered to six months in June 1998 and to 12 weeks in December 1998. For a child subject to the family cap, however, the age for exemption has been and will remain 12 weeks.

7. Recipients may also earn one additional month of TANF benefits for every 6 consecutive months during which they were employed full-time; however, an individual may not retain a credit for more than 24 months at any one time.

Table IV.1: State Time Limits, Exemptions, and Extensions (continued)

State	Time Limit	Benefit Termination or Reduction	Exemption due to:							Extensions:			
			Age	Dis-ability/ Illness	Caring for disabled person	Caring for young child (age)	General hardship/ other personal barriers to employment	No job available/ high local unemployment	Victim of domestic violence	Other	Criteria for extension	Length of extension	
Iowa	Individualized limit ⁸	Termination		X		X (3 mos)					(f)	Making effort and satisfactory progress but unable to achieve self-sufficiency	Not specified
Kansas	60 months	Termination	Not specified							No extensions			
Kentucky	60 months	Termination		X	X						(g)	Recipient loses job within 30 days of reaching time limit	3 months
Louisiana	24 out of 60 months	Termination		X			X	X	X			Extra time needed to complete education or training, or hardships that temporarily prevent employment	Up to 1 year
Maine	60 months	Termination	Not specified							No extensions			
Maryland	60 months	Reduction**	Not specified ⁹							No extensions			
Massachusetts	24 out of 60 months	Termination		X		X (2 yrs) ¹⁰		X				No extensions	
Michigan	None ¹¹	Not applicable	Not applicable							Not applicable			
Minnesota	60 months	Termination		X								No extensions	
Mississippi	60 months	Termination	X	X	X							No extensions	

8. The time limit is individualized based on what is specified in the Family Investment Agreement.

9. The TANF plan states that persons will be subject to the time limit “unless the family is included in the 20percent caseload exemption allowable under federal law.” However, there are no specific exemptions mentioned in state legislation or regulations at this time.

10. This exemption age does not apply to children subject to the family cap. For children subject to the family cap, the exemption age is 3 months.

11. There is no time limit under state law. The state says that it will not expend TANF funds to provided assistance to a family with an adult who has received FIP for 60 months. In response to questions about the time limit, the state replied that “FIP policies are intended to result in self-sufficiency well before the 60 month time limit. If a family does reach the 60 month time limit and is cooperating with agency requirements, we intend to expend state funds thereafter.”

Table IV.1: State Time Limits, Exemptions, and Extensions (continued)

State	Time Limit	Benefit Termination or Reduction	Exemption due to:							Extensions:			
			Age	Dis-ability/ Illness	Caring for disabled person	Caring for young child (age)	General hardship/ other personal barriers to employment	No job available/ high local unemployment	Victim of domestic violence	Other	Criteria for extension	Length of extension	
Missouri	60 months ¹²	Termination	Not specified							No extensions			
Montana	60 months	Termination	X	X	X	X (1 yr) ¹³				X	(h)	No extensions	
Nebraska	24 out of 48 months ¹⁴	Termination	X	X	X ¹⁵	X (6 mos)				X		No job available that would provide more income than cash assistance, termination would result in hardship, adults unable to meet conditions of self-sufficiency contract, or state failed to meet conditions of contract	Not specified
Nevada	24 months; re-eligible after 12 months	Termination	No exemptions							1) If extension will assist in becoming self sufficient; 2) qualified hardship ¹⁶		1)Up to 6 months; 2) once the hardship ends	
	60 months	Termination	No exemptions							Qualified hardship		Once the hardship ends	
New Hampshire	60 months	Termination								X		No extensions	

12. Under the Missouri Families Mutual Responsibility Plan, the waiver that is being continued under TANF, the state will deny assistance to an individual who re-applies for benefits after completing a self-sufficiency agreement that the individual entered after July 1997 if he/she received benefits for at least 36 months. The state exempts from this provision persons who become disabled, have received unemployment compensation since completing their self-sufficiency agreement, or are unemployed through no fault of their own.

13. Exemption also applies to families with older children who lack access to child care.

14. Time limit begins when the individual signs a self-sufficiency agreement or after 90 days, whichever is earlier.

15. Families are exempt from time limits if self-sufficiency is not possible due to mental, physical, or emotional conditions of any adult included in the assistance unit.

16. Qualified hardship includes: ill or incapacitated, caring for ill or incapacitated person, caring for child under age one (12 month lifetime limit for this reason), 60 years or older, suffering from any condition or circumstance deemed a hardship by the Welfare Division.

Table IV.1: State Time Limits, Exemptions, and Extensions (continued)

State	Time Limit	Benefit Termination or Reduction	Exemption due to:							Extensions:				
			Age	Dis-ability/ Illness	Caring for disabled person	Caring for young child (age)	General hardship/ other personal barriers to employment	No job available/ high local unemployment	Victim of domestic violence	Other	Criteria for extension	Length of extension		
New Jersey	60 months	Termination	X	X	X		X			X		Extreme hardship, working full time, or lacked opportunity for participation in work activities	Up to 12 cumulative months ¹⁷	
New Mexico	36 months	Termination		X	X							No extensions		
New York	60 months	Reduction***		X						X		No extensions		
North Carolina	24 out of 60 months	Termination	X	X	X	X (5 yrs) ¹⁸					(i)	Compliance with personal responsibility but unable to find work	“Month-to-month” extensions	
	60 months	Termination	Not specified										No extensions	
North Dakota	60 months	Termination	X	X	X					X		No extensions		
Ohio	36 months	Termination					X ¹⁹					24 months after reaching time limit, family may receive additional assistance if “good cause” exists, as determined by county ²⁰	24 months	
Oklahoma	60 months	Termination	Not specified										No extensions	
Oregon	24 out of 84 months	Termination		X	X ²¹						(j)	Making a good-faith effort to find employment	Not specified	
Pennsylvania	60 months	Termination	Not specified										No extensions	
Rhode Island	60 months	Reduction*						X				No extensions		

17. The extension is up to 12 cumulative months granted in increments that do not exceed 6 months.

18. This exemption does not apply to persons working more than 30 hours per week. Also, the TANF plan states that “single-parents with children under 6 will be phased in [to work requirements and 24 month limit] as child care becomes available.”

19. The state specifies that counties are allowed to exempt up to 20% of TANF cases on the grounds that the time limit is a hardship. Counties are left to specify what constitutes hardship.

20. The state specifies that good cause may include losing or inability to find employment, divorce, domestic violence, or unique personal circumstances.

21. This exemption may be limited to 3 months in a two-year period, depending upon circumstances.

Table IV.1: State Time Limits, Exemptions, and Extensions (continued)

State	Time Limit	Benefit Termination or Reduction	Exemption due to:							Extensions:			
			Age	Dis-ability/ Illness	Caring for disabled person	Caring for young child (age)	General hardship/ other personal barriers to employment	No job available/ high local unemployment	Victim of domestic violence	Other	Criteria for extension	Length of extension	
South Carolina	24 out of 120 mos.; 60 months lifetime	Termination		X	X						(k)	1) Compliance with self-sufficiency plan but no employment available, and participating in work activity; or 2) completing an approved training program	1) 12 months; 2) up to 6 months ²²
South Dakota	60 months	Termination		X		X (12 wks)						No extensions	
Tennessee	18 months ²³	Termination	X	X	X					X	(l)	1) High county unemployment rates; 2) Cooperation with program requirements but job not available	1) 1-6 months; 2) Not specified
	60 months	Termination	X	X	X	X (4 mos)				X	(l)	1) Good cause; 2) Economic hardship county (twice the unadjusted unemployment rate of the state's average)	1) Indefinitely 2) up to 6 months
Texas	12, 24, or 36 months ²⁴	Reduction*		X	X		X ²⁵	X ²⁶				No extensions	
	60 months	Termination	Not Specified										No extensions

22. The six month extension may be extended further with the express permission of the county director.

23. After 18 months of assistance, family must wait at least three months before becoming re-eligible for assistance. At that point, the 18 month limit applies again.

24. The 12 month limit applies to recipients with 18 or more months of recent work experience and a high school diploma, GED, or certificate from post-secondary or vocational school. The 24 month limit applies to recipients with 6 - 17 months of recent work experience or education through the 11th grade but less than a high school degree. The 36 month limit applies to recipients with less than six months recent work experience and education less than the 11th grade. The time limit begins once the recipient is notified of an opening in the JOBS program.

25. Exemptions are granted for 6 months at a time after the time limit is reached. To receive an exemption due to unique personal circumstances that prevent the recipient from obtaining or maintaining employment for a period beyond the initial 6 months, the recipient must show that he/she has contacted at least 40 employers in each month during the exemption period.

26. Exemptions are granted for 6 months at a time after the time limit is reached. To receive an exemption due to high county unemployment for a period beyond the initial 6 months, the recipient must show that he/she has contacted at least 40 employers in each month during the exemption period.

Table IV.1: State Time Limits, Exemptions, and Extensions (continued)

State	Time Limit	Benefit Termination or Reduction	Exemption due to:							Extensions:	
			Age	Dis-ability/ Illness	Caring for disabled person	Caring for young child (age)	General hardship/ other personal barriers to employment	No job available/ high local unemployment	Victim of domestic violence	Other	Criteria for extension
Utah	36 months	Termination	No exemptions							1) Employed 80 hours last month and during 6 of the previous 24 months of assistance; 2) Incapacitated or victim of domestic violence	1) Up to 24 months 2) As long as condition exists
Vermont	None	Not applicable	Not applicable							Not applicable	
Virginia	24 months; re-eligible after 2-3 years ²⁷	Termination	X	X	X	X (18 mos)				Compliance with work requirements but unable to find or retain employment; or, participating in training related to employability; or, in area with unemployment rates above 10%	3-12 months ²⁸
Washington	60 months	Termination	Not specified							No extensions	
West Virginia	60 months	Termination	None specified							No extensions	
Wisconsin	60 months ²⁹	Termination	No exemptions							Local labor markets conditions preclude job opportunities or if participant has significant barriers that prevent employment	Not specified
Wyoming	60 months ³⁰	Termination		X	X				X ³¹	Abandonment, or continuation of education leading to post-secondary degree	One year

Source: Urban Institute summary of state TANF decisions as of October 1997.

27. The length of the period of ineligibility following the 24 month time limit depends on the length of receipt of transitional benefits. The recipient is re-eligible for benefits 2 years after the last month of transitional benefit receipt. If no transitional benefits are received the period of ineligibility is 2 years. If transitional benefits are received for the 1 year maximum, the period of ineligibility is for a total of 3 years (1 year of receiving transitional benefits plu two years).

28. Some types of hardship extensions are renewable for an indefinite period.

29. There are shorter time limits for various components within the W-2 program. The time limit for any given component (Trial Jobs, Community Service Jobs, W-2 Transitions) is 24 months, with some extensions available on a case-by-case basis for W-2 Transitions. Any single subsidized job under Trial Jobs or Community Service Jobs is limited to 6-9 months.

30. Recipients who have received assistance for 3 or more years as of January 1997 are eligible for only 2 additional years of assistance.

31. Victims of domestic violence may receive an extension of up to 2 years.

Table IV.1: State Time Limits, Exemptions, and Extensions (continued)

Notes: This table does not list exemptions that are required in all states under PRWORA, namely: 1) families that do not contain an adult receiving assistance; 2) months of assistance received by an adult as a minor child not the head of household or married to the head of the household; and 3) any month in which the family lived on an Indian reservation or Alaskan Native village with unemployment above 50%. This table also does not list exemption policies related to teen parents or families of non-parent caretaker relatives.

* After family reaches the time limit, the adult portion of the benefit is eliminated but cash assistance is continued for the children in the unit.

** After family reaches the time limit, the adult portion of the benefit is eliminated but a voucher payment or payment to representative payee is made for the children in the unit.

*** After family reaches the time limit, a voucher or restricted third-party payment is made for the entire family.

- (a) Participating in substance abuse or mental health counseling.
- (b) Recipient is unable to find a job due to lack of needed supportive services.
- (c) Rules issued by the Colorado Department of Human Services state that exemptions include, “but are not limited to,” those shown in this table.
- (d) Family has earnings and is working at least 20 hours per week (increasing to 25 hours per week and 30 hours per week when Federal participation rates increase).
- (e) Participation in work activities would require a daily commuting time of more than two hours, or the commute time generally accepted in that community, whichever is greater.
- (f) Persons are exempt from the requirement to enter into a Family Investment Agreement, which specifies the time limit, if they are already working at least 30 hours per week.
- (g) Grandparent in assistance unit caring for an eligible child who would otherwise be placed in foster care.
- (h) The department has failed to comply with its obligations specified in the family investment agreement.
- (i) Persons unable to participate in work activities because the state cannot provide child care or transportation.
- (j) Recipient is participating in work activity (JOBS), or not participating but with good cause.
- (k) Child care or transportation is not “reasonably available.”
- (l) Caretaker is participating in Vocational Rehabilitation activities, substance abuse or mental health counseling, or the department fails to provide work activity or supportive services that make work participation possible.

Table IV.2: Time Limit Implementation Dates

State	Time Limit Implementation Date	State	Time Limit Implementation Date
Alabama	12/96	Montana	2/97
Alaska	7/97	Nebraska	11/95* ¹
Arizona	11/95; 10/96 ²	Nevada	12/96
Arkansas	7/98	New Hampshire	10/96
California	1/98	New Jersey	4/97
Colorado	7/97	New Mexico	7/97
Connecticut	1/96	New York	12/96
Delaware	10/95* ³	North Carolina	7/96; 1/97 ⁴
Dist. of Columbia	3/97	North Dakota	7/97
Florida	2/94*; 10/96 ⁵	Ohio	10/97
Georgia	1/97	Oklahoma	10/96
Hawaii	2/97	Oregon	7/96
Idaho	7/97	Pennsylvania	3/97
Illinois	2/96; 7/97 ⁶	Rhode Island	5/97
Indiana	5/95; 6/97 ⁷	South Carolina	10/96
Iowa	10/93	South Dakota	12/96
Kansas	10/96	Tennessee	10/96* ⁸
Kentucky	10/96	Texas	6/96*; 11/96 ⁹
Louisiana	1/97	Utah	1/97
Maine	11/96	Vermont	--- ¹⁰
Maryland	1/97	Virginia	7/95* ¹¹
Massachusetts	12/96 ¹²	Washington	8/97
Michigan	--- ¹³	West Virginia	1/97
Minnesota	7/97	Wisconsin	10/96
Mississippi	10/96	Wyoming	1/97
Missouri	7/97		

Source: Urban Institute summary of state TANF decisions as of October 1997.

* Time limit began in selected counties or with a limited number of cases and later expanded to cover all cases.

1. The time limit began 11/95 in eight counties, and expanded to the entire state 7/97.
2. The 24 out of 60 month benefit reduction time limit began 11/95. The 60 month lifetime limit began 10/96.
3. Implementation of the time limit policy began with a small number of cases. The time limit for all cases in the state began 3/97.
4. The 24 out of 60 month time limit began 7/96; the 60 month lifetime limit began 1/97.
5. The 24 out of 60 month (or 36 out of 72 month) time limit began in just eight counties in 2/94. This was expanded to statewide and the 48 month lifetime limit was added 10/96.
6. The 24 month time limit began 2/96. The 60 month lifetime limit began 7/97.
7. The 24 month time limit began 5/95 for non-exempt cases that were determined to be job-ready. Beginning 6/97 the 60 month time limit was added and the 24 month time limit was applied to all non-exempt cases.
8. The time limit was phased-in over a six month period beginning 10/96.
9. The 12, 24, or 36 month time limit began 6/96 in one county and expanded to the entire state by 9/97. The 60 month lifetime limit began 11/96.
10. There is no time limit in Vermont.
11. The time limit began in five counties 7/95 and expanded to the entire state by 10/97.
12. The state TANF plan says that the time limit will begin on or after December 1996.
13. There is no time limit under Michigan state law.

V. Work Requirements¹⁹

Increasing work participation among welfare recipients has been a major goal of state and federal welfare reforms. PRWORA encourages states to move recipients into work while also giving states the ability to develop their work requirements within broad federal parameters. This section discusses three aspects of work requirements: work exemptions based on the age of youngest child, work sanctions, and work requirement time limits.

Work Exemptions Based on the Age of Youngest Child

Under AFDC, non-exempt adult recipients receiving cash assistance were required to participate in the Job Opportunities and Basic Skills Training (JOBS) program. A recipient was considered exempt from participating in JOBS activities if the individual met one of a number of exemption criteria. The exemption rule responsible for the majority of exemptions was for primary caretaker relatives of children under three years of age (which could be lowered to one year at state option) or six years of age if child care was not guaranteed by the state.²⁰ Several states received waivers to alter their JOBS requirement exemption policies. A typical change to exemption rules was to lower the age of the youngest child that exempts the primary caretaker relative from participation, regardless of the availability of child care.

PRWORA eliminated the federal JOBS requirements, including exemption rules. In its place, PRWORA requires that all adult recipients participate in work activities (as defined by the state) within 2 years and that states meet specific work participation rates. To count as “working” for the participation rates, non-exempt recipients must participate in one of 12 work activities defined by federal law for a minimum number of hours per week (20 in FY 1997-98, 25 in 1999, and 30 in 2000 and thereafter).²¹ Single parents of children under age six who are unable to obtain child care are exempt from the two year work requirement under federal law and states may set other exemptions at their discretion. States that choose to exempt single parents of children under one year old from the two year work requirement, regardless of the availability of child care, may also omit them from the calculation of work participation rates. However, such parents may only be omitted from the calculation of work participation rates for a cumulative lifetime total of twelve months. Thus, if a parent has a second or

19. The following discussion primarily concerns work requirements for single adult parents receiving AFDC/TANF. Special provisions regarding two-parent families and teen custodial parents are not discussed.

20. States were required to specify in their JOBS state plan if they elected to lower the age of the child for whom the caretaker relative may receive an exemption and the age to which the exemption had been lowered. In 1996, prior to the PRWORA legislation, a majority of the states had not elected to lower the age below 3 years. A recipient was also exempt from JOBS if she was: under 16 years of age; under 18 years of age and in school; ill or incapacitated; 60 years of age old or older; residing in a location where JOBS was not available; a caretaker of a disabled family member; working for 30 or more hours per week; pregnant and in at least the second trimester; a full time VISTA volunteer.

21. The twelve activities include unsubsidized employment; subsidized private employment; subsidized public employment; work experience; on-the-job training; job search and job readiness, for up to 6 weeks; community service; vocational education, for a maximum of 12 months; provision of child care to TANF recipients; job skills training; education directly related to employment; and high school education or its equivalent. However, only the first nine activities count toward the first 20 hours of work activities participation per week.

third child while on assistance and the parent used the exemption during the infancy of a previous child, the parent may not be omitted from the work participation rate calculation during the time that child falls within the exemption age. Persons exempted from state work requirements due to other exemption criteria cannot be omitted from the calculation of work participation rates.

Table V.1 lists for each state the age under which the youngest child must be in order to exempt a single parent from work requirements (the “exemption age”).²² Because only parents with children under one are omitted from the work participation rate calculations, states have a financial incentive to set the exemption age to one year or less. Twenty-six states set the exemption age at one year, 2 states set the exemption age at six months, 12 set the exemption age near three months, and 5 states do not provide for an exemption based on the age of the youngest child. Colorado allows counties to set the exemption age. Five states set the exemption age above one year. In addition, 18 states set a cumulative time limit on the number of months a single parent may receive an exemption based on caring for a young child.

Table V.2 shows the implementation dates for changes to states’ work exemption based on age of youngest child policy. As with tables in previous sections of the paper showing when policies were implemented, Table V.2 shows whether policies were adopted before 1992, between 1992 and the passage of PRWORA (August 1996), or after the passage of PRWORA. As noted previously, the time period between 1992 and the passage of PRWORA roughly corresponds to the time period in which states were implementing changes under waivers, although the provisions of some waivers that were approved prior to August 1996 were not implemented until states began their TANF program.

Table V.2 shows that only three states still have in place an age of youngest child exemption policy that began prior to 1992. Ten states have an age of youngest child exemption policy that went into effect between January, 1992 and August 1996. These states changed their policy either through amending their state JOBS plan or through waivers. The majority of states (38) have a policy that has been changed since the passage of PRWORA in August, 1996. Some of these states had also changed their age of youngest child exemption policy through waivers or state plan amendments, but have since superseded such changes with more recent decisions. This table does not include changes states made limiting the total cumulative number of months a single parent could take this exemption. All of those changes were made after August 1996.

22. The exemptions in Table V.1 refer to full exemptions. Some states also have partial exemptions that require fewer hours of work for parents of young children. In Nebraska, for example, parents are required to participate part-time in work activities once the youngest child reaches 3 months of age and to participate full-time in work activities once the child reaches 6 months of age.

Table V.1: Work Requirement Exemption Based on Age of Youngest Child

State	Exempt while child under age -	Limited to 12 total months	State	Exempt while child under age -	Limited to 12 total months
Alabama	1 year		Montana	No exemption	
Alaska	1 year	X	Nebraska	3 months	
Arizona	1 year	X	Nevada	1 year	X
Arkansas	3 months	X	New Hampshire	3 years ¹	
California	6 months ²		New Jersey	12 weeks ³	
Colorado	County option ⁴		New Mexico	1 year	X
Connecticut	1 year ⁵		New York	1 year	X ⁶
Delaware	13 weeks		North Carolina	1 year	
Dist. of Columbia	1 year	X	North Dakota	3 months	X
Florida	3 months		Ohio	1 year	X
Georgia	No exemption		Oklahoma	1 year	X
Hawaii	6 months		Oregon	90 days	
Idaho	No exemption		Pennsylvania	1 year	X
Illinois	1 year		Rhode Island	1 year	
Indiana	1 year ⁷		South Carolina	1 year ⁸	
Iowa	No exemption		South Dakota	12 weeks	
Kansas	1 year		Tennessee	4 months	
Kentucky	1 year	X	Texas	4 years ⁹	
Louisiana	1 year	X	Utah	No exemption	
Maine	1 year	X	Vermont	18 months ¹⁰	
Maryland	1 year ¹¹		Virginia	18 months ¹²	
Massachusetts	6 years ¹³		Washington	1 year ¹⁴	X
Michigan	3 months		West Virginia	1 year ¹⁵	
Minnesota	1 year	X	Wisconsin	12 weeks	
Mississippi	1 year	X	Wyoming	3 months	X
Missouri	1 year				

Source: Urban Institute summary of state TANF decisions as of October 1997.

Notes: Information in the table is for adult single parents receiving TANF. Special provisions regarding two-parent families and teen custodial parents are not included. The ages listed are for full exemptions. States may also have partial exemptions for parents of young children that require fewer hours of work.

1. New Hampshire: Parents are exempt while youngest child is under 1 year old for children conceived while on assistance.
2. California: Counties have the flexibility to lengthen the exemption age to 12 months or shorten it to 12 weeks. Parents are exempt while the youngest child is under 12 weeks old for all subsequent children.
3. New Jersey: This exemption may be extended for an appropriate period of time if medically necessary for the parent or the child.
4. Colorado: Counties have the option to determine when recipients should be exempt from work requirements.
5. Connecticut: The exemption does not apply to children subject to the family cap.

Table V.1: Work Requirement Exemption Based on Age of Youngest Child

6. New York: The use of this exemption by a parent is limited to 3 months for any one child. Districts can opt to increase the 3 month exemption limit for any one child to 12 months.
7. Indiana: Parents are exempt while youngest child is under 12 weeks old for children subject to the family cap. The exemption listed is effective 12/97. Prior to this exemption (effective 6/97), parents were exempt while the youngest child was under 2 years old for children not subject to the family cap. Effective 6/98, parents are exempt while the youngest child is under 6 months old for children not subject to the family cap. Effective 12/98, parents are exempt while the youngest child is under 12 weeks old for children not subject to the family cap.
8. South Carolina: Parents under age 25 who have not completed their HS education are required to comply with activities regardless of the age of the youngest child.
9. Texas: The exemption is based on the youngest child at time of initial application, regardless of whether a new child is added to the unit. In cases where the child on whom the exemption is based leaves the assistance unit and there is still a child in the assistance unit under the age of four, the exemption ends when the eldest child remaining in the home reaches the age of four.
10. Vermont: Parents with children over 6 months but under 18 months of age are exempt from the work requirements, but must participate in welfare-to-work activities. Parents who have received assistance for at least 28 months are exempt while the youngest child is under 6 months old.
11. Maryland: The child must be a member of the assistance unit to exempt a parent from work requirements.
12. Virginia: Parents are exempt while the youngest child is under 6 weeks old for children subject to the family cap.
13. Massachusetts: Parents whose youngest child is between 2 and 6 may become non-exempt if work activities become available. Parents are exempt while the youngest child is under 3 months old for children not in the assistance unit.
14. Washington: Effective June 30, 1999, the age of youngest child under which parents will be exempt from work activities will be reduced from 1 year to 3 months.
15. West Virginia: For subsequent children, single parents may receive an exemption for a total of 6 months between the beginning of the last trimester of pregnancy and when the newborn reaches 6 months of age.

Table V.2: Work Exemption Based on Age of Youngest Child Policy Implementation Dates

State	Implementation of current policy:			State	Implementation of current policy:		
	Before 1/92	1/92 - 8/96	After 8/96		Before 1/92	1/92 - 8/96	After 8/96
Alabama			X	Montana		X* ¹	
Alaska			X	Nebraska		X* ²	
Arizona		X		Nevada			X
Arkansas			X	New Hampshire	X		
California			X	New Jersey			X
Colorado			X	New Mexico			X
Connecticut		X		New York			X
Delaware		X* ³		North Carolina			X
Dist. of Columbia			X	North Dakota			X
Florida			X	Ohio			X
Georgia			X	Oklahoma	X		
Hawaii			X	Oregon		X	
Idaho			X	Pennsylvania			X
Illinois			X	Rhode Island			X
Indiana			X	South Carolina			X
Iowa			X	South Dakota			X
Kansas			X	Tennessee			X
Kentucky			X	Texas			X
Louisiana	X ⁴			Utah		X* ⁴	
Maine			X	Vermont		X	
Maryland			X	Virginia		X* ⁵	
Massachusetts		X		Washington			X
Michigan			X	West Virginia			X
Minnesota			X	Wisconsin			X
Mississippi			X	Wyoming			X
Missouri			X				

Source: Urban Institute summary of state TANF decisions as of October 1997.

Note: This table refers only to the implementation of states' "exemption age." It does not reflect implementation of state policies limiting the total cumulative number of months a single parent could take this exemption.

* Work exemption policy regarding caring for a young child began in selected counties or with a limited number of cases and later expanded to cover all cases.

1. The work exemption policy regarding caring for a young child began early in 1996 in 8 counties and was phased-in to statewide by February 1997.
2. The work exemption policy regarding caring for a young child began in 1995 in eight counties, and expanded to statewide in 1997.
3. Implementation of the work exemption policy regarding caring for a young child began with a small number of cases. The work exemption policy for all cases in the state began 3/97.
4. This work exemption policy regarding caring for a young child began in 7 counties in 1993 and later expanded to statewide.
5. The work exemption policy regarding caring for a young child began in five counties 7/95 and expanded to the entire state by 10/97.

Work Sanctions

Under JOBS, mandatory participants who failed to comply with JOBS requirements without good cause faced a series of sanctions. The sanctions consisted of the removal of the adult from the unit for the purpose of benefit calculation for a specified period of time. The first sanction lasted until the affected recipient came into compliance, the second for at least 3 months, and the third and subsequent sanctions for at least 6 months.²³ Under waivers, sanction rules were generally made more severe by either extending the length of the sanction or increasing the size of the benefit reduction. A number of states began implementing full-benefit sanctions that removed not only the adult from the assistance unit, but also eliminated the benefit for the entire family.

PRWORA eliminated federal JOBS sanction policy and stipulates that states are required to reduce the amount of assistance payable to the family pro rata (or more, at state option) for each month an individual receiving funds under TANF refuses to engage in work activities, subject to good cause and other exceptions set by the state. As a result, states have considerable flexibility in developing their sanction policies, including the length and amount of the sanctions.

Table V.3 provides a summary of the sanction policies for noncompliance with work activities requirements chosen by each state. These sanction policies are described in detail in appendix Table A.2. In keeping with the former JOBS sanctions, most states continue to implement a progressively graduated sanction policy in which the severity of the sanctions increases with each successive instance of noncompliance. Some states also increase the severity of the sanction based on length of time the recipient remains noncompliant. The two major dimensions of sanctions--the amount of the benefit that is sanctioned and the minimum length of the sanction--are summarized for both the initial sanction imposed and the most severe sanction imposed. Six states have kept the JOBS sanctions for their TANF program. Fourteen states have increased their initial sanction to a full-benefit sanction, while 36 have increased their most severe sanction to a full benefit sanction. For the initial sanction, 23 states have continued to remove the sanction immediately after compliance with work activities. An additional 20 remove the sanction after 1 month or compliance with work activities, whichever is longer. The most severe sanctions imposed by the states also last longer in most cases, with only 10 states lifting the sanction immediately after compliance with work activities. Seven states impose a lifetime sanction on continued noncompliance.

Table V.4 shows the implementation dates for states' most recent changes in work requirement sanction policies. Six states have effectively maintained the standard JOBS sanctions as they were in place prior to 1992. Of those states which have altered work sanctions, 13 states are maintaining sanction policies that were implemented through waivers. Thirty-two states have created new sanction policies since the creation of TANF.

23. The length of the second and subsequent sanctions was the number of months stated or until compliance, whichever was longer.

Table V.3: Sanction Policies for Noncompliance with Work Activities Requirements

State	Initial Sanction ¹		Most Severe Sanction ²	
	Amount of Sanction (Partial or Full Benefit Reduction)	Minimum Length of Sanction ³ (No. of months)	Amount of Sanction (Partial or Full Benefit Reduction)	Minimum Length of Sanction ³ (No. of months)
Alabama	Partial	*	Full	6
Alaska	Partial	1	Partial	12
Arizona	Partial	1	Full	1
Arkansas	Full ⁴	*	Full ⁴	3
California	Partial	*	Partial	6
Colorado ⁵	Partial	1-3	Full	3-6
Connecticut	Partial	3	Full	3
Delaware	Partial	*	Full	lifetime
District of Columbia	Partial	*	Partial	6
Florida	Full	*	Full	3
Georgia	Partial	1	Full	lifetime
Hawaii	Partial	*	Partial	6
Idaho	Full	1	Full	lifetime
Illinois	Partial	*	Full	3
Indiana	Partial	2	Partial	36
Iowa	Partial	3	Full	6
Kansas	Full	*	Full	2
Kentucky	Partial	*	Full	*
Louisiana	Partial	3	Full	*
Maine	Partial	*	Partial	6
Maryland	Full	*	Full	1 ⁶
Massachusetts	Partial	*	Full	*
Michigan	Partial	1	Full	1
Minnesota	Partial	1	Partial	6
Mississippi	Full	2	Full	lifetime
Missouri	Partial	*	Partial	6
Montana	Partial	1	Partial	12
Nebraska	Full	1	Full	12 ⁷
Nevada	Partial	1	Full	lifetime
New Hampshire	Partial	½	Partial	½
New Jersey	Partial	1	Full	3
New Mexico	Partial	*	Full	*
New York	Partial	*	Partial	6
North Carolina	Partial	3	Partial	12
North Dakota	Partial	1	Full	*

Table V.3: Sanction Policies for Noncompliance with Work Activities Requirements (continued)

State	Initial Sanction ¹		Most Severe Sanction ²	
	Amount of Sanction (Partial or Full Benefit Reduction)	Minimum Length of Sanction ³ (No. of months)	Amount of Sanction (Partial or Full Benefit Reduction)	Minimum Length of Sanction ³ (No. of months)
Ohio	Full	1	Full	6
Oklahoma	Full	*	Full	*
Oregon	Partial	*	Full	*
Pennsylvania	Partial	1	Full	lifetime
Rhode Island	Partial	*	Partial	*
South Carolina	Full	1 ⁸	Full	1 ⁸
South Dakota	Partial	1	Full	1
Tennessee	Full	*	Full	3
Texas	Partial	1	Partial	6
Utah	Partial	*	Full	*
Vermont	Partial	*	Full	*
Virginia	Full	1	Full	6
Washington	Partial	½ ⁹	Partial	½ ⁹
West Virginia	Partial	3	Full	6
Wisconsin	Partial/Full ¹⁰	*	Full	lifetime
Wyoming	Full	1	Full	1

Source: Urban Institute summary of state TANF decisions as of October 1997.

* Length of sanction is until compliance.

1. For comparison purposes, the initial sanction refers to the sanction a TANF recipient would receive if the recipient is noncompliant with work requirements for the first time and subsequently complies with the work requirement at the earliest possible time.
2. The most severe sanction may go into effect after a subsequent instance of non-compliance or as a result of continual non-compliance after a specified length of time, depending on the state.
3. The length of each sanction, unless otherwise specified, is the number of months stated or until the sanctioned recipient complies with the work requirements, whichever is longer.
4. Arkansas: If the imposition of the sanction would result in the children in the home being removed to foster care, then the sanction for both first and subsequent instances of noncompliance is partial.
5. Colorado: Counties have the option to set the length of sanction between 1-3 months for the initial sanction and between 3-6 months for the most severe sanction. Also, although the state has set the initial sanction as a partial benefit reduction, it has given counties the option of increasing this to a full benefit sanction.
6. Maryland: The length of sanction is 1 month *after* compliance in contrast to 1 month or until compliance, whichever is longer.
7. Nebraska: the length of sanction is 12 months or until the end of the 48 month Nebraska time-limit period, whichever is shorter.
8. South Carolina: The length of sanction is 1 month *after* compliance in contrast to 1 month or until compliance, whichever is longer.
9. Washington: The length of sanction is 2 weeks *after* compliance in contrast to 2 weeks or until compliance, whichever is longer.
10. Wisconsin: If recipient works some of the assigned work hours, but fails to work all assigned work hours, the initial sanction is partial. If the recipient fails to work any of the assigned work hours, the initial sanction is full.

Table V.4: Work Activities Sanction Policy Implementation Dates

State	Implementation of current policy:			State	Implementation of current policy:		
	Before 1/92	1/92 - 8/96	After 8/96		Before 1/92	1/92 - 8/96	After 8/96
Alabama			X	Montana		X* ¹	
Alaska			X	Nebraska		X* ²	
Arizona			X	Nevada			X
Arkansas			X	New Hampshire			X
California	X			New Jersey			X
Colorado			X	New Mexico			X
Connecticut		X		New York	X		
Delaware		X* ³		North Carolina		X	
Dist. of Columbia	X			North Dakota		X* ⁴	
Florida			X	Ohio			X
Georgia			X	Oklahoma			X
Hawaii	X			Oregon		X	
Idaho			X	Pennsylvania			X
Illinois			X	Rhode Island			X
Indiana		X		South Carolina			X
Iowa		X		South Dakota			X
Kansas			X	Tennessee			X
Kentucky			X	Texas			X
Louisiana			X	Utah		X* ⁵	
Maine	X			Vermont		X	
Maryland			X	Virginia		X* ⁶	
Massachusetts		X		Washington			X
Michigan			X	West Virginia			X
Minnesota			X	Wisconsin			X ⁷
Mississippi			X	Wyoming			X
Missouri	X						

Source: Urban Institute summary of state TANF decisions as of October 1997.

Note: This table refers only implementation dates of sanction policies that affect the amount of benefit sanctioned or the length of sanction.

* Sanction policy began in selected counties or with a limited number of cases and later expanded to cover all cases.

1. The work sanction policy began in early 1996 in 8 counties and was phased-in to statewide by February 1997.
2. The work sanction policy began in 1995 in eight counties, and expanded to statewide in 1997.
3. Implementation of the work sanction policy began with a small number of cases. The work sanction policy for all cases in the state began 3/97.
4. The work sanction policy was phased in in 11 counties during 1996 and is scheduled to be phased in to statewide by 1/98.
5. The work sanction policy began in 11/95 in part of the state and expanded statewide by 7/96.
6. The work sanction policy began in five counties 7/95 and expanded to the entire state by 10/97.
7. The partial sanction policy began in in two counties 1/95, expanded to most of the state in 3/96, and statewide in 9/97.

Work Requirement Time Limits

Under AFDC, non-exempt recipients were required to participate in JOBS work activities once the state determined they were ready or as state resources permitted. In the years prior to TANF, states began to experiment with the timing of work activities. Several states implemented under waivers what are often referred to as “work-trigger” time limits, policies specifying that non-exempt recipients are required to participate in a work activity after a certain number of months as a condition of continued benefit receipt. Massachusetts, for example, had a waiver that required non-exempt recipients without children younger than six to participate in approved work activities after receiving assistance for 60 days.

Under TANF, non-exempt recipients are required to participate in work activities within 24 months, although states have the option to impose a work requirements sooner. Most states have indicated that they will conform their programs to the federal 24 month limit. Typically, these states have indicated that they will require participation in work activities within 24 months or once the state has determined that the individual is ready to work, whichever is earlier. Other states require work within a shorter time frame, for example North Carolina requires non-exempt recipients to participate in work activities within 90 days. However, comparing the timing of work requirements across states is difficult because the types of work activities required by each state after the work time limit varies to such an extent that simply comparing these time limits may be misleading based on the information sources used for this paper. Therefore, we will focus only on states that require recipients to participate only in employment or unpaid work experience after a set period of time.

The 10 states that require participation only in employment or unpaid work experience after a set period of time are shown in Table V.5, along with a description of when participation is required and the types of work activities that are allowed. All states included in the table except Wisconsin allow some time after the non-exempt recipient begins receiving assistance before requiring participation in employment or unpaid work experience. The time periods before employment or unpaid work experience is required vary from 60 days in Massachusetts to 30 months in Vermont. Three states, Delaware, Montana, and Rhode Island, require employment or unpaid work experience after 24 months.

Table V.5: States Requiring Non-Exempt Recipients to Engage in Employment or Unpaid Work Experience¹

State	When is work required? ²	What is Required?
California	18 months ³	Unsubsidized employment or community service
Delaware	24 months	Pay-after-performance work experience in which benefit is based on hours worked
Massachusetts	60 days	Unsubsidized employment, subsidized employment, or community service
Montana	24 months	Unsubsidized employment or community service
New Hampshire	After 26 weeks of job search activities ⁴	Unsubsidized employment, on-the-job training, alternative work experience
Rhode Island	24 months ⁵	Unsubsidized employment, on-the-job training, community service, or department approved training program conducted at a job site
South Dakota	2 months	Community service
Vermont	30 months	Unsubsidized employment or subsidized employment
Virginia	90 days	Unsubsidized employment, subsidized employment, or community work experience
Wisconsin	Immediately	Unsubsidized employment, trial jobs, or community service

Source: Urban Institute summary of state TANF decisions as of October 1997.

1. Federal law allows states to count participation in work preparation and training activities, such as job search, job readiness, and job skill training, as work in calculating the work participation rates. The states listed in this table are those which require non-exempt recipients to engage only in unsubsidized employment, subsidized employment, or unpaid work experience (on-the-job training, community work experience, or community service) for at least 20 hours per week.

2. Number of non-exempt days or months during which benefits can be received without participating in employment or unpaid work experience.

3. The 18 month limit is for applicants who apply on or after 1/1/98. Families receiving assistance before 1/1/98 have a 24 month limit.

4. The 26 weeks of job search activities need not be consecutive.

5. The count of 24 month begins only after the completion of an employment plan by the non-exempt recipient.

VI. Payments

Benefit Amounts

Under AFDC, states were required to make cash assistance payments to all eligible families. Benefit levels were based on need standards established by each state that reflected the state's definition of the cost of meeting basic living needs for families of various sizes. However, states were not required to set AFDC payment levels equal to the full need standard, so the maximum payment for a family with no income was typically less than the need standard. Differences in the need standards and in the proportion of the need standard paid by each state resulted in large variation in state AFDC benefit levels. PRWORA did not directly address the issue of benefit levels in states, but it implicitly removed any requirement that states set benefits as a proportion of family needs. It also implicitly removed the requirement that states make any cash payments, giving states the flexibility to provide families with other assistance, such as vouchers or supportive services.

All states are continuing to issue cash payments to eligible families that comply with program requirements, restricting the use of vouchers to families subject to work sanctions, time limits, or family caps as described in other sections. Table VI.1 shows for each state the monthly benefit for a single parent and two children with no income as of October 1997 and July 1996. In October 1997, benefits vary from as high as \$923 in Alaska to as low as \$120 in Mississippi. The final column of Table VI.1 shows how these benefit levels changed between July 1996 and October 1997. Only eleven states have changed their benefit levels, with 5 increasing benefits and 4 lowering benefits. In two states, TANF and food stamps benefits have been combined into a single benefit since July 1996. The remainder have retained the same benefit levels that were in effect in July 1996.

Table VI.1: Monthly Benefit for a Single Parent with Two Children and No Income, October 1997 and July 1996

State	1997 TANF Benefit	1996 AFDC Benefit	Change in Benefit
Alabama	\$164	\$164	nc
Alaska	923	923	nc
Arizona	347	347	nc
Arkansas	204	204	nc
California	565 ^{1*}	596*	(\$29)
Colorado	356 ²	356	nc
Connecticut	543*	543*	nc
Delaware	338	338	nc
Dist. of Columbia	379	415	(36)
Florida	303 ³	303 ³	nc
Georgia	280	280	nc
Hawaii	712	712	nc
Idaho	276	317	(41)
Illinois	377*	377*	nc
Indiana	288	288	nc
Iowa	426	426	nc
Kansas	429* ⁴	429* ⁴	nc
Kentucky	262	262	nc
Louisiana	190	190	nc
Maine	418	418	nc
Maryland	388	373	15
Massachusetts	565 ⁵	565 ⁵	nc
Michigan	459*	459*	nc
Minnesota	763 [†]	532	⁶
Mississippi	120	120	nc
Missouri	292	292	nc
Montana	450	438	12
Nebraska	364	364	nc
Nevada	348	348	nc

1. Amount shown is for non-exempt families.

2. Amount shown is the basic benefit. Counties have the option to provide supplemental cash or non-cash assistance in addition to this amount.

3. Amount shown is for families with shelter costs of at least \$50. Families with lower shelter expenses receive a lower benefit.

4. Amount includes a \$135 shelter payment.

5. Amount shown includes a rent allowance for families with shelter costs. Amount shown is for "non-exempt" families who are generally subject to the time limits and work requirements. The amount for exempt families is \$579.

6. Comparison of benefit levels is difficult because benefits under TANF include food stamps.

Table VI.1: Monthly Benefit for a Single Parent with Two Children and No Income, October 1997 and July 1996 (continued)

State	1997 TANF Benefit	1996 AFDC Benefit	Change in Benefit
New Hampshire	\$550 ⁷	\$550 ⁷	nc
New Jersey	424	424	nc
New Mexico	389	389	nc
New York	577*	577*	nc
North Carolina	272	272	nc
North Dakota	740 [†]	431	⁸
Ohio	341	341	nc
Oklahoma	307	307	nc
Oregon	460	460	nc
Pennsylvania	403*	403*	nc
Rhode Island	554	554	nc
South Carolina	201	200	\$1
South Dakota	430	430	nc
Tennessee	185	185	nc
Texas	188	188	nc
Utah	426	426	nc
Vermont	611*	597*	14
Virginia	291*	291*	nc
Washington	546	546	nc
West Virginia	253	253	nc
Wisconsin	628 ⁹	517	111 ¹⁰
Wyoming	340 ¹¹	360	(20)

Source: Urban Institute summary of state TANF decisions as of October 1997.

* Benefit varies by county or city within the state. The amount shown is the benefit level for the area containing the largest portion of the state population.

† TANF and Food Stamps are issued as a combined benefit.

“nc” indicates no change

Numbers in parentheses indicate a reduction in benefits.

7. Amount includes the maximum shelter allowance of \$243.

8. Comparison of benefit levels is difficult because benefits under TANF include food stamps.

9. The amount shown is for participation in W-2 Transitions. The amount for participation in a Community Service Job is \$673.

10. Families participating in a Community Service Job receive \$156 more a month than the 1996 benefit level.

11. Amount shown is for families with shelter expenses.

Earnings Disregards

Under AFDC, states were required to disregard a portion of recipients' earned income when determining benefit amounts to provide an earnings incentive. Benefits for recipients were calculated using earnings minus a \$90 work expense disregard, followed by a disregard of \$30 and 1/3 of remaining earnings. After four months of consecutive earnings, recipients were no longer eligible for the 1/3 disregard, so the disregard was simply \$120 (\$90 and \$30). After eight additional months of consecutive earnings, recipients were no longer eligible for the \$30 disregard, so the disregard was simply \$90.²⁴ Under waivers, a number of states made changes to this disregard structure, typically increasing the amount of earnings disregarded and to eliminate the phase-out of the disregard over time.

PRWORA did not address the issue of earnings disregards specifically, but the creation of TANF gave states the freedom to adopt any disregard structure. As shown in Table VI.2, 42 states have earnings disregards that differ from the standard AFDC disregard. Most of these states have eliminated the disregard phase-out period, so that the amount of earnings disregarded is the same for all months, although 8 have disregards that decrease over time (Alabama, Alaska, Kentucky, Louisiana, Mississippi, Nevada, New Jersey, and Ohio). Nine states have kept the \$90 and "\$30 & 1/3" disregards that were the rule for AFDC.²⁵

Table VI.3 shows implementation dates for the earnings disregard policy changes. As with tables in previous sections of the paper showing when policies were implemented, the table shows whether policies were adopted before 1992, between 1992 and the passage of PRWORA (August 1996), or after the passage of PRWORA. The time period between 1992 and the passage of PRWORA roughly corresponds to the time period in which states were implementing changes under waivers, although some waivers that were approved prior to August 1996 were not implemented until the state began its TANF program.

Table VI.3 shows that 9 states currently have in place an earnings disregard policy that began prior to 1992. All of those states are continuing to use the standard AFDC disregards. Of the remaining 42 states that have earnings disregards that differ from the standard AFDC disregards, 11 are keeping policies that they began under waivers during the period between 1992 and the passage of PRWORA. The other 31 states have created new earnings disregard policies under TANF.

24. Under AFDC, recipients were also allowed to disregard child care expenses up to \$175 per month per child (\$200 for children under age 2). This section will focus only on earnings disregards.

25. Some states, most notably Delaware, have adopted "fill-the-gap" policies under TANF that allow the recipient to keep a greater portion of the benefit as net income (i.e., income after disregards) increases, while using the same earnings disregard policy as under AFDC. Other states had fill-the-gap policies under AFDC and have retained that benefit structure under TANF. This alternative method for increasing earnings incentives is not reflected in Table VI.3.

Table VI.2: Earnings Disregard Policies for TANF Recipients

State	Earnings Disregard Policy
Alabama	Disregard 100% for first three months of earnings; 20% in subsequent months ¹
Alaska	Disregard \$150 and 33% of the remainder in months 1-12; \$150 and 25% (months 13-24); \$150 and 20% (months 25-36); \$150 and 15% (months 37-48); \$150 and 10% (months 49-60); \$150 after 60 months
Arizona	Disregard \$90 and 30% of the remainder
Arkansas	Disregard 20% and 50% of the remainder
California	Disregard \$225 and 50% of the remainder
Colorado	*
Connecticut	All earnings below poverty are disregarded; family is eligible as long as earnings are below poverty
Delaware	*
Dist. of Columbia	*
Florida	Disregard \$200 and 50% of the remainder
Georgia	*
Hawaii	Disregard 20%, then \$200, then 36% of the remainder
Idaho	Disregard 40%
Illinois	Disregard 67%
Indiana	*
Iowa	Disregard 20% and 50% of the remainder
Kansas	Disregard \$90 and 40% of the remainder
Kentucky	Disregard 100% for the first two months of earnings, use AFDC disregards after that (\$120 and 1/3, with phase-out)
Louisiana	Disregard \$1,020 for first six months of earnings; \$120 after six months
Maine	In eight counties, disregard 20% and \$134 of the remainder; in the other eight counties, disregard \$150 and 50% of remaining earnings that are less than the federal poverty level
Maryland	Disregard 26%
Massachusetts	Disregard \$120 and 50% ² of the remainder
Michigan	Disregard \$200 and 20% of the remainder
Minnesota	Disregard 36%
Mississippi	Disregard 100% of earnings for the first 6 months when full time employment is obtained within 30 days from the initial authorization of TANF benefits or 30 days from the start date of Job Readiness/Job Search activities; otherwise, disregard \$90
Missouri	*
Montana	Disregard \$200 and 25% of the remainder ³
Nebraska	Disregard 20%

1. Earnings must be reported timely and accurately to qualify for the 100% disregard for the first three months.

2. For families not subject to the time limit, the disregard remains \$120 and 1/3 but without time limit.

3. Families that exceed the 24 month time limit and move into the Community Services Program have an earnings disregard of \$100 instead of the \$200 and 25% disregard.

Table VI.2: Earnings Disregard Policies for TANF Recipients (continued)

State	Earnings Disregard Policy
Nevada	Disregard 100% for the first 3 months of earnings; 50% for the next 9 months; \$90 or 20% (whichever is greater) after 12 months
New Hampshire	Disregard 50%
New Mexico	Disregard \$150 & 50% of the remainder
New Jersey	Disregard 100% for first month of earnings; 50% in subsequent months
New York	Disregard \$90 and 42% of the remainder
North Carolina	*
North Dakota	Disregard 27% followed by an additional employment incentive disregard that varies based on family size and earnings
Ohio	Disregard \$250 and 50% of the remainder for 18 months
Oklahoma	Disregard \$120 and 50% of the remainder
Oregon	Disregard 50%
Pennsylvania	Disregard 50%
Rhode Island	Disregard \$170 and 50% of the remainder
South Carolina	*
South Dakota	Disregard \$90 and 20% of the remainder
Tennessee	Disregard \$150
Texas	*
Utah	Disregard \$100 and 50% of the remainder
Vermont	Disregard \$150 and 25% of the remainder
Virginia	Benefit is flat amount as long as net income (earnings minus AFDC disregards) plus the benefit is less than poverty level; if benefit plus net income is greater than poverty, then benefit is reduced such that the benefit plus earnings equals poverty; if earnings are greater than the poverty level, then family is ineligible ⁴
Washington	Disregard 50%
West Virginia	Disregard varies by amount of earned income; average disregard is 40%
Wisconsin	See footnote ⁵
Wyoming	Disregard \$200 for single parents and \$400 for married couples

Source: Urban Institute summary of state TANF decisions as of October 1997.

Note: This table refers to earning disregard policies for TANF recipients; earnings disregard policies may be different for applicant families. Child care expense deductions are not included in this table. All disregards are without time limit unless otherwise indicated.

* State has retained AFDC disregards as follows: Disregard \$120 and 1/3 of the remainder for the first 4 months of earnings; \$120 for the next eight months (months 5-12); \$90 after 12 months.

4. For families not subject to the time limit, the disregard is \$90 and \$30 and 1/3 disregard with the same phase-out policy as under AFDC.

5. The Wisconsin Works program is structured in a way that earnings disregards are not used. A family with earnings from an unsubsidized job receives only those earnings plus Food Stamps and the state and federal Earned Income Tax Credit. There is no benefit formula for which an earnings disregard is applied.

Table VI.3: Earnings Disregard Policy Implementation Dates

State	Implementation of current policy:			State	Implementation of current policy:		
	Before 1/92	1/92 - 8/96	After 8/96		Before 1/92	1/92 - 8/96	After 8/96
Alabama			X	Montana		X* ¹	
Alaska			X	Nebraska			X
Arizona			X	Nevada			X
Arkansas			X	New Hampshire			X
California			X	New Jersey			X
Colorado	X			New Mexico			X
Connecticut		X		New York			X
Delaware	X			North Carolina	X		
Dist. of Columbia	X			North Dakota			X
Florida		X* ²		Ohio		X ³	
Georgia	X			Oklahoma			X
Hawaii			X	Oregon			X
Idaho			X	Pennsylvania			X
Illinois		X		Rhode Island			X
Indiana	X			South Carolina	X		
Iowa		X		South Dakota			X
Kansas			X	Tennessee			X
Kentucky			X	Texas	X		
Louisiana			X	Utah		X* ⁴	
Maine			X	Vermont		X	
Maryland			X ⁵	Virginia		X* ⁶	
Massachusetts		X		Washington			X
Michigan		X		West Virginia	X		
Minnesota			X ⁷	Wisconsin			X
Mississippi			X	Wyoming			X
Missouri	X						

Source: Urban Institute summary of state TANF decisions as of October 1997.

* New earnings disregard policy began in selected counties or with a limited number of cases and later expanded to cover all cases.

1. The earnings disregard policy began early 1996 in 8 counties and was phased-in to statewide by February 1997.
2. This policy began in eight counties in 1994 in eight counties but was not made statewide until the start of TANF.
3. Implementation began July 1996. At that time the disregard only applied for 12 months, but under TANF this was increased to 18 months.
4. This earnings disregard policy began in 7 counties in 1993 and later expanded to statewide.
5. The original earnings disregard change occurred prior to 8/96 under waivers when a disregard of 20% was used. This was increased to 26% after 8/96.
6. The earnings disregard policy began in five counties 7/95 and expanded to the entire state by 10/97.
7. A similar disregard policy was used prior to 8/96 under waivers in just seven counties. The disregard policy was modified and made statewide under TANF.

Family Caps

Under AFDC, benefits for a family automatically increased when an additional child was born into the unit. Under waivers, however, some states implemented a family cap which either eliminated or reduced the additional benefit for children who were conceived while the mother was receiving assistance. PRWORA did not specifically address family caps, giving states the latitude to choose whether or not to implement a family cap.

Table VI.4 shows the 22 states that have family cap provisions under TANF and some of the variations in the way states implement their family caps. Seventeen of the states with family caps provide no additional benefits to the unit for children born ten months after the family begins receiving assistance. Of these, 2 states (Idaho and Wisconsin) have implicit family caps because the size of the cash assistance benefit does not vary with family size -- although in Idaho this only applies to families without earnings. Two other states, Connecticut and Florida, provide a partial increase in benefits for these children.²⁶ Oklahoma and South Carolina do not provide additional cash assistance for children conceived while on assistance, but do give vouchers to the families for food and clothing equal to the amount they otherwise would have received in cash. Maryland does not provide the incremental increase in cash benefits to the mother, but the additional benefits are paid to a third party such as a community group or church on behalf of the additional child. Two states, Arizona and New Jersey, allow capped families to replace the loss of the increase in benefits for the additional child with earnings without a subsequent decrease in benefit amount.

Table VI.5 shows the implementation dates for the states with family caps under TANF. Of the 22 states with a family cap, 15 had a family cap in place prior to the passage of PRWORA in August 1996. The other 7 states did not implement a family cap until after PRWORA, however all but 3 states (Idaho, North Dakota, and Oklahoma) had received permission for a family cap under waivers. Some changes in how states impose their family caps have occurred between their initial implementation dates and their current provisions under TANF. Most notable was the change made in Wisconsin from an explicit family cap to a fixed benefit structure in which assistance received is not based on family size. Two other changes are also worth noting. While most states had a ten month period after initial receipt of assistance during which a child could be born and not be subject to the family cap, Georgia had allowed a twenty-four month grace period under their waiver. However, under TANF the state is reducing its grace period to the ten month standard adopted by other states. Delaware plans to apply its family cap to first time minor mothers while all other states exempt them under their waivers and TANF plans.

26. Connecticut provides approximately 50% of the increase in benefits for each additional child. Florida provides 50% of the increase for the first additional child; no further increases in benefits are provided after the first additional child.

Table VI.4: States with Family Cap Provisions

State	No increase in assistance for additional children	Partial increase in cash assistance for additional children	Increase in assistance for additional child provided as voucher	Increase in cash assistance for additional child provided to third party
Arizona	X†			
Arkansas	X			
California	X			
Connecticut		X ¹		
Delaware	X			
Florida		X ²		
Georgia	X			
Idaho	X* ³			
Illinois	X			
Indiana	X			
Maryland				X ⁴
Massachusetts	X			
Mississippi	X			
Nebraska	X			
New Jersey	X†			
North Carolina	X			
North Dakota	X			
Oklahoma			X	
South Carolina			X	
Tennessee	X ⁵			
Virginia	X			
Wisconsin	X*			

Source: Urban Institute summary of state TANF decisions as of October 1997.

* State provides a flat benefit regardless of family size

† State allows capped families to replace the loss of the increase in benefits for the additional child with earnings without a subsequent decrease in benefit amount.

1. Connecticut increases the benefit by \$50 for each additional child born while on assistance. This is approximately half the increase in benefits normally given for an additional child.

2. Florida increases the benefit by 50% of the normal increase for the first additional child and provides no further increases in benefits for additional children thereafter.

3. For all families, the maximum benefit is \$276 regardless of family size, creating an implicit family cap. For families with earnings, benefits may vary by family size up to the maximum benefit.

4. The increase in cash benefit is given to a third party, such as a community group or church, on behalf of the additional child.

5. Families with a child subject to the family cap and in compliance with the Personal Responsibility plan that leave assistance for at least 90 days may receive assistance without the child subject to the family cap if the family has a subsequent welfare spell.

Table VI.5: Family Cap Implementation Dates

State	Current Family Cap Implementation Date	State	Current Family Cap Implementation Date
Arizona	11/95	Massachusetts	11/95
Arkansas	7/94	Mississippi	10/95
California	8/97	Nebraska	11/95 ¹
Connecticut	1/96	New Jersey	10/92
Delaware	10/95 ²	North Carolina	7/96
Florida	10/96	North Dakota	7/98
Georgia	1/94 ³	Oklahoma	10/96
Idaho	7/97 ⁴	South Carolina	10/96
Illinois	12/95 ⁵	Tennessee	9/96 ⁶
Indiana	5/95	Virginia	7/95
Maryland	3/96	Wisconsin	1/96 ⁷

Source: Urban Institute summary of state TANF decisions as of October 1997.

1. Implementation started in five counties and expanded statewide within one year.
2. Delaware's Family cap was implemented statewide in 10/95, but was applied to only a small portion of the caseload. By March 1997, the provision was applied to the full caseload. Delaware plans on removing their exemption from the family cap for first time minor parents under their TANF plan.
3. Georgia's family cap, as implemented in 1/94, allowed a 24 month grace period after initial receipt of assistance within which a family could have an additional child and not be subject to the family cap. Under their TANF plan, this grace period is being reduced to 10 months, the grace period length adopted by most other states.
4. Idaho implemented a partial flat benefit program under TANF which resulted in an implicit family cap. A family with no earnings receives a fixed benefits and thus has an implicit family cap. For families with earnings, benefits are differentiated by family size and the implicit family cap is removed.
5. Illinois' family cap was implemented in 12/95 for recipients and 2/96 for applicants.
6. Tennessee's family cap was phased-in over a six month period beginning in 9/96.
7. Wisconsin has changed their family cap from being explicit to implicit. Under their TANF plan, Wisconsin provides a flat benefit structure, essentially acting like a family cap.

Child Support Pass-through

Under AFDC, families applying for assistance assigned their child support rights to the state. Child support payments made by a noncustodial parent were thus paid to the child support agency rather than the AFDC family. If the child support payment was not large enough to disqualify the family from AFDC, the first fifty dollars of the child support payment was paid to the AFDC family each month as a “pass-through.” In addition, the pass-through was disregarded in the families’ benefit computation. The remaining portion of the child support payment that was not paid to the AFDC family was split between the state and federal government as reimbursement for monthly cash assistance payments. Under waivers, some states changed the pass-through amount and other states treated child support payments as unearned income, disregarding some portion of the payment for the purposes of benefit computation.

PRWORA repealed the federal law requiring the fifty dollar pass-through. Under PRWORA, a portion of the child support payment is paid to the federal government based on the Medicaid match rate in effect September 1996. The remaining portion of the payment is kept by the states. States may choose to discontinue the pass-through or maintain the pass-through at their own expense.

Table VI.6 shows that 18 states have maintained the fifty dollar pass-through that originated under AFDC, but 4 of those states have maintained the pass-through on a temporary basis. Thirty-three states have changed the pass-through amount significantly. Of those, 29 states discontinued the child support pass-through completely and one state (Kansas) maintains the child support pass-through at a reduced level, passing through forty dollars of the child support payment to the families. Two states increased the pass-through amount (Connecticut, Nevada), and one state (Wisconsin) passes through the entire child support payment, allowing families to keep a larger portion of the child support payment each month without lowering the families’ cash assistance benefits.

Table VI.6: Amount of Child Support Pass-through

State	Amount of Child Support Pass-through	State	Amount of Child Support Pass-through
Alabama	\$50	Montana	*
Alaska	50 ¹	Nebraska	*
Arizona	*	Nevada	\$75
Arkansas	*	New Hampshire	*
California	50	New Jersey	50
Colorado	*	New Mexico	50 [†]
Connecticut	100	New York	50
Delaware	50	North Carolina	*
Dist. of Columbia	*	North Dakota	*
Florida	*	Ohio	*
Georgia	*	Oklahoma	50 ^{†2}
Hawaii	*	Oregon	*
Idaho	*	Pennsylvania	50 ³
Illinois	50	Rhode Island	50
Indiana	*	South Carolina	*
Iowa	* ⁴	South Dakota	*
Kansas	40	Tennessee	*
Kentucky	*	Texas	50
Louisiana	*	Utah	*
Maine	50	Vermont	* ⁵
Maryland	*	Virginia	50
Massachusetts	50	Washington	*
Michigan	50 [†]	West Virginia	50 ⁶
Minnesota	*	Wisconsin	Entire grant ⁷
Mississippi	*	Wyoming	*
Missouri	50 [†]		

Source: Office of Child Support Enforcement, "Child Support Report," December, 1997; and Urban Institute summary of state TANF decisions as of October 1997.

* State discontinued the child support pass-through.

† The child support pass-through is only in effect temporarily in these states.

1. The child support pass-through may continue past June 30, 1998 based on legislative approval.
2. The child support pass-through is only in effect until December 31, 1997.
3. Legislation passed in the fall of 1997 by the Pennsylvania state Legislature required the Department of Public Welfare to change the method of calculating the child support pass-through. However, Pennsylvania is currently under court order to continue the \$50 child support pass-through according to pre-welfare reform regulations until the resolution of pending litigation.
4. The child support pass-through is continued at \$50 for those receiving TANF assistance prior to July 1, 1997.
5. The child support pass-through is continued for recipients in a small control group. For recipients in the statewide demonstration, pass through the entire grant, deducting any amount in excess of \$50 from the cash assistance benefit.
6. The child support pass-through is replaced by an additional cash benefit which is equal to the amount of child support collected for the family, not to exceed \$50.
7. Wisconsin Works recipients receive the entire child support payment, all of which is disregarded for benefit computation but not for eligibility determination. A control group receives up to \$50 or the state share of the child support payment, whichever is greater, to be disregarded for cash assistance benefit computation but not for eligibility determination.

VII. Administration

Potential for County-Level Variation in Program Rules

The TANF block grant gives states greater flexibility than they had under AFDC to allow for differences in cash assistance programs across localities within a state. Under AFDC there were often differences across the state regarding the work and training programs that were offered to AFDC recipients, as well as the availability of supportive services such as child care. Also, the amount of the benefit payment often varied due to differences in the cost of living within the state. However, program rules related to the determination of eligibility and benefits were required to be uniform across the state. Under waivers, some intra-state variation in program rules occurred because pilot programs were run in selected counties, but these were granted only with federal permission and with the intention of testing the benefits of the waiver provisions.

Under TANF, states have the flexibility to operate cash assistance programs that differ across localities within the state. The differences that existed under AFDC regarding work programs and supportive services will likely remain, but now states also have the option to vary rules related to basic eligibility, work requirements, and time limits. In this section we will not attempt to describe differences in work programs and the availability of supportive services within states because these differences are difficult to determine using state TANF plans, legislation, and regulation.²⁷ We will, however, describe state policies that specifically allow counties to make their own decisions regarding program eligibility rules, benefit payment methods, work program exemptions or sanctions, time limit policies, or other policies determined in most states by the state department responsible for TANF administration.

We have identified two ways in which states delegate to counties responsibility for determining program rules. First, a state may allow each county to make a policy decision within the bounds established by the state regarding that provision; for example, a state may allow counties to vary the work exemption age for the parent of a young child, provided that it does not exceed 12 months. The states that have allowed these types of county options are shown in Table VII.1. Second, a state may allow counties to apply for waivers from state program rules and to implement their own program rules with state permission. The states allowing for county waivers are shown in Table VII.2.

Table VII.1 lists 5 states that have given counties options with respect to basic program rules. Four states (California, Colorado, Minnesota, and New York) have given counties options regarding exemptions from work activities and sanctions for noncompliance. Four states (California, Colorado, Minnesota, and Ohio) have given counties flexibility in designing certain aspects of their diversion assistance programs. Three states (California, Colorado, and Minnesota) have given counties the option to exempt victims of domestic violence from at least some program requirements.

27. We also will not discuss the use of local boards in states with state-administered systems created for the purpose of planning and organizing program implementation at the local level. Florida's WAGES coalitions are one example of the use of local planning boards. These systems are beyond the scope of this paper because they do not affect the program rules faced by families receiving assistance under TANF.

Table VII.2 lists 5 states that allow counties to apply for a waiver from state program rules.²⁸ California and Colorado allow counties to obtain waivers but they will not allow waivers that alter basic eligibility rules and cash assistance amounts. Maryland, New York, and North Carolina do not have specific restrictions of this type, however, the state must approve the plans developed by counties. North Carolina also specifically limits the number of counties that may receive state approval to operate their own plan by limiting the number of recipients in counties running their own programs to 15.5% of the total state caseload.

28. Indiana has enacted legislation that will allow local planning councils (typically at the county level) to seek permission from the state to operate demonstration projects. This is not included in Table VII.2 because it is unclear from the information sources used for this paper which program rules, if any, could be waived by the state.

Table VII.1: Program Rules Determined by Counties*

California	<ul style="list-style-type: none"> • Counties may increase the work requirement exemption age for parents of young children from 6 months up to 12 months, or they may reduce it to 12 weeks • For families receiving diversion assistance payments, counties may establish the amount of assistance and the form of the payment • Counties may exempt victims of domestic violence from any program requirements that put them at risk of further abuse, including time limits and work requirements
Colorado	<ul style="list-style-type: none"> • Counties may require participation in work activities at any time within 24 months • Counties may determine exemptions from work requirements • Counties may set the time period for sanctions between 1-3 months for the first two sanctions and 3-6 months for subsequent sanctions; they may also increase the work sanction amount for the first two sanctions from a partial to a full benefit sanction • Counties may offer diversion assistance payments for families eligible for cash assistance and/or families ineligible for cash assistance, and counties determine most of the rules for these programs • Counties may supplement the basic cash assistance grant (which is set by the state) with other assistance intended to promote sustainable employment in the form of cash or supportive services • Counties may waive any program requirements, except work requirements, for victims of domestic violence
Minnesota	<ul style="list-style-type: none"> • Counties determine eligibility for diversion assistance payments • Counties decide when to exempt victims of domestic violence from time limits and work requirements • Counties determine time line for participation in work activities within 6 months • For the second and subsequent sanctions for noncompliance with work requirements, counties have the option of paying utility costs as a vendor payment (they are required to pay rent as a vendor payment)
New York	<ul style="list-style-type: none"> • Counties may increase the work requirement exemption age for parents of young children from 3 months to 12 months • Counties have the option to run the Child Assistance Program, which alters program rules for single parents who have a child support order and volunteer for the program¹
Ohio	<ul style="list-style-type: none"> • Counties establish criteria for time limit exemptions and determine for each family whether good cause exists for granting an extension to time limits • Counties must design a Prevention, Retention, and Contingency Program that provides diversion assistance and other services to families, and they may adopt the model designed by the state or create their own program

Source: Urban Institute summary of state TANF decisions as of October 1997.

* This table does not include information on county variation in the availability of child care, support services or work program activities

1. For more information on the Child Assistance Program, see *The New York State Child Assistance Program: Five Year Impacts, Costs, and Benefits*, William Hamilton et. al., Abt Associates, Inc., October 1996.

Table VII.2: States Allowing Counties to Obtain Waivers of TANF Program Rules

California	Counties may receive permission to operate 3 year pilot projects to test alternative service delivery methods, however pilot programs must offer job search, work experience, and supportive services programs and waivers may not be granted in the several areas, including: restriction of eligibility or reduction of grant levels; dispute resolution, sanctions, or penalties; and child support provisions.
Colorado	Counties may receive waivers to improve methods of achieving self-sufficiency, meeting work participation requirements, or reducing dependency. Rules may be waived for any program provisions other than: statewide eligibility rules; the amount of the basic cash assistance grant; elimination of participants' right to appeal; and requirements under federal law
Maryland	Counties may request waivers from the state to change any FIP (Maryland's TANF program) statutes or regulations for a maximum 2 year period as long as the proposed changes are cost neutral, promote the goals of FIP, and do not conflict with federal regulations.
New York	The Local Flexibility Incentive Pilot Program allows counties to develop programs that are innovative or more efficient at moving recipients towards self-sufficiency, and to request waivers from the state for any program rules that are barriers to the success of the program.
North Carolina	Counties may submit plans to the state for approval that would allow them to design their own cash assistance program. Provisions that may differ from the state program include eligibility criteria, benefit levels, time limits, and work program requirements and sanctions. The state will approve county plans such that no more than 15.5% of the state's total caseload is in counties operating their own programs.

Source: Urban Institute summary of state TANF decisions as of October 1997.

Appendix Table A.1: Detailed Income Eligibility Rules for TANF Recipients

State	Income Eligibility Rules for Recipients in Order to Receive a Cash Payment
Alabama	Net income must be less than the payment standard
Alaska	Gross income must be less than 185% of the need standard Net income must be less than the payment standard
Arizona	Gross income must be less than 185% of the need standard Net income must be less than the payment standard
Arkansas	Net income must be \$223 or less.
California	Net income must be less than the payment standard
Colorado	Gross income must be less than 185% of the need standard Net income must be less than the payment standard
Connecticut ¹	Gross earnings must be less than the Federal Poverty Level Unearned income must be less than the need standard and the payment standard
Delaware	Gross income must be less than 185% of the need standard Net income must be less than the payment standard ²
Dist. of Columbia	Gross income must be less than 185% of the need standard Net income must be less than the payment standard
Florida	Gross income must be less than 130% of the Federal Poverty Level Net income must be less than the payment standard
Georgia	Gross income must be less than 185% of the need standard Net income must be less than the payment standard
Hawaii	Gross income must be less than 185% of the need standard Net income must be less than the 1993 Federal Poverty Level Net income must be less than the payment standard
Idaho	Net income must be less than 33% of the 1997 Federal Poverty Level
Illinois	Gross income must be less than the Federal Poverty Level Net income must be less than the payment standard
Indiana	Net income must be less than the Federal Poverty Level Net income must be less than the payment standard ³
Iowa	Gross income must be less than 185% of the need standard Net income must be less than the payment standard
Kansas	Gross income must be less than 185% of the need standard Net income must be less than the payment standard
Kentucky	Gross income must be less than 185% of the need standard Net income must be less than the payment standard
Louisiana	Net income must be less than the payment standard

1. Rules shown are those that apply to families subject to the time limit.

2. Delaware uses the term “payment standard” in state regulations differently from the way it is used in this table. Delaware uses the term “payment standard” to mean a benefit cap, that is, the maximum benefit that will be paid to a family. In this table and in most states, the payment standard refers to the amount from which net income is subtracted in order to calculate the benefit amount, while Delaware uses the need standard to refer to this amount. For Delaware’s entry in this table, references to the payment standard are equivalent to the need standard.

3. Families whose net income is above the payment standard but less than the Federal Poverty Level do not receive a cash assistance grant. However, such families are still treated as TANF recipients and are eligible for TANF related services.

Appendix Table A.1: Detailed Income Eligibility Rules for TANF Recipients (continued)

State	Income Eligibility Rules for Recipients in Order to Receive a Cash Payment
Maine	Gross income must be less than 185% of the need standard Net income must be less than the payment standard
Maryland	Net income must be less than the payment standard
Massachusetts	Gross income must be less than 185% of the need standard Net income must be less than the payment standard
Michigan	Net income must be less than the payment standard
Minnesota	Net income must be less than the payment standard (called the transitional standard)
Mississippi	Gross income must be less than 185% of the need standard ⁴ Net income must be less than the payment standard
Missouri	Gross income must be less than 185% of the need standard Net income must be less than the payment standard
Montana	Gross income must be less than 185% of the need standard Net income must be less than the payment standard
Nebraska	Net income must be less than the payment standard
Nevada	Gross income must be less than 185% of the need standard ⁵ Net income must be less than the payment standard
New Hampshire	Net income must be less than the payment standard
New Mexico	Gross income must be less than 185% of the need standard Net income must be less than the payment standard
New Jersey	Net income must be less than the maximum benefit (\$424 for a family of 3)
New York	Gross income must be less than 185% of the need standard (For families receiving a shelter allowance, gross income must be less than the 1996 federal poverty level.) Net income must be less than the payment standard
North Carolina	Gross income must be less than 185% of the need standard Net income must be less than the payment standard
North Dakota	Net income must be less than the payment standard ⁶
Ohio	Gross income must be less than 185% of the need standard Net income must be less than the payment standard
Oklahoma	Gross income must be less than 185% of the need standard Net income must be less than the payment standard
Oregon	Gross income must be less than the Countable Income Limit (\$616 for a family of 3) Net income must be less than the payment standard
Pennsylvania	Gross income must be less than 185% of the need standard Net income must be less than the payment standard
Rhode Island	Net income must be less than the payment standard

4. This income eligibility test does not apply to families that are receiving the 6 month 100% earnings disregard.

5. This income eligibility test does not apply to families that are receiving the 100% earnings disregard available for the first three months of earnings.

6. For the initial two months of eligibility, gross income must also be less than 106% of the need standard.

Appendix Table A.1: Detailed Income Eligibility Rules for TANF Recipients (continued)

State	Income Eligibility Rules for Recipients in Order to Receive a Cash Payment
South Carolina	Gross income must be less than 185% of the need standard Net income must be less than the payment standard
South Dakota	Net income must be less than the payment standard
Tennessee	Gross income must be less than 185% of the need standard Net income must be less than the payment standard
Texas	Gross income must be less than 185% of the need standard Net income must be less than the payment standard
Utah	Gross income must be less than 185% of the need standard Net income must be less than the payment standard
Vermont	Gross income must be less than 185% of the need standard Net income must be less than the payment standard
Virginia ⁷	Earnings must be less than the Federal Poverty Level
Washington	Gross income must be less than 185% of the need standard Net income must be less than the payment standard
West Virginia	Gross income must be less than 185% of the need standard Net income must be less than the payment standard
Wisconsin	Gross income must be less than 115% of the Federal Poverty Level
Wyoming	Net income must be less than the payment standard

Source: Urban Institute summary of state TANF decisions as of October 1997.

7. Rules shown are those that apply to families subject to the time limit.

Appendix Table A.2: Detailed Sanction Rules for Noncompliance with Work Requirements

State	Sanctions resulting from failure to comply with work requirements without good cause: (length of each sanction is the number of months stated or until compliance, whichever is longer)
Alabama	<i>First 3 months of noncompliance (consecutive or not): 25% reduction in benefit; Noncompliance in excess of 3 months (consecutive or not), first instance: termination of benefit for 1 month; Noncompliance in excess of 3 months (consecutive or not), subsequent instances: termination of benefit for 6 months.</i>
Alaska	<i>First instance of noncompliance: removal of adult from benefit for 1 month; Second instance of noncompliance: removal of adult from benefit for 6 months; Subsequent instances of noncompliance: removal of adult from benefit for 12 months.</i>
Arizona	<i>First month of noncompliance: 25% reduction in benefit for 1 month; Second month of noncompliance: 50% reduction in benefit for 1 month; Subsequent months of noncompliance: termination of benefit for 1 month.</i>
Arkansas	<i>First instance of noncompliance: termination of benefit; Second instance of noncompliance: termination of benefit for 3 months.¹</i>
California	<i>First instance of noncompliance: removal of adult from benefit; Second instance of noncompliance: removal of adult from benefit for 3 months; Subsequent instances of noncompliance: removal of adult from benefit for 6 months.²</i>
Colorado	<i>First instance of noncompliance: 25% reduction in benefit for 1-3 months; Continued noncompliance after 1-3 months or second instance of noncompliance: 50% reduction in benefit for 1-3 months; Continued noncompliance after another 1-3 months or subsequent instances of noncompliance: termination of benefit for 3-6 months.³</i>
Connecticut	<i>First instance of noncompliance: 20% reduction in benefit for 3 months; Continued noncompliance after 3 months or second instance of noncompliance: 35% reduction in benefit for 6 months; Continued noncompliance after another 6 months or subsequent instances of noncompliance: termination of benefit for 3 months.</i>
Delaware	<i>First instance of noncompliance: 1/3 reduction in benefit; Continued noncompliance after 2 months or second instance of noncompliance: 2/3 reduction in benefit; Continued noncompliance after another 2 months or subsequent instances of noncompliance: termination of benefit, permanently.</i>
Dist. of Columbia	<i>First instance of noncompliance: removal of adult from benefit. Second instance of noncompliance: removal of adult from benefit for 3 months. Subsequent instances of noncompliance: removal of adult from benefit for 6 months.</i>

1. Arkansas: If the imposition of the sanction would result in the children in the home being removed to foster care, then the sanction for both first and subsequent instances of noncompliance is a 25% reduction of benefit.

2. California: If a parent or caretaker has been subject to a sanction for over 3 months, the county must issue vouchers or vendor payments for at least rent and utilities, until the parent is no longer sanctioned.

3. Colorado: For each sanction, counties have the option to determine the length of time for which the benefit reduction will be applied, within the range specified. Also, although the state has set the first and second sanctions at 25% and 50% benefit reduction, it has given counties the option of increasing this to a full benefit sanction.

Appendix Table A.2: Detailed Sanction Rules for Noncompliance with Work Requirements (continued)

State	Sanctions resulting from failure to comply with work requirements without good cause: (length of each sanction is the number of months stated or until compliance, whichever is longer)
Florida	<i>First instance of noncompliance:</i> termination of benefit; <i>Second instance of noncompliance:</i> termination of benefit and termination of Food Stamps benefit until 30 days of compliance (benefits for children until 12 may continue through protective payee); <i>Subsequent instances of noncompliance:</i> termination of benefit and termination of Food Stamps benefit for 3 months (benefits for children until 12 may continue through protective payee);.
Georgia	<i>First instance of noncompliance:</i> 25% reduction in benefit for 1 month; <i>Continued noncompliance after 3 months or second instance of noncompliance within 24 months:</i> termination of benefit for life.
Hawaii	<i>First instance of noncompliance:</i> removal of adult from benefit; <i>Second instance of noncompliance:</i> removal of adult from benefit for 3 months; <i>Subsequent instances of noncompliance:</i> removal of adult from benefit for 6 months.
Idaho	<i>First instance of noncompliance:</i> termination of benefit for 1 month; <i>Second instance of noncompliance:</i> termination of benefit for 3 months; <i>Subsequent instances of noncompliance:</i> termination of benefit for life.
Illinois	<i>First instance of noncompliance:</i> 50% reduction in benefit. If noncompliance continues for 3 months, termination of benefit; <i>Second instance of noncompliance:</i> 50% reduction in benefit for 3 months. If noncompliance continues for 3 months, termination of benefit; <i>Subsequent instances of noncompliance:</i> termination of benefit for 3 months.
Indiana	<i>First instance of noncompliance:</i> removal of adult from benefit for 2 months; <i>Second instance of noncompliance:</i> removal of adult from benefit for 12 months; <i>Subsequent instances of noncompliance:</i> removal of adult from benefit for 36 months.
Iowa	<i>First instance of noncompliance:</i> removal of adult from benefit for 3 months followed by termination of benefits for 6 months; <i>Subsequent instances of noncompliance:</i> termination of benefits for 6 months.
Kansas	<i>First instance of noncompliance:</i> termination of benefit; <i>Subsequent instances of noncompliance:</i> termination of benefit for 2 months.
Kentucky	<i>Noncompliance due to failure to attend assessment:</i> termination of benefit. <i>Noncompliance due to failure to meet required work activity:</i> removal of adult from benefit.
Louisiana	<i>First instance of noncompliance:</i> removal of adult from benefit for 3 months. If noncompliance continues after 3 months, termination of benefit; <i>Subsequent instances of noncompliance:</i> termination of benefit.
Maine	<i>First instance of noncompliance:</i> removal of adult from benefit; <i>Second instance of noncompliance:</i> removal of adult from benefit for 3 months; <i>Subsequent instances of noncompliance:</i> removal of adult from benefit for 6 months.
Maryland	<i>First instance of noncompliance:</i> termination of benefit; <i>Second instance of noncompliance:</i> termination of benefit until 10 days of compliance; <i>Subsequent instances of noncompliance:</i> termination of benefit until 30 days of compliance.
Massachusetts	<i>First instance of noncompliance:</i> removal of adult from benefit <i>Continued noncompliance after 1 month or subsequent instances of noncompliance:</i> termination of benefit.

Appendix Table A.2: Detailed Sanction Rules for Noncompliance with Work Requirements (continued)

State	Sanctions resulting from failure to comply with work requirements without good cause: (length of each sanction is the number of months stated or until compliance, whichever is longer)
Michigan	<p><i>Instance of noncompliance during first 2 months of assistance:</i> termination of benefit; <i>First instance of noncompliance after first 2 months of assistance:</i> 25% reduction in benefit, including food stamps, for 1 month; <i>Continued noncompliance after 4 months:</i> termination of benefit, including food stamps, for 1 month.</p>
Minnesota	<p><i>First instance of noncompliance:</i> 10% reduction in benefit for 1 month; <i>Continued noncompliance after 1 month or subsequent instances of noncompliance:</i> payment of rent as vendor payments, with cash remainder paid to the family for six months. For the second month of the sanction or until compliance, whichever is longer, the cash remainder will be reduced by an amount equal to 30% of the standard benefit paid to family.</p>
Mississippi	<p><i>First instance of noncompliance:</i> termination of benefit for 2 months; <i>Second instance of noncompliance:</i> termination of benefit for 6 months; <i>Third instance of noncompliance:</i> termination of benefit for 12 months; <i>Subsequent instances of noncompliance:</i> termination of benefit for life.</p>
Missouri	<p><i>First instance of noncompliance:</i> removal of adult from benefit; <i>Second instance of noncompliance:</i> removal of adult from benefit for 3 months; <i>Subsequent instances of noncompliance:</i> removal of adult from benefit for 6 months.</p>
Montana	<p><i>First instance of noncompliance:</i> removal of adult from benefit for 1 month; <i>Second instance of noncompliance:</i> removal of adult from benefit for 3 months; <i>Third instance of noncompliance:</i> removal of adult from benefit for 6 months; <i>Subsequent instances of noncompliance:</i> removal of adult from benefit for 12 months.</p>
Nebraska	<p><i>First instance of noncompliance:</i> termination of benefit for 1 month; <i>Second instance of noncompliance:</i> termination of benefit for 3 months; <i>Subsequent instances of noncompliance:</i> termination of benefit for 12 months or until end of 48 month time-limit period, whichever is shorter.</p>
Nevada	<p><i>First instance of noncompliance:</i> <u>First level sanction for noncompliance:</u> 1/3 or pro-rata reduction of benefit, whichever is greater, for 1 month; if noncompliance continues for second month: 2/3 or pro-rata reduction of benefit, whichever is greater, for 1 month; if noncompliance continues for third month: 100% reduction of benefit for 3 months.</p> <p><i>Next instance of noncompliance:</i> If previous sanction ended with compliance in the first of second month then return to first level sanction. If not, then next instance of noncompliance results in second level sanction. <u>Second level sanction for noncompliance:</u> 1/3 or pro-rata reduction of benefit, whichever is greater, for 1 month; if noncompliance continues for second month: 2/3 or pro-rata reduction of benefit, whichever is greater, for 1 month; if noncompliance continues for third month: 100% reduction of benefit for 6 months.</p> <p><i>Next and subsequent instances of noncompliance:</i> If previous sanction ended with compliance in the first of second month then return to second level sanction. If not, then next instance of noncompliance results in third level sanction. <u>Third level sanction for noncompliance:</u> 1/2 or pro-rata reduction of benefit, whichever is greater, for 1 month; if noncompliance continues for second month: termination of benefit for life.</p>

Appendix Table A.2: Detailed Sanction Rules for Noncompliance with Work Requirements (continued)

State	Sanctions resulting from failure to comply with work requirements without good cause: (length of each sanction is the number of months stated or until compliance, whichever is longer)
New Hampshire	<i>First instance of noncompliance:</i> removal of adult from benefit for 1 payment period; <i>Continued noncompliance after 3 months:</i> removal of adult from benefit and 1/3 reduction of remainder for 1 payment period; <i>Continued noncompliance after another 3 months:</i> removal of adult from benefit and 2/3 reduction of remainder for 1 payment period. ⁴
New Jersey	<i>First instance of noncompliance:</i> removal of adult from benefit for one month. After 3 months of noncompliance the case is closed; <i>Second instance of noncompliance:</i> removal of adult from benefit for two months. If continued noncompliance after first month, termination of benefit for second month. If continued noncompliance after second month, case is closed; <i>Subsequent instances of noncompliance:</i> termination of benefit for 3 months. After 3 months of noncompliance, case is closed.
New Mexico	<i>First instance of noncompliance:</i> 33% reduction in benefit; <i>Continued noncompliance after 3 months or second instance of noncompliance:</i> 66% reduction in benefit; <i>Continued noncompliance after another 3 months or subsequent instances of noncompliance:</i> case is closed.
New York	<i>First instance of noncompliance:</i> removal of adult from benefit; <i>Second instance of noncompliance:</i> removal of adult from benefit for 3 months; <i>Subsequent instances of noncompliance:</i> removal of adult from benefit for 6 months.
North Carolina	<i>First instance of noncompliance:</i> \$50 reduction in benefits for 3 months; <i>Second instance of noncompliance:</i> \$75 reduction in benefits for 3 months; <i>Third instance of noncompliance:</i> \$75 reduction in benefits for 6 months; <i>Subsequent instances of noncompliance:</i> \$75 reduction in benefits for 12 months.
North Dakota	<i>First instance of noncompliance:</i> removal of adult from benefit for 1 month. Case is closed after 6 months continued noncompliance; <i>Second instance of noncompliance:</i> removal of adult from benefit for 2 months. Case is closed after 4 months continued noncompliance; <i>Subsequent instances of noncompliance:</i> removal of adult from benefit for 3 months. Case is closed after 4 months continued noncompliance.
Ohio	<i>First instance of noncompliance:</i> termination of benefit for 1 month; <i>Second instance of noncompliance:</i> termination of benefit for 3 months; <i>Subsequent instances of noncompliance:</i> termination of benefit for 6 months.
Oklahoma	<i>Each instance of noncompliance:</i> termination of benefit
Oregon	<i>First instance of noncompliance:</i> \$50 reduction in benefit; <i>Continued noncompliance after 2 months or second instance of noncompliance:</i> removal of adult from benefit; <i>Continued noncompliance after 5 months or subsequent instance of noncompliance:</i> termination of benefit.

4. New Hampshire: If a recipient ends a sanction by complying with work requirements and subsequently fails to comply within 6 months of the end of the most recent sanction, the sanction applied begins at the next highest level from the most recent sanction. If a recipient ends a sanction by complying with work requirements and subsequently fails to comply 6 months after the most recent sanction, the initial sanction is applied. The payment period is equivalent to half a month.

Appendix Table A.2: Detailed Sanction Rules for Noncompliance with Work Requirements (continued)

State	Sanctions resulting from failure to comply with work requirements without good cause: (length of each sanction is the number of months stated or until compliance, whichever is longer)
Pennsylvania	<p><u>During first 24 months of assistance:</u>⁵ <i>First instance of noncompliance:</i> removal of adult from benefit for 30 days; <i>Second instance of noncompliance:</i> removal of adult from benefit for 60 days; <i>Subsequent instances of noncompliance:</i> removal of adult from benefit permanently.</p> <p><u>After first 24 months of assistance:</u> <i>First instance of noncompliance:</i> termination of benefit for 30 days; <i>Second instance of noncompliance:</i> termination of benefit for 60 days; <i>Subsequent instances of noncompliance:</i> termination of benefits permanently.</p>
Rhode Island	<p><u>During first 24 months of assistance:</u> <i>Each instance of noncompliance:</i> removal of adult from benefit.</p> <p><u>After first 24 months of assistance:</u> <i>First instance of noncompliance:</i> 110% of adult’s portion of benefit; <i>Continued noncompliance after 6 months or second instance of noncompliance:</i> 120% of adult’s portion of benefit; <i>Continued noncompliance after another 6 months or third instance of noncompliance:</i> 130% of adult’s portion of benefit; <i>Continued noncompliance after another 6 months or fourth instance of noncompliance:</i> 140% of adult’s portion of benefit; <i>Continued noncompliance after another 6 months or subsequent instances of noncompliance:</i> removal of adult from benefit and payment made to third party for children’s use.</p>
South Carolina	<p><i>Each instance of noncompliance:</i> termination of benefit until 30 days after compliance.</p>
South Dakota	<p><i>First instance of noncompliance:</i> 50% reduction in benefit for one month; <i>Continued noncompliance after 1 month or subsequent instances of noncompliance:</i> termination of benefit for one month.</p>
Tennessee	<p><i>First instance of noncompliance:</i> termination of benefit; <i>Subsequent instances of noncompliance:</i> termination of benefit for 3 months.</p>
Texas	<p><i>First instance of noncompliance:</i> \$78 reduction of benefit (if one parent fails to comply), \$125 reduction of benefit (if both parents fail to comply) for 1 month; <i>Second instance of noncompliance:</i> \$78 reduction of benefit (if one parent fails to comply), \$125 reduction of benefit (if both parents fail to comply) for 3 months; <i>Subsequent instances of noncompliance:</i> \$78 reduction of benefit (if one parent fails to comply), \$125 reduction of benefit (if both parents fail to comply) for 6 months;</p>
Utah	<p><i>First month of noncompliance:</i> Removal of adult from benefit (fixed at \$100); <i>Continued noncompliance after 2 months:</i> case closure.</p>

5. Also during the first 24 months of assistance: if an employed individual voluntarily, without good cause, reduces his or her earnings by not working an average of at least 20 hours per week, the cash grant is reduced by the dollar value of the income that would have been earned if the recipient had fulfilled the requirement. The reduction continues until the requirement is met.

Appendix Table A.2: Detailed Sanction Rules for Noncompliance with Work Requirements (continued)

State	Sanctions resulting from failure to comply with work requirements without good cause: (length of each sanction is the number of months stated or until compliance, whichever is longer)
Vermont ⁶	<p><u>During first 28 months of assistance:</u> <i>First instance of noncompliance:</i> removal of adult from benefit; <i>Second instance of noncompliance:</i> removal of adult from benefit for 3 months; <i>Subsequent instances of noncompliance:</i> removal of adult from benefit for 6 months.</p> <p><u>After first 28 months of assistance:</u> <i>First instance of noncompliance:</i> housing, fuel, utilities, and food costs paid through vendor process with balance of benefit paid to recipient. Adult required to attend three meetings per month with caseworker; <i>Noncompliance with monthly reporting requirement:</i> termination of benefits.</p>
Virginia	<p><i>First instance of noncompliance:</i> termination of benefit for 1 month; <i>Second instance of noncompliance:</i> termination of benefit for 3 months; <i>Subsequent instances of noncompliance:</i> termination of benefit for 6 months.</p>
Washington	<p><i>First month of noncompliance:</i> removal of adult from benefit until two weeks after compliance; <i>Second month of noncompliance:</i> removal of adult from benefit and grant paid to a protective payee until two weeks after compliance; <i>Third and subsequent months of noncompliance:</i> removal of adult from benefit or 40% reduction of benefit, whichever is greater, and grant paid to a protective payee until two weeks after compliance.</p>
West Virginia	<p><i>First instance of noncompliance:</i> 1/3 reduction of benefit for three months; <i>Continued noncompliance after 3 months or second instance of noncompliance:</i> 2/3 reduction in benefit for three months; <i>Continued noncompliance after 3 months or subsequent instances of noncompliance:</i> termination of benefit for six months.</p>
Wisconsin	<p><i>Failure to complete assigned work hours:</i> reduction of benefit by \$5.15 per hour; <i>Failure to participate in an employment position:</i> termination of benefit; <i>Failure to participate three times in any W-2 employment position activity:</i> ineligibility for participation in that employment component for life.</p>
Wyoming	<p><i>Each instance of noncompliance:</i> termination of benefit for 1 month.</p>

Source: Urban Institute summary of state TANF decisions as of October 1997.

6. For two-parent “unemployed parent” families, the first set of sanctions apply for the first 15 months of assistance and the second set of sanctions apply after the first 15 months of assistance. For both single parent and two parent families, the removal of the adult from benefit continues to apply after 30 or 15 months, respectively, under some circumstances.