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#205 duplicate

WR-TANF-Regulation

February 18, 1998

Olivia Golden, Assistant Secretary
Administration for Children and Families
Office of Family Assistance
5th Floor East
370 L'Enfant Promenade, SW
Washington, DC 20447

Dear Assistant Secretary Golden:

I extend my compliments to the Department for the solid draft regulation on welfare reform that you made available to the public last November. The proposed rule is thorough, well written, and thoughtful. I find myself in agreement with most of the specific requirements set forth in the regulation.

There are, however, a few issues I hope you will consider before publishing the final rule. The broadest issue involves the assumption, which seems to underlie several of your proposals, that states will take advantage of every opportunity to foil the 1996 welfare reform legislation.

I confess that many of us in Congress, based on experience with a number of previous programs, assumed more or less the same thing. But I have now somewhat changed my views. In the first place, there is no question that the welfare reform movement was receiving substantial energy from the waiver experiments states had been conducting since the late 1980s. By the time we passed the welfare reform law in 1996, more than 40 states were already implementing their own reforms, some of them quite original and far-reaching. Although a few states may resist some features of the welfare reform law, most states show no signs of resistance -- and indeed seem in some respects to be ahead of the federal requirements.

In addition, since the welfare law was signed in August 1996, I have experienced something between shock and amazement at the progress states have made in changing the old AFDC program and the bureaucracies that supported it. Like you, we have been visiting program sites, reading reports, talking with others who are conducting systematic studies of state programs, and watching the remarkable decline in the welfare rolls. As a veteran of efforts to reform various federal and state social programs, nearly all of which came to little or nothing, I am astounded at the rapidity of change we are now witnessing.

The most obvious example is the spectacular decline in welfare rolls. Although newspapers and scholarly papers are full of reports about the decline, two facts are especially noteworthy. First, nearly every state has had substantial declines -- 30 states, for example, had declines of over 20 percent between 1994 and 1997. Second, the rate of decline is still increasing. The caseload decline for the 6-month period ending in January 1995 was a little over 1 percent. By July 1996, the 6-month decline was nearly 4 percent, the fastest rate of decline in the program's history. Even so, the 6-month declines for the periods ending in January 1997 and July 1997 were greater still -- about 8 percent and 12 percent respectively. I believe we can conclude the caseload declines will continue for the foreseeable future.

Finally, despite all the scrutiny state reforms are receiving, I am not aware of evidence that states are attempting to undermine the major provisions of the welfare reform law. Race to the bottom, severe reductions in state spending, cutting benefits, avoiding work programs, setting up separate programs to foil federal requirements -- none of these dire predictions have come true.

In short, states initiated the welfare reform movement and, as far as anyone can tell, they are continuing their spirited efforts to reform their welfare programs. I take comfort from the very concrete results states are now producing and believe their performance has earned them more leeway than I was willing to give a mere 18 months ago.

In this regard, I now have mixed emotions about the waiver provision we placed in section 415 of the Social Security Act. Those of us working on the legislation were greatly concerned that states would use their section 1115 waivers to preempt essential features of the legislation. We were particularly concerned that states would weaken the work requirements of section 407 and the time limits specified in section 408(a)(7). Given the growing evidence of successful reform in most states, plus the lack of evidence that states are using their waivers to preempt federal requirements, I would now recommend that we let the waivers run their course. If states do use their waivers to avoid the work requirements or time limits, they will in all likelihood experience a serious jolt when their experiment ends and they must immediately comply with federal rules. In addition, they may find that such moves will make them a magnet for recipients from surrounding states that continue to operate aggressive reforms.

Similar suspicions about state intentions are raised by the separate programs a few states are establishing and many more are contemplating. In discussions with states and advocates, we have noted the consistent concern that the draft regulation's data reporting requirements and restrictions on penalty reductions and corrective compliance are likely to discourage states from setting up separate programs. Like those at HHS who drafted the regulations, I am greatly concerned that by establishing separate programs, states could avoid the data reporting, mandatory work, time limit, and child support requirements imposed on regular programs by federal rules. Even so, useful separate programs might be imagined -- programs for noncitizen children or for addicts, for example.

We understand that a number of individuals and organizations favor combining the report of separate state programs with the 4th quarter report that is required by the regulation. The problem with this approach is that the regulation requires reporting of state-level data and the 4th quarter report is aggregate data. The issue, of course, is whether we need case-level data on separate state programs. I have tried to conclude that we do not because I am sympathetic with state complaints about data reporting. On the other hand, we won't know much about the recipients in these programs if we have only aggregate data. We have been informed by the Congressional Research Service that Colorado, Hawaii, and Illinois have already established separate programs and that these programs involve 25 percent, 50 percent, and 8 percent respectively of their maintenance-of-effort funds. If three states, including two large states, have already established separate programs, it seems likely that more states will do so in the future. Thus, I cannot avoid the conclusion that we need to have case level data in order to know precisely who is participating in these programs. Moreover, it may be difficult for either HHS or the Congress to determine whether separate programs have been established to avoid federal requirements unless we have case-level data.

Given that case-level data seem necessary, perhaps you can respond to the state concern about the high level of data reporting by reducing the number of data elements that must be reported about separate programs.

One more point about separate state programs. I sympathize with your intention to deny penalty relief if the Department detects a "significant pattern" of diverting families into separate programs in order to evade federal rules and goals. The first point to make here is that you are correct to threaten penalties if states use separate programs to avoid federal rules. But my concern, which is widely shared, is how the Department will know that the state program is deliberately designed to avoid federal rules on work, time limits, child support, data reporting, or other matters? I cannot answer this question, but I would suggest that if the Department is not confident that it can make this determination with a high degree of accuracy, then we should err on the side of allowing more state flexibility. Once again, the achievements states have posted so far give me confidence that most states will use separate programs for constructive and appropriate purposes. If a few states try to take advantage of the flexibility that is the heart of the welfare reform law, Congress and the Department can work together to figure out an effective way to stop them. In fact, the need to carefully monitor separate state programs is a major justification for requiring states to report case level data.

Here is one suggestion that might be acceptable to all sides in this debate. Perhaps you can develop guidelines that require full, case-level reporting for some types of separate state programs and less complete, perhaps even aggregate data for other types of state programs. For example, if states established a separate program to subsidize private-sector employment by using a wage subsidy or an EIC-like mechanism, I would be much less concerned about misuse of these funds. On the other hand, if a state set up a separate program and put most of its 2-parent caseload in the program, I would be concerned and would want to know more about both the program and the people participating in the program.

The problem of how much flexibility states should have in implementing their programs also arises with the use of child-only cases. In effect, the draft regulation would disallow the "conversion" of regular cases into child-only cases if the Department finds that the conversion was performed to avoid federal rules. As in the case of separate state programs, the issue here is judging state motivation. How can the Department develop a reliable method for detecting the state's true motivation in allowing cases to be treated as child-only cases? Again, I cannot answer this question. I recommend that, unless the Department has a compelling answer to this question, the regulations err on the side of allowing more state flexibility. Once again, we can work together to discover and deal with states that try to subvert federal rules.

A final issue I want to mention is the draft regulation on work participation rates in 2-parent families. On its face, the statutory requirement that states involve 90 percent of the 2-parent caseload in work activities seems reasonable. However, we have searched the literature and have not found any work programs that were successful in achieving a 90 percent participation rate. Moreover, our discussions with state officials and scholars who study welfare have left us with the clear impression that many families in the 2-parent caseload have serious barriers to work. I applaud your proposal to adjust the penalty for failure to meet the 2-parent requirement so that the penalty reflects the proportion of the entire TANF caseload in 2-parent families, but would support other measures to modify the work requirement for this group. One possibility would be to allow states to count families above the number required to meet the work requirement in the 1-parent caseload toward fulfilling the 2-parent requirement. Thus, for example, if a state exceeded by 100 cases the number of families required to meet the 1-parent work requirement in a particular year, they could count these 100 cases toward fulfilling the 2-parent requirement.

Again, I congratulate you on a fine job on the proposed regulation. I am confident that you will carefully consider the many thoughtful recommendations you are certain to receive and make appropriate adjustments in the draft rule. In so doing, I hope you will find ways to expand even further the substantial flexibility states are now using to such good effect in reforming their welfare programs.

Sincerely,

Clay Shaw

E. Clay Shaw, Jr.
Chairman

ECS/rhm

WR - TANF
Surplus

TANF Funds for Education and Fatherhood Initiatives

What flexibility do states have under current TANF laws and rules?

States have considerable flexibility to use both their *federal* TANF block grant funds and *state* Maintenance of Effort (MOE funds) in ways that are consistent with the four broad purposes of TANF.

Purposes of TANF	**Needy families -- as defined by State**	**All families**
Federal TANF funds can be spent as marked; State MOE funds can be spent on same purposes but must be spent on eligible families.		
1. To provide assistance to needy families	X	
2. To end the dependence of needy parents by promoting job preparation, work, and marriage	X	
3. To prevent and reduce out-of-wedlock pregnancies		X
4. To encourage the formation and maintenance of two-parent families		X

Qualified activities for State MOE purposes	
Cash assistance	X
Child Care	X
Educational activities to increase self-sufficiency, job training and work (except activities or services that the State makes generally available to its residents without cost and without regard to income)	X
Administrative costs up to 15% limit	X
Any other services or benefits reasonably calculated to accomplish a purpose of the TANF program.	X

States have flexibility to define 'needy' and may set different eligibility rules for different benefits and services.

States must meet maintenance of effort requirement by continuing to spend *state* funds at 80% of the level spent in 1994 (75% if they meet the work participation rate requirements). State MOE funds must be spent on "qualified State expenditures", must exceed program spending in 1995, and must be spent on TANF eligible families. TANF eligible families: (1) include a child living with his or her custodial parent or other caretaker relative (or a pregnant woman) and (2) meet financial eligibility standards set by the state. So, under current law, MOE funds could not be spent on educational activities available to the general public.

It is not likely that any use of TANF funds for education or fatherhood activities would count as assistance and therefore such activities would not be subject to the time limits, work requirements, data collection, and child support assignment provisions of TANF.

HHS has clarified state flexibility regarding TANF spending in the final welfare reform rule and in TANF spending guidance.

<u>Examples of how states could spend TANF funds on education within current rules</u>.

- States could use federal TANF funds or state MOE funds to provide education reasonably calculated to help prepare needy children or adults for work. For example, they could define eligibility for certain education services to include families qualify for the free and reduced school lunch program (up to 130% of poverty for free lunch, up to 185% of poverty for reduced lunch), children in Title I schools, or any family under 300% of poverty. Thus, through TANF, states could invest billions of dollars in training, education, and/or apprenticeship programs for needy school children or for their parents, based on the state's definition of needy.

- States could use federal TANF funds to help young people – regardless of income status -- stay in school, since there is a strong correlation between staying in school and lower teen pregnancy rates. HHS has said that special initiatives to keep teens in school are reasonably related to the third purpose of TANF – to reduce out-of-wedlock births. This could include school counselors and after school activities. [Would this cover investments in reduced class size, i.e. if lower teacher: student ratio helps children succeed in the classroom and therefore increases their chances of completing school??]

- States could use federal TANF funds or State MOE funds to increase the educational level of needy young fathers, for example by helping them stay in school, get a GED if they had dropped out of school, or obtain vocational skills training. This could be reasonably calculated to promote job preparation, work and marriage.

- States could use federal TANF funds to increase the educational level of any father to the extent this helped promote two parent families.

- States could use federal TANF or MOE funds to pay for ESL that will help needy families reduce dependence and go to work. This could be combined with life skills/civics education. [check on qualified immigrants]. This would help address the lengthy waiting lists for ESL services in some communities.

- States could use federal TANF or MOE funds to share with employers the cost of on-site education (such as literacy classes or ESL) that help needy adults or youth reduce dependence and promote work.

- States could use federal TANF or MOE funds to pay for education or job training activities at colleges and secondary and technical schools that promote advancement to higher paying jobs and self-sufficiency.

- States could use federal TANF or MOE funds to pay for pre-school or early childhood programs to help needy parents go to work.

- States could use federal TANF or MOE funds to pay for special education services and/or child care for children with special needs that help parents of disabled children go to work or succeed in their jobs[check??]

Examples of how states could spent TANF funds on fatherhood initiatives

- States could use federal TANF funds for a media campaign to promote responsible fatherhood that is reasonably calculated to reduce out-of-wedlock births or promote two-parent families.

- States can use Federal TANF funds or MOE funds for responsible fatherhood initiatives that will improve the capacity of needy fathers to provide financial and emotional support for their children

- States can provide parenting classes, premarital and marriage counseling, and mediation services for families regardless of income.

- States could use federal TANF funds to increase the educational level of any father to the extent this helped promote two parent families [need evidence of correlation between marriage and education level]

- States could use federal TANF funds to provide education, training, and parenting classes for fathers in prison or who are on probation or parole.

NOTE: in addition to flexibility to spend TANF funds on education and fatherhood initiatives, states have tremendous flexibility to use their TANF funds for a wide variety of other benefits and services to help needy families, as defined by the state, meet the purposes of TANF. These services include child care, transportation, non-medical substance abuse and mental health treatment, domestic violence services, housing assistance, and services that help individuals with disabilities go to work.

* skill grant

Options that would require a change a statutory change

1. Allow states who had achieved a certain amount of caseload reduction and made a persuasive case that they could not invest their remaining TANF funds in other appropriate services, to transfer a certain percent of federal TANF funds to education [would need to decide which programs]. This would be similar to a proposal floated by Kasich in March to let states transfer their TANF funds out for broad education programs including school construction or hiring more teachers. This proposal was greeted with concern by other Republicans including Archer, and Governor Thompson who was quoted in an AP story as saying "You've got to be n the realm of what's good for the welfare clientele." Once TANF funds are transferred, they are no longer subject to TANF rules and instead are subject to rules of the program to which they are transferred. Currently, states can transfer up to 30% of their TANF funds to the Social Services Block Grant and Child Care Block Grant.

2. Allow states to count additional spending on education for poor children towards their MOE requirement.

3. Amend TANF law to allow states to use a certain amount or percent of federal TANF funds on education for poor children without transferring funds out of TANF. To the extent the spending would be identified for a specific purpose, this might afford some more ability to control the use the funds than simply transferring them out of TANF altogether. Representative Collins introduced a bill in February amending TANF to include school repair and construction and hiring of elementary and secondary public school teachers to the allowable uses of TANF funds [check status].

Issues

- Non-supplantation – would need to ensure that Federal TANF spending or State MOE spending didn't supplant current state or federal education spending. However, this would be very difficult to track and enforce. If the requirement for was for new spending, how would this be tracked given over $250 billion in state and local education spending.
- Should we focus on education of children or adults? Could decide to focus on pre-school, after school, basic K-12, adult education, post-secondary, or any combination.
- Should Education spending with TANF funds only focus on poor children and/or adults?
- What should link be with caseload reduction? Need to be careful to avoid unintended consequences of encouraging states to reduce caseloads just to free up funds for education.
- Should state be required to submit a plan for how they use the education funds?
- To what extent do we want to limit education spending to Administration priorities?
- Should additional flexibility be tied to outcomes? For example, states could only use TANF funds for education if they agree to report cards and other items in our Title I reauthorization proposal.

BACKGROUND

How are states currently spending TANF funds on education?
Maine uses state MOE funds (in a Separate State Program) to assist up to 2,000 TANF-eligible parents to obtain a 2 or 4 year post-secondary education. Indiana uses state MOE funds to expand the Healthy Families program for TANF-eligible families.

Florida, Michigan, and Utah pay for post-employment education, training and necessary support services after people have left TANF. The California legislature provided TANF funds directly to community colleges to help welfare recipients pursue educational opportunities, including assistance with: child care, work/study employment, job development and placement for students and graduates, curriculum development and redesign to emphasize shorter-term programs. The Oklahoma Department of Human Services uses TANF funds for a contract with the State Regents for Higher Education to provide vocational education to TANF recipients at two-year colleges.

How are states currently spending TANF funds on promoting responsible fatherhood?
A number of states use TANF funds to provide employment and training for low-income and unemployed fathers, typically non-custodial parents who owe child support. Florida and Indiana use TANF funds to provide 'mini-grants' to support community-based fatherhood initiatives.

Georgia has reinvested TANF savings to expand public and private responsible fatherhood programs.

States are running a number of other fatherhood-related initiatives, which may not be funded by TANF, but could be. Florida, Delaware and Illinois provide parenting courses for men in prison. California has a statewide male involvement campaign. Illinois funds 10 male responsibility programs for males age 10-20 to encourage them to stay in school and make responsible choices, including abstinence. Illinois also operates a statewide paternity establishment program for non-custodial parents in prison.

DEPARTMENT OF HEALTH & HUMAN SERVICES

Chief of Staff

Washington, D.C. 20201

WR-TANF Surpluses

MEMORANDUM FOR THURGOOD MARSHALL, JR.

Goody

DATE: December 16, 1998

Forwarded herewith is a Memorandum for the President regarding the latest Temporary Assistance for Needy Families (TANF) data.

Mary Beth

Mary Beth Donahue

Attachment

c: Bruce Reed
Asst to the President, DPC

Jack Lew
Dir, OMB

Cynthia Rice
Special Asst to the President, DPC

Barbara Chow
Assoc to Dir, Human Resources, OMB

THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

DEC 16 1998

MEMORANDUM FOR THE PRESIDENT

I am writing this memorandum to give you notice that our latest Temporary Assistance for Needy Families (TANF) data indicates that States have a substantial amount of unspent TANF funds and to provide you with some initial information about some of the reasons for State delays in spending. While the early expenditure numbers do not have great significance given the early stage of TANF implementation and the unusually strong economy, it is important for us to carefully monitor these expenditures in the months ahead.

We intend to work with the Governors and State agencies to learn more about the reasons for low TANF expenditure levels, encourage further investments in working and hard-to-serve families, and develop guidance that will reduce State uncertainty about how they may use TANF and State maintenance-of-effort funds. Publication of the final TANF regulations (now pending at OMB) should also help States to move forward. In the meantime, it is important that we convey a consistent message about the importance of maintaining investments in low-income working families, the value of investments in "rainy day" funds, and the early nature of these figures.

Third-Quarter FY 1998 Data on State Expenditures.

The financial reports States submitted on their TANF program expenditures through the third quarter of FY 1998 show that States have not obligated about $3 billion of the Federal funds available to them. This amounts to 24 percent of the block grant funds awarded to the States for the first three quarters of FY 1998. (If we include the amounts States carried over from FY 1997, we find that 26 percent of the total Federal funds available for expenditure through June of 1998 was unobligated.)

It is important to note that these figures reflect third-quarter data, meaning that we do not yet know what each State's spending was for the whole of FY 1998. Unfortunately, we do not have enough experience with this new program to make informed predictions of these amounts. For example, one factor that could affect the final State figures for 1998 would be variations in expenditure levels across quarters. Another could be a lag in reporting expenditures. In other words, because this was the first full year of TANF operation, we do not know how well the figures from the first three quarters represent the States' annual expenditure patterns.

Reasons for Delays in State Spending

Despite these limitations on the data, we have sought to improve our information about why some States have large reserves of unobligated funds by looking more carefully at the 12 States that have obligated the smallest portions of their available funds. These States, which represent 80% of the $3 billion total, are: California, Florida, Kansas, Louisiana, Minnesota, New Jersey, New York, Oklahoma, Pennsylvania, Washington, West Virginia, and Wisconsin. As discussed below, the major reasons identified during further discussions include delayed adjustments to caseload reductions, the early nature of these reports, and State decisions to reserve funds.

1. To a significant extent, the spending shortfalls are attributable to the dramatic caseload reductions States have achieved, the unanticipated scale of these reductions (that is, many States did not expect or

budget for as great a decrease as they actually experienced), and the consequent time lag in adjusting to those reductions.

- California, Wisconsin, Florida, Oklahoma, and Minnesota all identified the scale of the caseload reduction as a reason for unexpended funds.

- Staff in one State reported that, in anticipation of caseload increases that it expected when it liberalized eligibility rules under TANF (to provide more benefits to working families), it had cut back on other services. Now that the State has in fact experienced dramatic reductions in caseload, it will increase expenditures on these services.

2. Second, in many States, the expenditure shortfalls reflect the fact that it is still early in TANF implementation. Decisions made during the last session of State legislatures may not yet be in effect. And where the first year of TANF experience has led to new ideas for investment, these new ideas may not be able to be implemented until the State legislature reviews them in the upcoming legislative session. For example:

- California's Legislative Analysis Office expects an upturn in expenditures on work activities over the coming months as more individuals are enrolled in intensive activities. Expenditures are lagging because CalWORKS (which implements more stringent work requirements) just went into effect on January 1, 1998; counties did not begin enrolling large numbers of people until mid-year; and the most expensive services (such as case management, substance abuse services or other intensive services) do not kick in until several months into the program -- after individuals have gone through job search. California also will have grant increases taking effect in November 1998 and again in State fiscal year 1999/2000.

- Pennsylvania has budgeted for increases in child care spending (to be funded in part by a transfer from TANF) that were delayed until new child care regulations were finalized this month.

- West Virginia plans new spending for increased grant levels, increased school clothing allowance, and an increased transportation allowance; the State TANF agency also expects to seek State legislative approval for resources for Individual Development Accounts.

3. In some States, balances of unexpended funds also reflect State caution about moving forward in light of economic uncertainties and a focus on meeting the State spending (MOE) requirements before committing additional Federal dollars.

- A number of States mentioned their desire to be cautious about additional spending in case of future need. Florida's legislature passed legislation requiring the TANF agency to reserve $250 million of its FY 1998 funds as a "rainy day reserve." To put this in perspective, its FY 1998 grant was $576 million. Minnesota and New York also reported their intention to maintain rainy day funds.

- Some States appear to be reluctant to commit dollars for new expenditures without being sure that such a commitment can be sustained for several years into the future. Pennsylvania is holding enough TANF dollars unspent to be able to cover the costs of several years of transportation subsidies, in order to be sure that it can sustain this commitment to transportation.

- Some States are holding back on Federal spending in order to ensure that they meet the State spending (Maintenance of Effort or MOE) requirements in the statute. (Under the statute, States have limited flexibility to adjust their State contributions to the TANF program. Under the TANF MOE requirements, each fiscal year, they must contribute 75 or 80 percent of their historical contributions. However, they do not have to spend any specific share of their Federal TANF funds; they may reserve their Federal funds for future year spending without limitation. As a result, if program spending drops significantly, we expect to see this decline show up disproportionately in the Federal spending numbers.)

4. States appear to vary considerably in whether they have steps underway to invest the unexpended FY 1998 dollars. Some States do have detailed plans, including new and expanded investments in training and services, innovative strategies at State and local levels, grant increases, and transfers of TANF funds to the Social Services Block Grant or the Child Care and Development Block Grant. However, other States appear to be currently without a plan, not focused on the issue, or in the early stages of discussion.

Please let me know if there is any further information that would be useful to you.

Donna E. Shalala

Attachments
Tab A - TANF Expenditure Data
Tab B - Information on 12 States

Temporary Assistance to Needy Families (TANF) Program

FEDERAL AWARDS, TRANSFERS AND EXPENDITURES THROUGH 3RD QT. FY-1998

orted by States / nn A on Form 6 Line Items: 1/	1 TOTAL AWARDED 1/	2 TRANSFERRED TO CCDF	3 TRANSFERRED TO SSBG	4 AVAILABLE FOR TANF	5 CASH AND WORK BASED ASSISTANCE	6 WORK ACTIVITIES	7 CHILD CARE	8 ADMINISTRATION	8(a) SYSTEMS	9 TRANSITIONAL SERVICES	10 OTHER EXPENDITURES	11 TOTAL EXPENDITURES	12 UNLIQUIDATED OBLIGATIONS	13 UNOBLIGATED BALANCE
ma	71,989,996			71,989,996	21,969,769	5,918,104	5,025,404	5,310,195	493,835		8,214,012	46,960,319		25,029,677
	48,950,834			48,950,834	26,812,977	4,535,990		2,521,133	890,508		411,067	35,171,675		13,779,159
a	171,136,145			171,136,145	78,970,076	3,842,993		12,778,066	471,632		20,927,856	117,990,822	53,145,323	
as	43,672,766			43,672,766	7,056,184	4,116,345		2,438,897	831,484	53,701	2,324,868	16,821,259	26,851,507	
nia	2,799,216,932			2,799,216,932	1,959,139,025	59,106,258	8,146,675	70,945,616	22,152,596		183,621,213	2,301,111,583	16,211,172	481,894,177
do	104,493,386		2,127,108	102,366,278	20,544,196	2,215,254		3,183,276	2,263,290		12,448,860	40,654,878		61,711,401
cticut	200,091,080		17,846,273	182,244,807	173,796,372			8,388,060				182,164,432		80,375
re	24,218,236		3,229,098	20,989,138	14,636,947	4,095,618		1,418,449	1,636,689			21,765,703		
of Columbia	69,457,361			69,457,361	34,324,130	3,313,928		4,145,833	685,859			42,469,758	11,983,758	15,003,835
	432,665,163		43,266,516	389,398,647	64,237,134	196,589		6,141,720	3,301,579		18,226,508	92,063,530		297,335,117
a	254,790,155	16,125,000	17,207,051	221,458,104	129,162,981	10,123,631		11,569,959	3,312,198		29,703,511	183,872,280	4,909,901	32,675,922
	74,178,591	3,746,000		70,432,591	51,645,213	3,080,403		4,276,971	497,641			59,500,228	495,503	10,436,860
	31,938,052			31,938,052										31,938,052
	438,792,720			438,792,720	364,245,190	14,693,720		57,018,488	2,835,322			438,792,720		
s	156,099,332			156,099,332	7,249,561	467,318		11,912,280			356,200	19,985,359	135,113,973	
	131,524,859	1,214,089	682,193	129,628,677	33,393,550	9,043,348		6,759,553	228,538		19,250,000	68,682,985	46,735	60,945,692
s	101,931,061			101,931,061	1,679,420	1,265,785		1,496,673			8,339,857	12,783,735		89,147,326
ky	135,965,752	18,000,000	9,200,000	108,765,752	69,356,749	2,940,289		9,895,078	331,666		5,825,042	88,348,827	20,416,925	
ana	126,054,296			126,054,296				26,156,674	1,319,329		6,675,574	34,151,577		91,902,719
	58,590,667	4,100,635	1,875,000	52,615,032	37,024,184	5,668,893		7,847,839	802,738		1,273,380	52,615,032		
nd	171,823,524		17,182,352	154,641,172	100,398,835		9,043	6,348,847	2,427,265	7,998	834,340	110,026,348		44,614,823
chusetts	344,528,337	61,688,290	33,488,751	249,351,296	145,359,913	5,646,698		26,816,829	6,954,545		31,271,872	216,054,957		33,296,339
an	581,514,644	168,000,000	64,519,000	348,995,644	204,158,523	38,664,408		16,514,592	11,889,575		26,642,623	299,999,721		48,995,924
ota	200,988,665		100,000	200,888,665	50,337,669	14,482,228		16,765,543	1,174,581			82,760,052		118,128,613
sippi	66,707,648			66,707,648	18,404,218	7,257,869		3,841,418	500,408	568,232	1,407	30,671,572	20,257,648	14,556,791
ri	162,789,805	8,475,338	4,366,083	149,947,384	43,351,847	12,667,340		11,301,317	5,173,992		1,128,817	73,623,321	76,324,063	
na	35,000,030			35,000,030	15,455,986	2,641,372		2,004,603	676,001		1,033,544	21,811,506	13,188,524	
ska	43,521,434			43,521,434	11,305,045	3,057,130		5,663,383	978,989			21,004,547		22,516,887
a	33,656,890			33,656,890	17,161,337	549,893		1,788,026	3,641,953		2,505,025	25,645,234	8,011,656	
ampshire	28,890,945			28,890,945	16,998,425	1,467,105		1,648,094	3,720,978		2,920,828	26,755,430		2,135,515
rsey	303,026,117		40,403,482	262,622,635	101,547,270	10,262,931		19,555,747	3,974,058			135,339,906		127,182,729
exico	97,004,442	7,607,000		89,397,442	54,415,386			1,992,155	352,304		1,110,556	57,870,401		31,527,041
ork	1,832,197,952	55,000,000	221,000,000	1,556,197,952	863,043,104	51,754,458		175,911,957	2,375,737		127,487,754	1,220,573,010		335,624,942
Carolina	233,201,639	6,099,759	970,581	226,131,299	128,166,467	1,854,262		9,944,488		33,695	24,380,493	164,379,505		61,751,704
Dakota	26,399,809			26,399,809	8,257,254	896,436		3,340,112	2,173,737		122,350	12,888,889		13,510,920
	354,978,017			354,978,017	114,266,465	13,416,600		2,665,410	5,933,961		54,672,977	190,957,403	164,020,614	
oma	111,010,169	5,606,134		105,404,035										105,404,035
	157,808,448			157,808,448	54,130,744	14,431,460	3,707,009	6,174,224	1,829,429		264,224	80,537,110	77,271,338	
ylvania	719,499,305		53,003,526	666,495,779	260,110,153	13,593,238		45,918,282	1,828,587		45,916,875	367,467,135	42,482,984	256,545,660
Island	71,266,190			71,266,190	56,109,064	2,241,448		8,470,886	1,169,502			67,990,898		3,275,292
Carolina	74,975,868			74,975,868	28,363,429	7,476,971		5,601,963	1,892,611		7,783,660	51,118,834		23,857,034
Dakota	16,420,139			16,420,139	3,458,579	924,890		850,075	39,730		2,564,500	7,846,774		8,574,365
ssee	147,537,802		909,900	146,627,902	52,295,710	18,999,328		6,523,285	3,214,119		5,842,523	86,874,965	19,860,323	39,892,614
	374,212,295	12,183,631	18,079,137	343,949,527	143,132,367	2,202,903		12,343,003	4,717,452		56,212,268	218,608,013	125,341,508	
	59,194,045		716,423	58,477,622	26,563,714	15,183,744		4,530,598	582,934		108,205	46,969,195		11,508,427
nt	35,514,886	4,051,545	4,000,000	27,463,341	18,465,794	119,414	338,158	3,335,971	166,446			22,425,783		5,037,558
a	118,713,879	23,742,776	11,871,388	83,099,715	29,514,195	21,010,800	810,075	9,873,582	7,911,842	43,724	330	69,164,548	13,935,168	
ngton	303,248,816			303,248,816	53,641,750	20,843,279		18,020,676	3,541,311		20,548,862	116,796,075	5,340,993	181,111,748
rginia	82,632,233	300,000	3,562,000	78,770,233		465,102		245,953	3,034,018		2,902,111	6,647,184		72,123,049
nsin	317,505,180		23,850,000	293,655,180	21,876,261	1,235,696		9,409,836	8,069,398		3,547,888	44,141,279		249,513,901
ng	16,336,085			16,336,085	457,523	3,767		288,171	200,618			960,079	15,376,005	
	$12,606,881,722	$395,940,197	$593,465,862	$11,617,465,663	$5,745,361,733	$418,136,428	$16,836,364	$894,015,186	$132,198,323	$705,550	$737,492,880	$7,743,855,466	$850,385,631	$3,022,548,223
tages 2/		3%	5%	92%	74%	5%	0%	9%	2%	0%	10%	67%	7%	26%
RAL NOTES:												61%	7%	24%

ble shows information exactly as reported by States in column A on the quarterly TANF report (Form no. ACF-196). States were required to submit this TANF financial data by 8/14/98.

A shows how States used Federal funds.

NOTES:

 amounts reported under this column are the grant awards the States received through the third quarter of FY-98.

NF Transfer percentages are based on the total amount awarded in Column 1. Expenditures percentages are based on the Total Expenditures reported on Column 11. Unliquidated and Unobligated Balances percentages are based on the Amount ilable for TANF reported on Column 4

DETAILED INFORMATION ON SPENDING SITUATION IN TWELVE STATES

California has experienced a 28 percent decline in caseload between January 1995 and August 1998 (going from 925,971 AFDC cases to only 669,237 TANF cases). State staff believes that the current surplus of TANF funds is an anomaly that will not continue. They expect program design changes will increase expenditures. Major changes did not occur until the State implemented the California Work Opportunity and Responsibility to Kids (CALWORKs) program on January 1, 1998. CalWORKs has more stringent work and other requirements than the State's original TANF program. Many counties did not begin enrolling large numbers until mid-year. The initial work activity for most individuals is attendance at job readiness/job search workshops, a relatively low cost CalWORKs component. Those who are not able to find employment immediately often face major barriers (e.g., substance abuse problems) and require more intensive case management and special services. The California Legislative Analysts Office (LAO) has reported that costs are expected to increase once all non-exempt individuals are enrolled in CalWORKs welfare-to-work activities. Also, grant increases became effective in November 1998 and a 2.2 percent cost-of-living increase in assistance will take effect in State fiscal year 1999/2000. Some additional areas in which TANF expenditures are expected to increase are: (1) effective January 1, 1998, California began using TANF funds to provide out-of-home care and other services for children under the jurisdiction of County Juvenile Probation Departments based on the provisions of the Title IV-A Plan in effect on September 30, 1995; (2) California provides TANF assistance to child welfare children who are placed with relatives, and the State is now looking to TANF to help fund kinship care payments for children who are placed with relatives; (3) the State transferred $100 million in FY 1997 TANF funds to the Child Care and Development Fund and an additional $183 million to the Title XX program in the fourth quarter of FY 1998; and (4) California is also transferring State MOE funds to the Southern California Tribal Chairmen's Association (SCTCA) TANF program that was implemented on March 1, 1998. However, even with these various planned activities that are likely to increase expenditures, it is still possible that California will have a pool of unspent funds. This is not viewed negatively by counties that are concerned about how potential economic downturns (e.g., fallout from the Asian economic crisis) could make it more difficult to recipients to find employment and result in TANF caseload increases. A question has also been raised about how California spends Federal and State funds. The State currently spends its Federal TANF funds first. In FY 1998, for example, the State reported very little MOE expenditures for the first three quarters of the fiscal year, but meets the 80 percent requirement when the entire fiscal years expenditures are reviewed. We have advised State staff verbally that its current practice of spending Federal dollars first is contrary to the Cash Management Improvement Act (CMIA) requirements. HHS is currently clarifying questions on CMIA with the Treasury Department and will issue written clarification to the Regions.

Florida has been using FY 1997 funds for much of its FY 98 program operations; through the third quarter of FY 98 it expended approximately $80 million of its FY 1997 TANF grant. It will likely expend an additional $35 million of FY 1997 funds during the last quarter of FY 98 in order to exhaust its left-over FY 1997 funds. Florida attributes its low TANF expenditure rate primarily to its declining caseload. However, since June 1998, Florida's rate of decline in caseload has become flat, and an upturn is possible. As a safeguard against unanticipated significant increases in caseload, the State Legislature passed legislation requiring the TANF agency to reserve $250 million of its FY 1998 funds as a "rainy day reserve." Florida's use of FY 1998 Federal TANF funds is expected to increase during the fourth quarter because: all FY 1997 funds will have been either expended or obligated; it will likely transfer about $56 million in expenditures previously reported against the FY 1997 grant to the FY 1998 grant; it is likely to report additional FY 1998 obligations of about $51 million in previously unreported expenditures; and it will probably report an increase in transfers of about $46 million by the first quarter of FY 99, raising its transfer level to approximately 15% of the total TANF allocation. These actions will reduce the State "surplus" to $192 million, which is $58 million below the States legislative mandate for a $250 million reserve as a rainy day fund.

Kansas's caseload declined 31 percent between FY 1994 and FY 1997, which is the major reason for carryover. It has transferred funds, but could not transfer enough to prevent carryover.

Louisiana's caseload has declined by about 25 percent, from 60,226 in January 1997 (its TANF implementation date) to 45,871 in October 1998. Its 24-month time limit has not begun to affect a significant number of clients. (It will in January 1999.)

Minnesota reduced services to compensate for the liberalized eligibility rules that it implemented to provide more support for working families. However, it experienced higher reductions in its caseload and expenditures than expected. It will now increase services. Other factors affecting its expenditures are its decisions to maintain a "rainy day" reserve and spend MOE funds before spending Federal dollars. The State intends to increase its Federal expenditures in light of the amount available. It has closed out its FY 1997 grant and is working now on FY 1998 money.

New Jersey estimates that its unobligated balance of FY 1998 TANF funds will be $124, 258,000, or 31% of the funds available for TANF. It transferred over $16 million to CCDF and over $40 million to SSBG. State officials expect that it will expend the unliquidated balance in upcoming years. NJ also has questions about allowable claims under TANF, particularly concerning transportation and child care. It feels that the lack of final rules is an obstacle to States as they attempting to use TANF funds for innovative projects.

New York increased transfers of TANF funds to the SSBG and the CCDF in FY 1998. However, in FY 1998, expenditures on cash and work-based assistance were down 13 percent, and expenditures on work activities were down 23 percent. A small portion of New York's unobligated balance represents State Agency TANF administrative costs that have not yet been reported for the third and fourth quarters of FY 1998. Another factor is the continued decrease in caseloads. With the funds, NY intends to build up a "rainy day reserve." It also intends to use the funds to implement a number of new initiatives in employment activities and in other areas.

Oklahoma has reduced its caseload 38 percent between October 1996 (its TANF implementation date) and October 1998 (from 34,901 cases to 21,644 cases). Expenditures on TANF payments were running $10 million per month in 1996 and are now down to $4.99 million as of October 1998.

Pennsylvania expects to increase its expenditure of TANF funds. Recently, it passed new child care regulations, which will permit the State to provide subsidized child care for TANF recipients under CCDF with funds transferred from TANF. The Commonwealth also created a job program for TANF recipients, called WorkNet, which will develop jobs and jobs training for recipients and will soon be operational. Also, PA has budgeted funds for transportation increases, but the Governor has not been willing to release the funds unless it is able to show a decline in the welfare caseload.

Washington's caseload continued to decline in FY 1998. This program has its roots in work search and unsubsidized employment, which are less costly to provide than education and training, subsidized employment, OJT, etc. At the same time, participation in Workfirst did not become mandatory for all welfare recipients until November 1998. Also, the decentralization of the Workfirst Program has resulted in some delays in spending at the local level. Another factor is the increasing amount of funding from sources other than TANF (such as DOL, DOT, HUD) to help with the transition from welfare to work.

West Virginia anticipates new spending. It is planning to transfer $10 million to CCDF. It is also planning to increase its TANF grants by: increasing the basic payment by $100, which will also automatically increase its 10 percent marriage incentive; increasing its annual school clothing allowance; and raising its transportation allowance from $3.00 to $8.00 a day. The TANF agency is also planning to ask its legislature to approve funds for individual development accounts.

Wisconsin has also experienced a declining caseload. The number of cash assistance cases has been declining gradually since March of 1998. The total caseload on cash assistance was 11,453 in April and was down to 10,580 families as of September. Also, the State is still spending FY 1997 TANF funds.

3/15

WR
Tony

TO: ~~Bruce~~
Elena

CC: Cynthia (w/o attachments)
FROM: Andrea

1) Per Bruce's request, here's the CRS study on TANF spending released by W&M committee.

I've also attached:

2) Talking points HHS is using on the Hill — focused on TANF and child care

3) Talking points we had DOL + HHS work on together focused on WtW reauthorization + TANF balances.

4) Summary of '98 spending data compiled by HHS.

Note CRS report generally looks at cumulative 97 and 98 spending levels; HHS data is 98 only (states have now spent or obligated all but $300 million of their 97 funds).

We're working on a more concise summary of the 98 data + trends.

Order Code RL3008:

CRS Report for Congress

Welfare Reform: Unspent TANF Funds

March 8, 1999

Gene Falk
Specialist in Social Legislation
Domestic Social Policy Division

Congressional Research Service • The Library of Congress

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Welfare Reform: Unspent TANF Funds

Summary

The block grant program of Temporary Assistance for Needy Families (TANF) provides fixed grants to states for Fiscal Year (FY) 1997 through FY2002. The annual amount of the basic TANF block grant of $16.5 billion is based on historically high expenditures in the welfare programs that preceded TANF. Welfare caseloads peaked in March of 1994, and have since declined by 43%. With the caseload decline, TANF expenditures have been well below historical levels, leaving some of the TANF grants unexpended. TANF grants are made quarterly to the states, but states must make TANF expenditures to receive the cash. The money that is not spent remains (in the federal treasury) available to help finance future TANF expenditures. At the end of FY1998, the balance of unexpended TANF grants (excluding welfare-to-work grants) was $6.3 billion.

Future expenditures will result from both existing and new commitments that states make to spend TANF funds. At the end of FY1998, states had already obligated about half ($3.2 billion) of the unexpended balance. Generally, these state obligations are commitments to spend in the future. They may be in the form of contracts, grants, or other types of commitments to provide benefits and services in the program. However, states have considerable discretion in the design of their TANF programs, and the definition of "obligation" may vary among state programs. A balance of $3.0 billion remained unexpended *and* unobligated.

The national numbers mask considerable state variation in the share of their grants that remain unexpended. Three states (Connecticut, Illinois, and Maine) reported carrying no balances, having spent all or nearly all of their grants. In contrast, three states (Idaho, Indiana, and Wyoming) reported expending less than 50% of their grants.

In creating TANF, Congress anticipated that TANF grants might be insufficient in any given fiscal year to meet program costs. It gave states the flexibility to "reserve" TANF grants and accrue balances by setting no deadline on the obligation and expenditure of TANF grants. However, there are no accepted norms for assessing the size of TANF balances. To provide some perspective on the size of these balances, they can be compared with the rate of TANF expenditures. The end of FY1998 balance represents about a half a year of federal TANF expenditures at the current rate of expenditure. The obligated and unobligated balances each reflect a quarter year's worth of expenditures. States' ability to finance future expenditures with past years' grants gives them added flexibility in committing the "new money" they will receive from FY1999 and later years' grants. However, to what degree would these balances help states meet unexpected high costs (for example, due to a recession)? The obligated balance is generally unavailable to the state for these purposes, since states have already committed these funds. The unobligated balance, which is available to the state to defray unexpected increases in expenditures, represents about 2½ months of expenditures on cash benefits at the FY1998 expenditure rate. However, it represents only about 1¼ months worth of cash benefits paid at the FY1994 rate, the peak year for the welfare caseload and cash benefit payments.

Cynthia A. Rice 03/14/99 06:26:34 PM

Record Type: Record

To: mbourdet @ os.dhhs.gov
cc: Andrea Kane/OPD/EOP
bcc:
Subject: re: Saturday's Post story on TANF cuts--good quotes from Tho...

I think Gene Falk's point that the TANF unobligated balances represent only 2 1/2 months of 1998 spending and 1 1/2 months of 1994 monthly spending puts these numbers in some useful context.
Mary Bourdette <mbourdet @ os.dhhs.gov>

Mary Bourdette <mbourdet @ os.dhhs.gov>
03/14/99 03:21:52 PM

Please respond to mbourdet@os.dhhs.gov

Record Type: Record

To: Cynthia A. Rice/OPD/EOP
cc:
Subject: re: Saturday's Post story on TANF cuts--good quotes from Tho...

Thanks. Re Olivia's testimony to W/M on cc on Tuesday, we need to coordinate her response on TANF questions.

Also, I got a copy of Gene Falk's new paper on Tanf balances on Friday I'll fax a copy to you. Its pretty "balanced", Both Gene and person from CBO will testify at CC hearing on Tuesday - CBO's baseline #'s are really high - as in $22 B in cumulative unspent balances in FY 2002!!! Thanks for TT article.

Original Text
From: <Cynthia_A._Rice@opd.eop.gov>, on 3/14/99 3:17 PM:
SUBJECT too long. Original SUBJECT is
Saturday's Post story on TANF cuts--good quotes from Thompson and Archer

-------------------- Original Message Follows --------------------

Senate's Welfare Plan Infuriates Governors
Grant Cuts Would Fund Hurricane Aid

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Welfare Reform: Unspent TANF Funds

Introduction

The block grant program of Temporary Assistance for Needy Families (TANF) provides states with fixed grants for each fiscal year (FY) FY1997 through FY2002. Its basic annual block grant is frozen at $16.5 billion, with some supplemental and bonus grants also provided. TANF makes its grants to states quarterly. The $16.5 billion grant is based on peak expenditures in Aid to Families with Dependent Children (AFDC) and AFDC-related programs during the FY1992 through FY1995 period.

AFDC provided unlimited federal matching grants to states to help pay for expenditures in their welfare programs. AFDC grants automatically increased or decreased with rises or falls in state AFDC expenditures. In contrast, the TANF program capped federal grants to states for 6 years, FY1997 through FY2002. This eliminated the direct link between TANF grants and state welfare expenditures. However, in passing TANF, Congress anticipated that TANF grants might be insufficient in any given fiscal year to meet program costs. It provided several sources of federal funding to meet extra costs. One such source is the flexibility provided to "reserve" TANF grants and accrue balances without fiscal year limit, by setting no deadline on the obligation and expenditure of TANF grants.[1]

TANF Grants and Expenditures

TANF grants are made quarterly to the states. However, a grant is not a transfer of cash to the states. A grant permits a state to draw cash from the federal treasury *when needed to pay the state for expenditures in its program*. Essentially, a grant award is like a line of credit to the state. It establishes an amount of cash states may draw from the federal government, but actual cash is drawn only when needed. Except for welfare-to-work grants and contingency funds, there is no deadline for states to finance expenditures or even make commitments to spend the funds.

States have the option of transferring up to 30% of their TANF grants (except welfare-to-work and contingency funds) to other specified programs. A maximum of 10% may be transferred to the Social Services Block Grant (SSBG), which will

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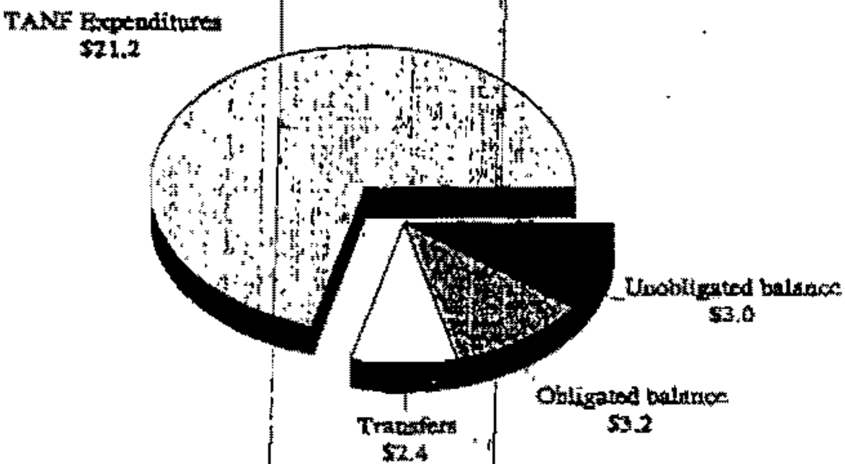
[1] The authority to reserve grants without fiscal year limitation does not apply to welfare-to-work grants. Welfare-to-work grants must be expended within 3 years. This report does not discuss welfare-to-work grants. The reservation of funds also is inapplicable to contingency grants, which are matching grants to states for expenditures made in a fiscal year.

decrease to 4.25% in FY2001. Transfers may also be made to the Child Care and Development Fund up to the 30% limit.[2]

Chart 1 shows cumulative TANF grants (FY1997 and FY1998) through the end of FY1998. Of the $30 billion in TANF grants, $2.4 billion were transferred to other block grants and $21.2 billion financed expenditures in state TANF programs. State expenditures represent actual outlays from state treasuries: payments of benefits to families, payments for administrative costs, or payments to third parties for benefits and services provided to TANF families.

Chart 1. TANF Transfers, Expenditures, and Balances: Fiscal Year 1997 and Fiscal Year 1998
$ in billions

(Cumulative through the end of FY1998)



Total Grants = $29.9 billion

Source: Congressional Research Service based on data from the U.S. Department of Health and Human Services (DHHS).

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[2] Also within the 30% limit, TANF funds may used as state matching funds for Job Access grants. Job Access grants are generally projects to help develop transportation services for welfare recipients and eligible low-income persons.

Obligated and Unobligated Balances

As of September 30, 1998, the amount of TANF grants that remained unexpended totaled \$6.3 billion.[3] This amount remained available from *past grants* to finance *future expenditures* in state TANF programs. They will be added to new grants as funds available to states to finance TANF expenditures.

Some future TANF expenditures are anticipated. Some are not only anticipated but will be based on existing commitments. Through the end of FY1998, states had made commitments to spend — obligations — that have yet to result in state expenditures totaling \$3.2 billion. Generally, obligations are binding commitments to spend.[4] They may be in the form of contracts, grants, or other types of commitments to provide benefits and services in a program. However, the definition of "obligation" varies from program to program. Since TANF comprises essentially 54 different state programs, what constitutes a state "obligation" may vary among state TANF programs.

The obligated balance will finance future expenditures that are *anticipated* and reflects commitments already made by the states. Since federal law imposes no time deadline for states to draw cash from their TANF grants, obligations can represent long-term contracts or commitments that will provide benefits and services to TANF families for several years into the future.

The remaining \$3 billion of the TANF grant is the unobligated balance. These are funds states have available from FY1997 and FY1998 grants for *new* commitments, new TANF spending or additional transfers to CCDF or SSBG. These are also the balances available to help finance future *unanticipated* expenditures, such as increased benefits paid if the caseload rises in response to a recession.

Assessing the Size of TANF Balances

The presence of billions of dollars in "unused" TANF funds has aroused interest. However, the TANF program is new (created in the 1996 welfare reform law), so there is little history available to assess the magnitude of the balances. There also are no norms to help indicate whether the TANF balances are abnormally large.

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[3] This balance is based on quarterly expenditure reports made by the states to the DHHS. It differs from that shown in federal budget documents, which show that \$7.2 billion of TANF grants had yet to result in TANF outlays at the close of FY1998. The \$6.3 billion reported on the expenditure form *excludes* any unspent transfers to either the SSBG or the CCDF. In federal budget accounting of outlays to the states, transfers to SSBG or CCDF will be counted as outlays from the TANF account when either SSBG or CCDF expend them. In addition to the treatment of transfers, there may be some differences in the timing of state expenditures and federal outlays to pay for them that could result in different balances being reported on the expenditure form from those based on federal budget data. Federal budget data are discussed later in this report.

[4] Regulations define obligations as "amount of orders placed, contracts and subcontracts awarded, goods and services received, and similar transactions during the period that will require payment by the grantee during the same or future period." 45 CFR Part 92.3.

Table 1 provides some illustrative measures to help assess the size of TANF balances, relating the balances to monthly TANF expenditures. The measures shown on the table answer the question: how many months of expenditures could these balances finance? This is done by dividing the TANF balance (as of September 30, 1998) by average monthly expenditures. The table looks at different categories of expenditures and expenditures at different rates to put the $6.3 billion in perspective.

The table first shows the unexpended balances divided by average monthly federal expenditures during FY1998. The total unexpended balance represents about one half year (6.7 months) of federally-*financed* expenditures. The obligated balance and unobligated balances each represented approximately one quarter year of expenditures.

The unobligated balance can be used to help defray *unexpected* increases in expenditures that might exceed both federal and state funding for a given fiscal year. An unexpected caseload increase (for example, during a recession) would likely directly increase expenditures on cash benefits. Therefore, the table relates the unobligated balance to total *cash* benefit payments. Two measures are shown to provide a range of how long the unobligated balance would last in the event of an unexpected increase in expenditures. The unobligated balance is related to cash benefits paid at the FY1998 rate, showing that 2.5 months of cash benefits at the FY1998 expenditure rate could be paid using the unobligated balance. An additional measure showing the balance related to cash benefits paid at a "recessionary rate" of their historical peak (FY1994) is also shown. The unobligated balance represents about 1½ months of cash assistance paid at the historical peak rate of benefit payments.

Table 1. TANF Balances Related to Expenditures: FY1998 Expenditures and Balances Through September 30, 1998
($ in millions)

Ratio	Balance	Average monthly expenditure	Potential months of expenditures from the balance
Total balance to federally-financed expenditures	$6,276	$941	6.7
Obligated balance to federally-financed expenditures	$3,235	$941	3.4
Unobligated balance to federally-financed expenditures	$3,041	$941	3.2
Unobligated balance to total (federal and state) cash benefits, FY1998	$3,041	$1,218	2.5
Unobligated balance to total (federal and state) cash benefits, peak year, FY1994	$3,041	$1,892	1.6

Source: Table prepared by the Congressional Research Service (CRS) based on data from DHHS.

TANF Grants, Expenditures, and Balances by State

There is a great deal of variation among the states in the proportion of the TANF grants spent, obligated, and unobligated. Three states (Connecticut, Illinois, and Maine) reported carrying no balances, having spent all or nearly all of their grants. In contrast, three states (Idaho, Indiana, and Wyoming) reported expending less than 50% of the grant that remained after transfers. Fourteen states obligated all of their unexpended balances. Nineteen states reported unobligated but no obligated balances. Table 2 shows TANF grants, expenditures, and balances by state.

Table 2. Cumulative TANF Grants, Expenditures, and Balances by State: FY1997 and FY1998 (through September 30, 1998, preliminary data)
($ in millions)

State	TANF grants	Transfers	Available for TANF (after transfers)	TANF federal expenditures	Expenditures as a % of grants after transfers	Unexpended balance (excludes unexpended transfers): Total	Obligated	Unobligated
Alabama	177.3	19.6	157.7	118.3	75.0	37.4	0.0	37.4
Alaska	84.0	4.8	79.2	62.6	79.0	16.7	16.7	0.0
Arizona	448.8	32.0	416.8	337.2	80.9	79.6	31.7	47.9
Arkansas	78.2	0.0	78.2	49.1	62.9	29.3	29.3	0.0
California	6,880.4	283.0	6,597.4	5,124.4	77.7	1,472.9	1,472.9	0.0
Colorado	185.0	2.2	182.8	101.6	55.6	81.2	0.0	81.2
Connecticut	533.6	29.8	503.8	496.1	98.5	0.0	0.0	0.0
Delaware	46.9	3.2	43.6	44.6	102.3	1.0	1.0	0.0
District of Col.	153.7	0.0	153.7	109.1	71.0	42.6	7.5	35.1
Florida	1,139.2	87.1	1,052.1	656.3	62.4	395.8	142.9	252.9
Georgia	594.1	68.0	526.0	457.2	86.9	68.8	17.1	51.7
Hawaii	127.5	8.4	119.1	111.1	93.3	8.1	1.1	6.9
Idaho	43.4	3.3	40.1	9.0	22.5	31.1	0.0	31.1
Illinois	719.1	58.5	660.6	679.6	102.9	0.0	0.0	0.0
Indiana	413.6	68.0	345.6	150.2	43.5	195.3	195.3	0.0
Iowa	236.7	13.2	223.5	188.0	84.1	35.3	6.4	28.9
Kansas	203.9	27.6	176.3	133.7	75.8	21.6	0.0	21.6
Kentucky	351.3	37.9	313.4	264.8	84.5	44.9	0.0	44.9
Louisiana	307.8	0.0	307.8	178.1	57.8	129.8	0.0	129.8
Maine	150.6	12.9	137.7	137.8	100.1	0.0	0.0	0.0
Maryland	412.1	22.9	389.2	242.3	62.3	146.9	0.0	146.9
Massachusetts	918.7	260.4	658.4	631.6	95.9	28.3	28.3	0.0
Michigan	1,550.7	325.7	1,225.0	1,120.9	91.5	103.4	14.1	89.3
Minnesota	379.8	10.3	369.5	232.6	62.9	136.9	0.0	136.9
Mississippi	175.7	0.0	175.7	139.8	79.6	33.2	33.2	0.0
Missouri	404.9	21.7	383.2	319.9	83.5	63.2	63.2	0.0
Montana	80.7	0.7	80.0	50.0	62.5	30.0	30.0	0.0
Nebraska	107.4	0.0	107.4	64.2	59.8	36.7	0.0	36.7
Nevada	78.9	0.0	78.9	83.5	105.8	14.8	8.0	6.8
New Hampshire	77.0	0.0	77.0	71.1	92.3	6.0	0.0	6.0
New Jersey	697.1	86.1	611.1	357.8	58.6	223.1	0.0	223.1
New Mexico	180.2	13.3	166.9	106.8	64.0	60.1	4.9	55.2

State	TANF grants	Transfers	Available for TANF (after transfers)	TANF federal expenditures	Expenditures as a % of grants after transfers	Unexpended balance (excludes unexpended transfers) Total	Obligated	Unobligated
New York	4,425.2	444.4	3,980.8	3,291.8	82.7	689.1	0.0	689.1
North Carolina	536.9	12.7	524.2	431.1	82.2	93.1	0.0	93.1
North Dakota	37.5	0.0	37.5	29.5	78.7	8.1	5.8	2.3
Ohio	1,455.9	72.8	1,383.1	838.2	60.6	544.9	544.9	0.0
Oklahoma	295.9	21.9	273.9	163.7	59.8	110.2	0.0	110.2
Oregon	334.6	0.0	334.6	253.5	75.8	51.7	51.7	0.0
Pennsylvania	1,137.8	53.0	1,084.8	801.9	73.9	282.9	37.9	245.0
Rhode Island	141.0	0.0	141.0	125.4	88.9	15.7	0.0	15.7
South Carolina	193.8	15.0	178.8	144.1	80.6	34.7	0.0	34.7
South Dakota	40.1	2.1	37.9	26.6	70.1	11.3	3.4	8.0
Tennessee	388.2	32.0	356.2	262.6	73.7	91.5	14.5	77.0
Texas	930.6	35.3	895.3	683.9	76.4	211.4	211.4	0.0
Utah	155.8	3.1	152.6	129.4	84.8	13.6	0.0	13.6
Vermont	94.7	16.4	78.3	67.2	85.8	11.1	0.0	11.1
Virginia	273.0	55.5	217.5	185.2	85.1	32.3	32.3	0.0
Washington	693.6	29.0	664.7	522.3	78.6	142.4	0.9	141.5
West Virginia	192.3	21.0	171.4	91.3	53.2	80.7	0.0	80.7
Wisconsin	635.7	77.2	558.5	319.1	57.1	240.5	191.5	49.0
Wyoming	40.8	0.0	40.8	3.8	9.2	37.0	37.0	0.0
Total	29,941.7	2,391.9	27,549.8	21,199.9	77.0	6,276.4	3,235.2	3,041.3

Source: Table prepared by the Congressional Research Service (CRS) based on data from DHHS. TANF financial data are as reported by the stats to DHHS and are preliminary and subject to revision. There are some inconsistencies in the data reported by the states: for example, some states report expending most but not all of the grant and report $0 balances. Data on the table are shown as reported; if DHHS provides revised information, this table will be updated.

Will TANF Expenditures Remain Low?

The unexpended balance represents more than 6 months worth of TANF expenditures. The presence of existing balances — even obligated balances — means that fewer future expenditures need to be financed with "new money" from FY1999 and latter years' grants.

TANF balances will continue to grow as long as TANF expenditures plus transfers to CCDF and SSBG are less than the TANF grant. The key question is: Will TANF expenditures begin to rise and when?

The TANF grant is based on the historical peak of expenditures in its predecessor programs (AFDC and related programs). Since March of 1994, AFDC/TANF caseloads have fallen sharply. The September 1998 caseload of 2.9 million families stood 43% below the peak caseload of 5.1 million families in March of 1994. Though the TANF block grant remains fixed, actual expenditures in state TANF programs have fallen with the caseload decline.

The TANF caseload continued to decline through FY1998, so that the caseload at the beginning of FY1999 is expected to be below that of the caseload at the beginning of FY1998. Both the Administration and the Congressional Budget Office (CBO) forecast continued declines in TANF outlays through FY1999.

Though overall TANF expenditures might continue to decline, the fall of expenditures might be slowed by increases in TANF expenditures per family. There are some reasons why TANF expenditures per family could rise in FY1999.

- In FY1999 states will first face the federal requirement that all recipients who received TANF for 2 years or more be engaged in "work," though states have the discretion to define what activity constitutes "work." This will be the first time states will be under a federal requirement to engage large portions of their caseload in some activity.[5]
- Some states require recipients to engage in work or community service after they have received benefits for a certain amount of time. This is sometimes known as "pay-after-performance" requirements. In FY1999, some large states — notably California, Pennsylvania, and Illinois — will begin to condition aid on either work or community service in "pay-after-performance" programs. Community service work programs tend to be costly, and wide use of them in large states could increase TANF expenditures.
- California increased its benefits by 8% effective November 1, 1998. Since California accounts for more than one in five TANF cases, a significant benefit increase in that state is likely to influence national expenditure figures. Everything else being constant, an 8% increase in cash benefits in California

[5] TANF has work participation standards for states, requiring them to have a specified percentage of their caseload engaged in federally-specified work activities each year. However, those percentages are reduced one percentage point for each percentage point decline in the caseload from FY1995. Since the caseload has declined sharply, states only had to meet greatly reduced work standards in FY1997 and FY1998.

translates into a 1.5% rise in total federally-financed TANF expenditures nationally.

Federal Budget Information

The information discussed thus far is from the perspective of the states. The expenditures represent payments from *state* treasuries. Obligated balances are commitments made by states, and the unobligated balance is what remains of grants after state expenditures and state obligations. TANF financial information is also available in federal budget documents. The federal budget shows the grants (which are federal obligations) to the states and outlays from the federal treasury to the states. States report their expenditures quarterly, with reports due 45 days after the close of a fiscal quarter. Federal budget data become available faster. Federal budget data may be used as a "leading" indicator of state program activity. Federal outlays to the states tend to be similar to reported state expenditures. The Cash Management Improvement Act (CMIA) requires federal agencies administering grant programs to develop methods to transfer cash to states as close in time as possible to the state's expenditure.[6]

Preliminary TANF outlay information is available for the first months of FY1999. Through the first 5 months of FY1999, TANF outlays were only slightly below that of the first 5 months of FY1998. This *might* indicate a deceleration in the decline in TANF expenditures (or an increase in spending from transfers to other block grants).

[6] Transfers from TANF to CCDF or SSBG continue to be counted as outlays from the TANF budget account.

TANF Spending

March 10, 1999

~~[illegible]~~ HHS talking points

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) provides states with broad flexibility to use TANF funds to provide assistance to needy families; promote job preparation, work and marriage in order to end dependence; reduce the incidence of out-of-wedlock births; and encourage the formation of two-parent families. States are beginning to transform their former AFDC programs and to use the new TANF funds to support innovative and creative efforts to meet these important new goals.

With the repeal of the AFDC entitlement to the states, PRWORA also allows states great flexibility in the timing of their TANF expenditures. Recognizing that caseloads -- and state expenditures -- may rise in times of economic downturn, states are allowed to defer some of their TANF block grants for a "rainy day." Similarly, they may carefully plan future investments for needy families and children.

For FY 1997 and FY 1998 combined, 90 percent of TANF funds have been obligated by the states. Nineteen states have obligated 100 percent of their FY 98 TANF funds. These include large states such as California, Illinois and Texas, as well as Connecticut, Delaware, Oregon and Virginia. Obligated funds represent the best measure of TANF spending, since they include funds for which states have contracts or other binding plans, such as sub-grants to counties to run the TANF program. States are using TANF funds for a wide range of services to help an historic number of recipients move from welfare to work and they are beginning to address other difficult issues of dependency.

Some states have not obligated all of their TANF funds, leaving $2.7 billion in unobligated TANF funds for FY 1998. Fully allowed and anticipated by PRWORA, there are a variety of reasons for this. Some states have specifically set aside some of these funds for a "rainy day". (Any funds set aside for a rainy day remain in the federal treasury as unobligated funds.) Some states have experienced large caseload declines but require further state legislative action to reprogram funds from cash assistance to other investments to promote work and end dependency. Other states are just beginning innovative new efforts and plan to utilize these funds for these purposes.

Unobligated funds are not "surplus" funds and must remain available to address the goals of PRWORA. These funds are essential to the overall success of welfare reform. Many of the families remaining on welfare face substantial barriers to employment, such as low levels of education and skills, substance abuse and mental health problems, domestic violence issues, disability or the need to care for a family member with a disability. States anticipate that much greater investments will be required to successfully help such families gain work and self-sufficiency. The unobligated TANF funds - together with Welfare to Work funds - are crucial to such efforts.

States also face enormous demands for work supports for low income families - both families making the transition from welfare to work and families who have never been on welfare. As more and more families with infants and young children move into the workforce, the need -- and competition for -- help for all types of quality child care, especially infant care and care at non-traditional hours, continues to expand. Without assistance, a family earning $14,400 a year typically must spend 25% of its income for the care of a child under five. Yet in some states, child care assistance under TANF and the Child Care and Development Block Grant is limited to families making the transition from welfare to work. Low-income working families who have never been on welfare and are struggling to stay off welfare are too often denied desperately needed child care assistance.

Joint DOL/HHS talking pts - not yet updated for final 98 #s

February 26, 1999

WELFARE TO WORK REAUTHORIZATION

CONTINUING A VITAL INVESTMENT IN SUCCESS

1. *Welfare-to-Work dollars help states and local communities reach individuals with the greatest needs.*

Welfare reform policies, combined with a strong economy, have resulted in dramatic caseload declines across the nation. However, those individuals remaining on the welfare rolls are more likely to face serious challenges to employment including poor basic skills, no recent work experience, limited English proficiency, substance abuse problems, or a physical, learning or emotional disability, and require a more comprehensive and intensive set of services to gain, retain, and advance in employment. While the welfare reform law allows states to spend their TANF funds on a broad population of needy families and for a broad set of purposes, WtW is specifically designed to help states and local communities meet the challenge posed by the hardest to serve welfare recipients, including those who have been on welfare the longest.

- **WtW dollars go directly to the poorest communities.** First, WtW funds are allocated to states based on their share of welfare recipients and individuals in poverty. Eighty-five percent of these funds go directly to local workforce boards, based on their share of long-term welfare recipients, poverty, and unemployment. Second, WtW competitive grants reward local partnerships, community-based organizations, faith-based organizations, businesses and others in high poverty rural areas and cities.

- **WtW has become an important mechanism to help noncustodial parents to meet their obligations to their children.** Many noncustodial parents of children on welfare, usually fathers, face the same employment barriers as the hardest to serve welfare recipients. Improving the employment and earnings of noncustodial parents is often a precondition to improving their interaction with their children. In fact, some states have designated all or most of their WtW allocation for these parents. While TANF has primarily focused on custodial parents, states and local communities are using WtW funds to find new ways to help non-custodial parents build their capacity to pay child support. Often, noncustodials parents of children on welfare are ineligible for TANF, unless the state specifically changes its law or its TANF plan. Many states would need to redefine their definition of an eligible TANF family in order to serve noncustodial parents with TANF funds. For all of these reasons, we are proposing to expand the WtW focus on fathers and strengthen the links to child support enforcement in the reauthorization.

- **WtW helps those who have reached their TANF time limit and are still in need of employment and support services.** In 19 states, including California, Ohio, Florida, and Massachusetts, state time limits have or will affect TANF benefits for some portion of welfare recipients before the end of 1999. WtW can continue to help individuals to get or keep a job through wage subsidies, direct job creation or other work support, even after they've exhausted their TANF benefits.

- **For those who have found a job, WtW makes sure they keep that job and make a full transition to self sufficiency.** As a work first program, WtW is designed to make sure the hardest-to-employ have the transportation, counseling, on-the-job training; and, where necessary, child care and other supportive services vital to job retention.

2. *Welfare to Work funds invest in the creation of new local systems that more effectively respond to the needs of workers and employers.*

- **Welfare-to-Work bridges the gap between the welfare and workforce systems.** Welfare-to-Work resources are helping to develop first-time partnerships between welfare agencies, workforce agencies, employers and communities as they collaborate to meet the unique needs of the hardest-to-employ. When surveyed, the first ten states to implement the program unanimously cited this as an important return on their investment of matching funds. This finding was echoed by state and local officials in a February 5, 1999 GAO Report on Welfare Reform.

- **Welfare-to-Work invests in innovation and draws new providers--especially businesses and community-based organizations--into the system.** The Workforce Investment Act designates every locally run Welfare-to-Work grantee as a mandatory partner in every One-Stop Career Center throughout the nation, opening the gates to an even wider range of possible services, economies of scale, and a variety of shareable resources. The same business-led boards that direct the Welfare-to-Work program at the local level will also oversee the full compliment of workforce development activities in that community. The competitive grants program directly rewards innovative ideas, organizations and partnerships in local communities.

- **Welfare-to-Work is employer driven.** The WtW program is overseen at the local level by Workforce Investment Boards with a business majority and a business chair. As employers, these business leaders understand the local labor market and what it takes to assist welfare recipients in making the transition from welfare to work.

- **Welfare-to-Work addresses employers' needs.** Many employers, especially those in small establishments, are currently having great difficulty attracting and retaining qualified employees. Recent research shows many are open to hiring welfare recipients, but do no know how to recruit them. Welfare-to-Work grantees can respond to their needs with outreach to small businesses and with referrals, transportation and retention assistance.

3. *There is tremendous nationwide demand for Welfare-to-Work funds.*

- Approximately 1 million adults on TANF are estimated to meet the proposed WtW hard-to-serve eligibility criteria and more than 1 million non-custodial fathers are projected to be eligible for WtW services under the proposed reauthorization. The $1 billion requested is sufficient to serve an estimated 200,000 individuals.

- During the first year that Welfare-to-Work Formula Grant funds were available, 44 states put up a 1:2 match and applied for these resources.

- Over 1,400 applicants from local communities across the nation applied for the WtW Competitive Grants, requesting more than $5 billion while DOL only had sufficient funds to award $468 million to 126 grantees.

- Over 250 Members of Congress wrote to DOL in support of competitive applications from their communities.

4. *The TANF "surplus" should not be overstated.*

- According to the most recent preliminary data on TANF expenditures, states have obligated between 80 and 85 percent of their FY 98 TANF funds. The unobligated balance for FY 1997 and FY 1998 stands somewhere between $3.0 and $3.5 billion. In fact, preliminary data reported to HHS shows that close to half the States have obligated all of their FY 98 TANF funds.

- TANF block grant funds are fixed at historic levels; therefore, some states are reserving a portion of their TANF funds as "rainy day funds" in the event of state population increases or recession. WtW funds are targeted funds that have to be spent on the most disadvantaged. The WtW funds are an essential component of moving the most disadvantaged welfare recipients into jobs and supporting job retention, stability and continuous learning for individuals making the challenging transition from welfare to work.

- WtW funds help even out the widely varying levels of TANF allocations across states, particularly in low benefit states. Because the WtW formula reflects concentrations of poverty and welfare dependency, it helps direct resources to areas with the greatest need, whereas the TANF block grant is based on historical spending patterns.

Summary w/ selected tables attached.

Fact Sheet

Administration for Children and Families

March 8, 1999

Contact: ACF Press Office (202) 401-9215

FY 1998 STATE SPENDING UNDER THE NEW WELFARE PROGRAM

__Overview__: Fiscal Year 1998 was the first full year that all states implemented the new welfare program now called Temporary Assistance for Needy Families (TANF). States demonstrated remarkable progress in welfare reform during the year -- over 1.5 million families who were on welfare in 1997 were working in 1998, caseloads continued to decline at an unprecedented rate with 20 percent fewer recipients than in FY 1997, and all states subject to the overall work participation rate in FY 1997 met it. States also continued to make large investments in their work first welfare programs, spending or committing to spend 84 percent of their federal funds. Nineteen states spent 100 percent of their block grant. Although states can reserve funds from year to year without limitation (for example, states can save dollars for "rainy day funds"), when FY 1997 and 1998 funds are combined, states left only 10 percent of the federal block grant unspent.

In an effort to meet the critical need of quality, affordable child care for parents moving from welfare to work, states increased the transfer of TANF funds to the child care block grant. Even with the significant spending of both federal and state funds, however, states are facing the new challenges of reaching families with greater barriers to work and supporting families to remain in work.

FY 1998 Highlights

Maintenance of Effort. The new welfare reform law requires states to continue to spend state funds at a level equal to at least 80 percent of their FY 1994 levels. If states meet the minimum work participation rates, the law also allows them to reduce their minimum-spending requirement to 75 percent. In FY 1998, all states expended enough to meet the 75 percent maintenance of effort amount. Thirteen states reported state spending above 80 percent, with one state -- West Virginia -- exceeding 100 percent. Since states are not required to report any expenditures in excess of the maintenance of effort requirement, states may actually be spending more than reported.

Child Care. Child care continues to be a critical support for families moving from welfare to work. States made significant investments in child care in FY 1998, transferring a total of $652 million in TANF funds to the child care block grant, an over three-fold increase from FY 1997. States report they are committing over 99 percent of their child care block grant funds. In addition, states spent over $1 billion of their own funds on child care.

Work Activities, Cash Assistance, and Other Supports. States furthered the goal of the welfare law by making work first the priority for their programs. In FY 1998 states spent $1.2 billion in combined federal and state funds on work activities. States spent $6.8 billion, or 69 percent, of their FY 98 federal TANF funds on cash assistance and work-based assistance. (The work-based assistance in this category may include paychecks earned by TANF recipients in return for community service jobs or subsidized employment.) Additionally, states reported spending $1.1 billion in federal TANF funds and $1.3 billion in state maintenance of effort funds on other expenditures, which included fraud control programs, emergency assistance (e.g., one-time benefits to divert families from having to rely on welfare), staff training, domestic violence services, and child welfare programs.

Transferring TANF Funds. The new welfare law gives states the authority to transfer portions of their TANF grant to either the Child Care and Development Block Grant or the Social Services Block Grant. Thirty-nine states reported transferring funds in amounts ranging from 2 to 29 percent of their TANF grant. In total, $652 million or 4 percent of TANF funds were transferred to the child care block grant and $1.1 billion or 7 percent was transferred to the Social Services Block Grant.

Administrative Costs. States continue to invest in transforming their welfare offices into employment centers, and to expect more from their workforce as eligibility workers are trained as job counselors. In FY 1998, state administrative expenditures amounted to $913 million, or 9 percent of total federal TANF expenditures -- well below the TANF administrative cost limit of 15 percent.

Separate State Programs. In FY 1998, a fewer number of states -- 15 -- chose to fund programs with separate state funds than in FY 1997. Expenditures on separate programs represented less than four percent of total state spending. States with separate programs spent most of their separate state program funds -- 55 percent -- on cash and work-based assistance by providing support to primarily two-parent families, pregnant women, migrant seasonal workers, and qualified legal immigrants. Most of the remaining funds were spent on child care (35 percent) and non-direct services categorized as other expenditures.

Unobligated Balances. States can carry forward unobligated TANF funds for use in future years, for example to meet unanticipated needs or reserve dollars for "rainy day" funds. In FY 1998, states obligated $13.9 billion or 84 percent of the total federal funds. The remaining $2.7 billion in unobligated funds remain in the federal treasury, with no time limit, until states draw down the dollars.

Attachments:

Table A - Federal Awards, Transfers and Expenditures in FY 1998 Part 1, Part 2, Part 3
Table B - Expenditures of State Funds in FY 1998
Table C - Expenditures of State Funds in Separate State Programs in FY 1998
Table D - Expenditures of State Funds in FY 1998

Other TANF Financial Data Print version

TANF 4th Quarter, FY 1998

Table A (1 of 3)

TANF Federal Awards, Transfers & Expenditures Through 4th Qtr., FY-1998
(data as of 2/5/99)

Data reported by States in Column A on Form ACF-196 Line Items 1/

	1	2	3	4
STATE	TOTAL AWARDED 1/	TRANSFERRED TO CCDF	TRANSFERRED TO SSBG	AVAILABLE FOR TANF
Alabama	95,986,661		1,467,366	94,519,295
Alaska	65,267,778	1,600,000	3,216,300	60,451,478
Arizona	226,398,173		22,639,800	203,758,373
Arkansas	58,230,354			58,230,354
California	3,732,671,378	100,000,000	183,000,000	3,449,671,378
Colorado	139,324,514		2,152,087	137,172,427
Connecticut	266,788,107		23,795,031	242,993,076
Delaware	32,290,981		3,229,098	29,061,883
District of Columbia	92,609,815			92,609,815
Florida	576,886,883	29,403,486	57,688,688	489,794,709
Georgia	339,720,207	19,152,485	30,897,051	289,670,671
Hawaii	98,904,788	7,400,000		91,504,788
Idaho	32,780,444		3,278,000	29,502,444
Illinois	585,056,960		58,500,000	526,556,960
Indiana	206,799,109		6,000,000	200,799,109
Iowa	131,524,959	1,214,089	7,401,592	122,909,278
Kansas	101,931,061	7,376,929	10,193,106	84,361,026
Kentucky	181,287,669	18,000,000	9,200,000	154,087,669
Louisiana	168,072,394			168,072,394
Maine	78,120,889	4,984,810	2,500,000	70,636,079
Maryland	229,098,032		22,909,803	206,188,229
Massachusetts	459,371,116	79,253,383	42,397,290	337,720,443
Michigan	775,352,858	149,464,937	72,782,007	553,105,914
Minnesota	267,984,886	10,200,000	100,000	257,684,886
Mississippi	88,943,530			88,943,530
Missouri	217,051,740		21,705,174	195,346,566
Montana	46,666,707			46,666,707
Nebraska	58,028,579			58,028,579

Nevada	44,875,852			44,875,852
New Hampshire	38,521,260			38,521,260
New Jersey	404,034,823	16,349,984	40,403,482	347,281,357
New Mexico	129,339,257	13,304,750		116,034,507
New York	2,442,930,602	55,000,000	221,000,000	2,166,930,602
North Carolina	310,935,520	11,699,518	970,581	298,265,421
North Dakota	26,399,809			26,399,809
Ohio	727,968,260		72,796,826	655,171,434
Oklahoma	147,842,004	5,606,134	11,100,000	131,135,870
Oregon	166,798,629			166,798,629
Pennsylvania	719,499,305		53,003,526	666,495,779
Rhode Island	95,021,587			95,021,587
South Carolina	99,967,824		9,996,782	89,971,042
South Dakota	21,313,413		2,131,341	19,182,072
Tennessee	196,717,069	14,704,274	909,900	181,102,895
Texas	498,949,726	12,183,631	23,105,516	463,660,579
Utah	78,925,393		3,116,423	75,808,970
Vermont	47,353,181	6,480,552	4,735,318	36,137,311
Virginia	158,285,172	23,742,776	11,871,388	122,671,008
Washington	404,331,754	28,973,849		375,357,905
West Virginia	110,176,310	10,000,000	7,400,000	92,776,310
Wisconsin	317,505,180	26,021,418	31,750,000	259,733,762
Wyoming	21,538,089			21,538,089
Total	**16,562,380,591**	**$652,117,005**	**$1,079,343,476**	**$14,830,920,110**
Percentages 2/		**4%**	**7%**	**90%**

GENERAL NOTES:
Table A shows information exactly as reported by States in Column A on the quarterly TANF report (Form ACF-196). States were required to submit this TANF financial data by 11/14/98. Table A shows how States used Federal funds. Tables B and C show how States used their own funds in the TANF program.

FOOTNOTES:
1/ The amounts reported by States under column A of Form ACF-196 are the grant awards the States received through the fourth quarter of FY 1998. The awards include State Family Assistance Grants (SFAG) and Supplemental Grants for Population Increases. AZ, CA, OK, OR, SD, WI, and WY cumulative totals have been adjusted for Tribes operating TANF within the State.

2/ TANF Transfer percentages are based on the total in the TABLE A (1 of 3) column 'Total Awarded.' Expenditures percentages are based on the total in the 'Total Expenditures' column of TABLE A (2 of 3). Unliquidated and unobligated balances percentages are based on the total in the column 'Available For TANF' in TABLE A (3 of 3).

TANF 4th Quarter, FY 1998
Table A (3 of 3)

TANF Federal Awards, Transfers & Expenditures Through 4th Qtr., FY-1998
(data as of 2/5/99)

Data reported by States in Column A on Form ACF-196 Line Items 1/

	1	4	11	12	13
STATE	TOTAL AWARDED	AVAILABLE FOR TANF	TOTAL EXPENDITURES	UNLIQUIDATED OBLIGATIONS	UNOBLIGATED BALANCE
Alabama	95,986,661	94,519,295	57,141,861		37,377,861
Alaska	65,267,778	60,451,478	48,630,865	11,820,613	
Arizona	226,398,173	203,758,373	138,763,545	30,805,219	34,189,609
Arkansas	58,230,354	58,230,354	28,961,060	29,269,294	
California	3,732,671,378	3,449,671,378	2,666,924,584	782,746,794	
Colorado	139,324,514	137,172,427	55,966,196		81,206,230
Connecticut	266,788,107	242,993,076	242,993,076		
Delaware	32,290,981	29,061,883	28,078,933	982,950	
District of Columbia	92,609,815	92,609,815	59,875,759	6,328,026	24,406,030
Florida	576,886,883	489,794,709	185,324,071	51,548,488	252,922,151
Georgia	339,720,207	289,670,671	222,742,599	15,232,400	51,695,673
Hawaii	98,904,788	91,504,788	84,974,594	429,294	6,100,900
Idaho	32,780,444	29,502,444	-		29,502,444
Illinois	585,056,960	526,556,960	545,592,236		
Indiana	206,799,109	200,799,109	25,479,258	175,319,851	
Iowa	131,524,959	122,909,278	87,649,764	6,385,774	28,873,740
Kansas	101,931,061	84,361,026	62,744,419		21,616,607
Kentucky	181,287,669	154,087,669	110,202,652		43,885,017
Louisiana	168,072,394	168,072,394	44,555,492		123,516,902
Maine	78,120,889	70,636,079	70,636,079		
Maryland	229,098,032	206,188,229	126,331,442		79,856,787
Massachusetts	459,371,116	337,720,443	309,370,824	28,349,619	
Michigan	775,352,858	553,105,914	463,845,037	14,122,039	89,260,877
Minnesota	267,984,886	257,684,886	120,757,360		136,927,526
Mississippi	88,943,530	88,943,530	70,263,503	16,504,075	
Missouri	217,051,740	195,346,566	132,104,236	63,242,330	
Montana	46,666,707	46,666,707	27,411,535	19,255,172	
Nebraska	58,028,579	58,028,579	33,404,183		24,624,396
Nevada	44,875,852	44,875,852	36,832,249	8,043,603	
New Hampshire	38,521,260	38,521,260	32,568,048		5,953,212
New Jersey	404,034,823	347,281,357	177,022,971		170,258,386
New Mexico	129,339,257	116,034,507	80,223,092	4,912,000	30,899,415

New York	2,442,930,602	2,166,930,602	1,561,049,329		605,881,273
North Carolina	310,935,520	298,265,421	205,116,440		93,148,981
North Dakota	26,399,809	26,399,809	20,636,225	5,763,584	
Ohio	727,968,260	655,171,434	185,226,909	469,944,525	
Oklahoma	147,842,004	131,135,870	20,897,391		110,238,480
Oregon	166,798,629	166,798,629	115,141,411	51,657,218	
Pennsylvania	719,499,305	666,495,779	383,571,355	37,888,160	245,036,264
Rhode Island	95,021,587	95,021,587	88,494,994		6,526,593
South Carolina	99,967,824	89,971,042	66,160,116		23,810,926
South Dakota	21,313,413	19,182,072	11,200,436		7,981,636
Tennessee	196,717,069	181,102,895	119,914,990	12,921,983	48,265,922
Texas	498,949,726	463,660,579	258,395,066	205,265,513	
Utah	78,925,393	75,808,970	62,258,539		13,550,431
Vermont	47,353,181	36,137,311	30,565,738		5,571,572
Virginia	158,285,172	122,671,008	90,325,355	32,345,653	
Washington	404,331,754	375,357,905	232,955,795	949,341	141,452,770
West Virginia	110,176,310	92,776,310	12,058,878		80,717,433
Wisconsin	317,505,180	259,733,762	63,655,599	147,058,622	49,019,541
Wyoming	21,538,089	21,538,089	161,402	21,376,687	
Total	**16,562,380,591**	**$14,830,920,110**	**$9,905,157,491**	**$2,250,468,827**	**$2,704,275,585**
Percentages 2/		**90%**	**60%**	**14%**	**16%**

GENERAL NOTES:
Table A shows information exactly as reported by States in Column A on the quarterly TANF report (Form ACF-196). States were required to submit this TANF financial data by 11/14/98. Table A shows how States used Federal funds. Tables B and C show how States used their own funds in the TANF program.

FOOTNOTES:
1/ The amounts reported by States under column A of Form ACF-196 are the grant awards the States received through the fourth quarter of FY 1998. The grant awards include State Family Assistance Grants (SFAG) and Supplemental Grants for Population Increases. AZ, CA, OK, OR, SD, WI, and WY cumulative totals have been adjusted for Tribes operating TANF within the State.

2/ TANF Transfer percentages are based on the total in the TABLE A (1 of 3) column 'Total Awarded.' Expenditures percentages are based on the total in the 'Total Expenditures' column of TABLE A (2 of 3). Unliquidated and unobligated balances percentages are based on the total in the column 'Available For TANF' in TABLE A (3 of 3).

Back to TANF Financial Data

Last Updated on 3/2/99
By ACF

WR
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TEMPORARY ASSISTANCE FOR NEEDY FAMILIES
TANF WORK PARTICIPATION RATES
FISCAL YEAR 1997

STATE	ALL FAMILY RATES: RATE	ALL FAMILY RATES: ADJUSTED STANDARD	ALL FAMILY RATES: MET TARGET	TWO-PARENT FAMILY RATES: RATE	TWO-PARENT FAMILY RATES: ADJUSTED STANDARD	TWO-PARENT FAMILY RATES: MET TARGET
..ITED STATES	28.1			34.3		
ALABAMA	42.3	17.1%	✓	31.1	35.8%	
ALASKA						
ARIZONA	25.3	16.1%	✓	32.9	66.1%	
ARKANSAS						
CALIFORNIA	20.6	19.5%	✓	24.5	68.0%	
COLORADO						
CONNECTICUT	58.4	20.3%	✓	90.6	70.3%	✓
DELAWARE						
DIST. OF COL.	31.3	21.0%	✓	14	48.2%	
FLORIDA	28.4	16.4%	✓	1/		NA
GEORGIA	20.6	18.7%	✓	1/		NA
GUAM						
HAWAII						
IDAHO						
ILLINOIS						
INDIANA	25.3	5.6%	✓	35.2	35.1%	✓
IOWA	52.8	14.9%	✓	46.5	64.9%	
KANSAS	33.3	14.1%	✓	33.7	44.0%	
KENTUCKY	33.1	20.3%	✓	51.9	50.8%	✓
LOUISIANA	13.5	13.4%	✓	15.4	5.7%	✓
MAINE	41.6	19.3%	✓	50.5	61.7%	
MARYLAND	18.3	16.3%	✓	1/		NA
MASSACHUSETTS	31.5	12.6%	✓	71.1	52.1%	✓
MICHIGAN	41.1	13.3%	✓	47.4	60.3%	
M..NNESOTA						
ISSIPPI	17.2	16.3%	✓	24.4	54.0%	
OURI	23.2	17.6%	✓	47.8	21.7%	✓
MONTANA	49.5	19.2%	✓	82.1	69.2%	✓
NEBRASKA	34	20.5%	✓	42	61.2%	
NEVADA	31	20.0%	✓	32.7	45.8%	
NEW HAMPSHIRE	36.1	13.3%	✓	46	21.9%	✓
NEW JERSEY	20.7	16.9%	✓	25.2	55.8%	
NEW MEXICO						
NEW YORK	27.9	19.6%	✓	63.6	61.1%	✓
NORTH CAROLINA	25.9	16.1%	✓	45.5	56.2%	
NORTH DAKOTA						
OHIO	38.3	15.6%	✓	39.8	47.6%	
OKLAHOMA	27.8	11.6%	✓	16.1	36.8%	
OREGON	96.7	10.2%	✓	98.3	46.8%	✓
PENNSYLVANIA						
PUERTO RICO						
RHODE ISLAND						
SOUTH CAROLINA	38.9	18.4%	✓	40.2	24.9%	✓
SOUTH DAKOTA	44.6	20.4%	✓	1/		NA
TENNESSEE	38.6	20.3%	✓	52.4	46.0%	✓
TEXAS	19.4	14.6%	✓	34.3	55.4%	
UTAH	39.6	13.7%	✓	64.1	63.7%	✓
VERMONT	2/		NA	2/		NA
VIRGIN ISLANDS						
VIRGINIA	17.3	15.6%	✓	19.4	65.6%	
W..SHINGTON	24	22.0%	✓	18.6	66.0%	
' VIRGINIA	3/	20.2%		3/	58.1%	
ONSIN	52.8	6.0%	✓	51.3	39.9%	✓
W.OMING	52.6	16.0%	✓	63.9	54.9%	✓

KEY	
(shaded)	State not required to submit TANF data for this period.
1/	State does not have any two-parent families in its TANF Program.
2/	State claims waiver inconsistencies exempt all cases from participation rates.
3/	Data incomplete.

ACF/OPRE: 12-29-98

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES
WORK ACTIVITIES, EXCLUDING WAIVERS, FOR FAMILIES MEETING THE ALL FAMILY WORK REQUIREMENTS
FISCAL YEAR 1997

				AVERAGE MONTHLY NUMBER OF PERSONS ENGAGED IN WORK BY WORK ACTIVITY FOR FAMILIES PARTICIPATING IN THE OVERALL WORK RATES											
STATE	TOTAL NUMBER OF FAMILIES	NUMBER OF FAMILIES IN OVERALL RATE	NUMBER OF PARTICIPATING FAMILIES	UNSUBSIDIZED EMPLOYMENT	SUBSIDIZED PRIVATE EMPLOYMENT	SUBSIDIZED PUBLIC EMPLOYMENT	WORK EXPERIENCE	ON-THE-JOB TRAINING	JOB SEARCH	COMMUNITY SERVICE	VOCATIONAL EDUCATION	JOB SKILLS TRAINING	EDUCATION RELATED TO EMPLOYMENT	SATISFACTORY SCHOOL ATTENDANCE	PROVIDING CHILD CARE
UNITED STATES	3,014,525	2,047,936	520,237	354,004	4,132	1,086	73,442	4,231	71,534	16,395	34,375	4,428	2,293	8,873	1,586
ALABAMA	28,293	12,813	5,421	3,672	-	-	450	23	1,242	33	458	90	-	285	-
ALASKA															
ARIZONA	50,615	22,074	5,596	5,204	-	-	452	8	756	8	296	179	24	3	-
ARKANSAS															
CALIFORNIA	745,316	546,059	111,948	105,995	-	-	102	880	2,081	-	1,976	-	-	-	914
COLORADO															
CONNECTICUT	55,032	40,220	17,342	16,451	-	-	281	-	373	-	260	-	-	108	-
DELAWARE															
DIST. OF COL.	23,867	16,332	5,105	3,132	-	398	527	271	1,585	-	-	-	-	-	-
FLORIDA	147,574	79,229	22,471	17,018	140	-	926	43	2,852	542	1,035	20	11	1,816	458
GEORGIA	92,350	54,007	11,089	4,534	171	33	2,038	30	2,388	307	2,489	46	3	586	16
GUAM															
HAWAII															
IDAHO															
ILLINOIS															
INDIANA	41,514	34,484	6,829	6,445	14	-	124	7	624	-	298	4	67	67	-
IOWA	27,286	19,976	10,541	10,133	-	-	75	1	160	11	634	-	-	113	-
KANSAS	17,675	10,926	3,640	2,694	-	-	631	7	1,108	-	30	74	91	-	-
KENTUCKY	61,310	37,417	12,316	6,734	-	-	3,066	18	336	47	2,693	-	-	225	-
LOUISIANA	50,146	31,735	4,267	1,440	.17	12	1,444	6	142	-	1,671	-	14	13	-
MAINE	16,997	12,409	5,156	3,471	-	-	201	9	2,111	627	192	146	1	325	-
MARYLAND	50,816	42,348	7,737	2,592	96	-	2,046	-	2,810	-	309	96	-	-	-
MASSACHUSETTS	73,902	45,867	13,772	5,322	167	-	21	-	1,218	3,329	1,169	1,509	678	730	-
MICHIGAN	140,382	102,534	42,324	38,485	19	19	-	38	5,520	1,179	1,600	-	37	19	-
MINNESOTA															
MISSISSIPPI	31,904	18,862	3,234	2,024	73	2	684	1	425	73	239	10	10	2	-
MISSOURI	62,882	39,553	7,107	4,138	663	-	1,381	-	1,894	-	-	267	9	132	-
MONTANA	7,484	4,815	2,384	881	-	-	1,217	-	1,236	15	317	-	-	12	-
NEBRASKA	13,900	9,015	3,056	1,670	-	-	80	47	1,607	4	-	72	-	202	24
NEVADA	11,311	6,770	2,111	1,871	-	-	3	-	257	150	154	44	-	-	-
NEW HAMPSHIRE	7,311	4,904	1,357	1,006	-	-	- 40	5	318	-	146	74	-	62	-
NEW JERSEY	145,138	99,216	19,788	6,780	-	-	10,694	38	2,306	18	2,149	39	304	98	16
NEW MEXICO															
NEW YORK	358,773	248,496	69,440	27,190	1,463	-	19,850	-	9,438	8,739	4,939	68	42	-	-
NORTH CAROLINA	83,319	57,426	15,030	6,304	190	133	11,381	-	696	-	1,002	-	-	616	-
NORTH DAKOTA															
OHIO	165,009	106,527	40,773	27,197	371	94	8,812	-	6,546	-	4,846	-	-	790	-
OKLAHOMA	27,341	16,691	4,638	2,385	22	-	523	4	792	-	910	-	-	-	-
OREGON	21,297	16,602	2,068	768	462	-	258	16	735	-	-	74	83	153	-
PENNSYLVANIA															
PUERTO RICO															
RHODE ISLAND															
SOUTH CAROLINA	29,170	15,250	5,424	4,409	4	-	253	61	1,226	-	124	126	-	-	-
SOUTH DAKOTA	4,629	1,497	532	226	-	-	-	14	170	89	68	21	51	-	-
TENNESSEE	61,068	43,310	12,882	7,652	-	-	305	2,399	3,358	-	1,343	-	-	1,406	-
TEXAS	169,436	112,294	6,675	2,852	11	24	1,248	90	2,411	2	427	-	628	538	-
UTAH	11,370	9,649	3,822	2,822	-	-	-	1	1,570	-	-	161	45	201	-
VERMONT	7,850	6,928	1,643	1,256	-	35	81	7	455	-	171	11	-	46	-
VIRGIN ISLANDS															
VIRGINIA	49,640	35,824	5,935	5,007	50	-	478	35	1,467	-	16	135	37	4	-
WASHINGTON	87,122	64,571	15,540	9,830	160	316	475	158	3,491	1,108	2,066	635	158	317	158
WEST VIRGINIA	1/	1/	1/	1/	1/	1/	1/	1/	1/	1/	1/	1/	1/	1/	1/
WISCONSIN	33,555	20,454	10,800	6,411	2	-	3,233	13	5,651	69	41	516	-	-	-
WYOMING	1,941	852	444	203	17	-	84	1	179	45	107	9	-	4	-

1/ ... Incomplete.

RE: 12-29-98

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES
WORK ACTIVITIES, EXCLUDING WAIVERS, FOR TWO-PARENT FAMILIES MEETING THE PARTICIPATION REQUIREMENTS
FISCAL YEAR 1997

STATE	TOTAL NUMBER OF FAMILIES 1/	NUMBER OF FAMILIES IN TWO PARENT RATE	NUMBER OF PARTICIPATING FAMILIES	AVERAGE MONTHLY NUMBER OF PERSONS ENGAGED IN WORK BY WORK ACTIVITY FOR FAMILIES PARTICIPATING IN THE TWO PARENT WORK RATES: UNSUBSIDIZED EMPLOYMENT	SUBSIDIZED PRIVATE EMPLOYMENT	SUBSIDIZED PUBLIC EMPLOYMENT	WORK EXPERIENCE	ON-THE-JOB TRAINING	JOB SEARCH	COMMUNITY SERVICE	VOCATIONAL EDUCATION	JOB SKILLS TRAINING	EDUCATION RELATED TO EMPLOYMENT	SATISFACTORY SCHOOL ATTENDANCE	PROVIDING CHILD CARE
UNITED STATES	209,311	203,014	64,672	63,803	405	17	15,390	73	7,796	5,933	2,516	151	795	1,359	225
ALABAMA	67	59	18	17	-	-	2	-	6	1	1	-	-	-	-
ALASKA															
ARIZONA	788	438	144	177	-	-	23	-	92	1	5	7	8	-	-
ARKANSAS															
CALIFORNIA	113,072	113,072	27,868	33,045	-	-	-	-	2,078	-	1,049	-	703	66	66
COLORADO															
CONNECTICUT	2,907	2,874	2,081	2,311	-	-	65	-	372	-	195	-	-	22	-
DELAWARE															
DIST. OF COL.	268	256	37	37	-	-	25	-	-	-	-	-	-	-	-
FLORIDA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEORGIA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GUAM															
HAWAII															
IDAHO															
ILLINOIS															
INDIANA	958	958	220	283	-	-	7	1	17	-	4	-	5	5	-
IOWA	1,904	1,835	890	1,395	-	-	10	-	31	2	69	-	-	24	-
KANSAS	774	774	260	283	-	-	67	2	181	-	2	8	15	-	-
KENTUCKY	1,526	1,261	659	531	-	-	455	2	6	2	78	-	-	8	-
LOUISIANA	156	144	22	15	1	-	14	-	-	-	7	-	1	-	-
MAINE	742	728	367	348	-	-	8	1	297	131	7	11	-	22	-
MARYLAND	62	62	-	-	-	-	-	-	-	-	-	-	-	-	-
MASSACHUSETTS	1,786	1,786	334	312	11	-	16	-	22	140	11	-	-	-	-
MICHIGAN	9,026	8,705	4,123	5,491	18	-	-	38	838	114	39	-	19	38	-
MINNESOTA							-								
MISSISSIPPI	4	4	1	1	-	-	2	-	-	1	-	-	-	-	-
MISSOURI	176	97	71	35	9	-	44	-	35	-	-	-	9	8	-
MONTANA	1,090	747	613	239	-	-	1,046	-	199	-	11	-	-	3	-
NEBRASKA	488	494	208	200	-	-	18	-	214	4	-	-	-	13	-
NEVADA	355	331	107	148	-	-	3	2	16	1	3	-	-	-	-
NEW HAMPSHIRE	74	67	30	28	-	-	2	-	29	-	1	2	-	1	-
NEW JERSEY	7,385	6,425	1,515	728	-	-	1,132	1	135	1	71	6	10	4	1
NEW MEXICO															
NEW YORK	19,145	17,572	11,123	7,744	27	-	4,662	-	677	3,063	-	94	-	830	-
NORTH CAROLINA	17,090	10,065	6,904	3,893	190	-	5,755	-	284	-	222	-	-	254	-
NORTH DAKOTA															
OHIO	9,432	8,919	3,549	3,408	82	-	1,534	-	610	-	372	-	-	-	-
OKLAHOMA	74	74	12	6	-	-	6	-	6	-	2	-	-	-	-
OREGON	1,114	1,093	180	123	60	-	25	-	123	-	-	10	18	9	-
PENNSYLVANIA															-
PUERTO RICO															
RHODE ISLAND															
SOUTH CAROLINA	319	316	124	136	4	-	13	-	23	-	-	-	-	-	-
SOUTH DAKOTA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TENNESSEE	316	312	112	71	-	-	8	16	52	-	18	-	-	26	-
TEXAS	5,845	5,235	829	456	-	1	348	7	630	-	26	-	-	13	-
UTAH	182	161	25	31	-	-	-	-	22	-	-	1	-	2	-
VERMONT	886	888	240	274	-	16	16	2	70	-	5	3	-	12	-
VIRGIN ISLANDS															
VIRGINIA	826	783	131	157	-	-	10	1	85	-	-	1	2	-	-
WASHINGTON	10,153	10,153	1,900	1,906	-	-	-	-	835	473	317	-	-	-	158
WEST VIRGINIA	2/	2/	2/	2/	2/	2/	2/	2/	2/	2/	2/	2/	2/	2/	2/
WISCONSIN	306	293	151	182	-	-	76	-	110	1	-	10	-	-	-
WYOMING	5	5	3	2	-	-	-	-	5	-	-	-	-	-	-

1/ DOES NOT INCLUDE TWO-PARENT FAMILIES WITH A DISABLED PARENT.
2/ Data inc[illegible].

CHARACTERISTICS AND FINANCIAL CIRCUMSTANCES OF TANF RECIPIENTS

JULY - SEPTEMBER 1997

Temporary Assistance for Needy Families (TANF) Program

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children and Families
Office of Planning , Research and Evaluation
Washington, DC 20447

CONTENTS

INTRODUCTION

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) established a new Temporary Assistance for Needy Families (TANF) program to replace the Aid to Families with Dependent Children (AFDC) program. The new welfare law also established new State reporting and data requirements for the TANF program. In September 1997, HHS issued the Emergency TANF Data Report specification providing States with guidance/instructions for the collection and submission of this important data.

While all States were required to have their new TANF program in place by July 1, 1997, 38 States and the District of Columbia chose to start their TANF program by March 1,1997. As a result, these States submitted data on the demographic characteristics and financial circumstances of families receiving assistance under their TANF program for the period of July-September 1997. These States transmitted 3,097,830 active cases and 268,762 closed cases. All States, the District of Columbia, Guam, Puerto Rico and Virgin Islands are required to submit TANF data for the 1998 federal fiscal year.

Under the new data reporting system, States have the option to submit either sample data or universe data to HHS. Twenty-three States submitted universe data, from which HHS randomly selected approximately 500 active cases each month to prepare this report. A total sample of 48,515 active cases was used to compile 29 TANF recipient characteristics tables. A total of 268,762 closed cases were used to compile Table 30 regarding reasons for closure. The statistical data in this report are estimates derived from samples and, therefore, are subject to sampling errors as well as non-sampling errors.

While the challenges posed for States and HHS by the implementation of a new reporting system have delayed the issuance of this report, we anticipate the 1998 data will be available earlier. In addition, we will continue to work with the States on completeness and reliability of the data. In this report we have identified data that clearly had major problems, in some cases, serious enough that we did not include the data in the report. In cases where numerous States reported questionable data or unusually large numbers of "unknown" or "other" categories, HHS urges caution in drawing conclusions on the basis of the data for this period.

SUMMARY

The TANF Family

The average monthly number of TANF families was 3,040,000 in the 39 States reporting TANF data for July - September 1997. The estimated total number of TANF recipients was 2,680,000 adults and 5,489,000 children. The average monthly number of TANF families decreased in all 39 States and reflects an overall 11 percent decrease from 3,423,000 families in October 1996 - June 1997. The 39 States reported that 673,600 TANF families had their assistance terminated during July - September 1997.

The average number of persons in TANF families was 2.1 persons. The TANF families averaged 2 recipient children, which remained unchanged. Two in five families had only one child. One in 10 families had more than three children.

About seventy percent of families had only one adult recipient, and seven percent included two or more adult recipients. For the 35 States that reported child-only cases, 23 percent of TANF families had no adult recipients, down about 0.7 percentage points for the comparable states for October 1996 - June 1997. Since child-only cases have been steadily rising since 1988, but the rate of increase slowed slightly between FY1996 and October-June 1997, this is some further evidence of what might be a slowing trend. We believe it will be important to review data for FY1998 before drawing this inference, however, because of the short reporting period and the fact that only two-thirds of States are represented.

Of TANF families, 95 percent received cash and cash equivalents assistance with the monthly average amount of $359 under the State TANF program. Of such TANF families, 85 percent received Food Stamp assistance, which is consistent with previous levels. Also, almost every TANF family received medical assistance under the State plan approved under title XIX.

Reasons for which TANF families received a reduction in assistance for the reporting month were: sanction at 2.5 percent, recoupment of a prior overpayment at 7.4 percent and other at 5.0 percent. "Other" could include reasons for a reduction in assistance, such as receiving a lower benefit based on a state policy to pay families that move from another State at a lower level, or the application of a family cap.

Understanding the reason for case closure is severely limited by the fact that States reported about two-thirds of all cases that closed did so due to "other" reasons. For example, while independent studies of the reason for families leaving welfare typically find that somewhat over half leave as a result of employment, States reported only 16 percent of cases closing due to employment, clearly an understatement of the true rate. We intend to address these data problems with the States in the future.

The TANF Adults

Employment increased by about 30 percent among TANF adult recipients. Compared to October 1996 - June 1997, when 14 percent of adult recipients were employed for the same 39 States, about 18 percent were employed in July - September 1997. Furthermore, the average earnings of those employed increased from about $506 per month to $592, an increase of about 17 percent. (About 10 percent of adult recipients had unearned income averaging about $226 per month.) Finally, an additional 40 percent of TANF adult recipients were in the labor force, i.e., seeking work but not employed, and almost one third of adult recipients were not in the labor force.

Work participation was mandatory for three of every five adult recipients. Of TANF adult recipients, about 8 percent were exempt from the work participation because they were single custodial parents with child under 12 months. Only three percent were exempt because of a sanction or participation in a Tribal Work Program. About 20 percent were exempt from the work participation status because of a good cause exception, e.g., disabled or in poor health. Nearly six percent were teen parents who were required to participate in education.

The average age of TANF adult recipients was 30 years. Of TANF adult recipients, 8 percent were teenagers and 18 percent were 40 years of age or older. Only 16 percent of adult recipients were married and living together.

The TANF Children

TANF recipient children averaged about 8 years of age. Seven percent of recipient children were under 2 years of age, while 37 percent were of preschool age under 6. Only 7 percent of the children were 16 years of age or older.

The racial distribution of TANF recipient children was relatively unchanged. Black children continued to be the largest group of children, comprising about 40 percent of recipient children. About 29 percent of recipient children were white and 24 percent were Hispanic. Although the percentage for black children is up by about 2 percentage points, down by a similar amount for Hispanics and down by about 1 percentage point for whites, we believe that the combination of a short reporting period, State data problems, and a transition in reporting systems makes it premature to draw a conclusion at this point about whether this represents a true trend.

LIST OF TABLES

PERCENT DISTRIBUTION OF TANF FAMILIES BY NUMBER OF FAMILY MEMBERS
JULY - SEPTEMBER 1997

STATE	TOTAL FAMILIES	NUMBER OF FAMILY MEMBERS							
		1	2	3	4	5	6-10	OVER 10	UNKNOWN
TOTAL	3,040,171	13.6	34.5	25.5	14.4	7.1	4.4	0.1	0.2
ALABAMA	28,293	22.8	32.4	25.6	12.2	5.1	1.9	0.0	0.0
ARIZONA	50,912	0.0	23.2	27.9	23.0	13.4	12.4	0.3	0.0
CALIFORNIA	767,625	10.9	33.1	26.0	15.0	8.5	6.4	0.1	0.0
CONNECTICUT	55,042	12.5	36.9	25.9	15.9	5.3	3.5	0.0	0.0
DIST. OF COL.	22,954	12.8	42.8	24.0	12.6	5.5	2.3	0.0	0.0
FLORIDA	147,574	18.5	34.0	24.6	12.5	6.7	3.7	0.0	0.0
GEORGIA	92,350	20.8	33.8	24.1	12.1	6.1	3.1	0.0	0.0
INDIANA	45,671	16.5	36.3	26.2	13.4	3.7	2.3	0.0	1.6
IOWA	27,438	11.7	39.3	25.7	14.7	6.0	2.6	0.0	0.0
KANSAS	17,508	16.4	35.7	25.9	14.5	5.5	2.0	0.0	0.0
KENTUCKY	60,486	19.0	39.0	23.9	13.0	4.0	1.0	0.0	0.0
LOUISIANA	50,460	13.6	33.7	26.6	15.3	6.4	4.3	0.0	0.0
MAINE	16,997	10.9	42.5	26.9	14.0	4.1	1.6	0.0	0.0
MARYLAND	54,432	3.9	42.5	26.1	16.1	8.3	3.1	0.0	0.0
MASSACHUSETTS	72,898	18.0	38.9	23.1	10.7	5.4	3.8	0.1	0.0
MICHIGAN	142,166	9.3	36.2	26.1	15.8	7.6	4.9	0.0	0.0
MISSISSIPPI	32,113	18.4	33.6	27.0	13.3	4.6	2.9	0.0	0.0
MISSOURI	66,191	10.8	37.7	26.3	14.9	6.5	3.8	0.0	0.0
MONTANA	8,179	12.5	34.2	24.1	16.6	7.4	5.1	0.1	0.0
NEBRASKA	13,900	2.9	36.5	29.2	17.7	8.6	5.1	0.0	0.0
NEVADA	11,311	13.9	35.1	24.2	16.5	6.5	3.8	0.0	0.0
NEW HAMPSHIRE	6,820	16.1	42.5	26.5	10.6	2.4	1.9	0.0	0.0
NEW JERSEY	95,167	14.6	39.0	24.7	13.2	5.1	3.2	0.0	0.1
NEW YORK	364,510	16.4	30.8	26.5	13.7	8.2	4.3	0.0	0.0
NORTH CAROLINA	91,364	15.8	31.4	25.3	16.7	7.0	3.8	0.0	0.0
OHIO	165,009	18.5	33.3	22.8	12.7	5.7	3.1	0.0	3.9
OKLAHOMA	27,341	17.2	32.3	25.9	14.9	4.8	4.6	0.7	0.0
OREGON	21,297	0.1	23.8	29.1	20.5	14.4	11.8	0.2	0.0
SOUTH CAROLINA	29,170	18.2	35.1	25.3	14.0	5.5	1.8	0.0	0.0
SOUTH DAKOTA	4,629	17.6	38.0	22.1	13.3	5.0	3.9	0.2	0.0
TENNESSEE	61,067	17.6	35.3	24.4	14.1	5.1	3.2	0.1	0.0
TEXAS	169,436	13.4	37.6	24.2	15.0	6.4	3.2	0.1	0.0
UTAH	11,370	1.5	37.5	30.2	17.5	8.7	4.6	0.1	0.0
VERMONT	7,969	10.0	38.6	29.9	12.6	6.8	2.0	0.0	0.0
VIRGINIA	48,617	20.6	40.5	21.6	11.0	4.6	1.7	0.0	0.0
WASHINGTON	87,468	13.5	37.3	25.7	13.3	7.1	2.9	0.3	0.0
WEST VIRGINIA	28,118	0.9	36.1	37.1	15.9	6.8	3.0	0.3	0.0
WISCONSIN	33,555	16.5	34.4	21.6	14.6	7.6	5.0	0.1	0.0
WYOMING	1,744	19.3	39.6	22.2	11.5	4.2	3.1	0.1	0.0

SOURCE: NATIONAL EMERGENCY TANF DATAFILE AS OF 12/9/98

PREPARED BY DHHS/ACF/OPRE -- December 14, 1998

TABLE 2

PERCENT DISTRIBUTION OF TANF FAMILIES BY NUMBER OF RECIPIENT CHILDREN
JULY - SEPTEMBER 1997

STATE	TOTAL FAMILIES	NUMBER OF RECIPIENT CHILDREN: AVERAGE	ONE	TWO	THREE	FOUR	5 OR MORE	UNKNOWN
TOTAL	*3,040,171*	*2.0*	*41.9*	*26.1*	*14.5*	*6.1*	*3.2*	*8.1*
ALABAMA	28,293	2.1	37.7	34.2	17.5	7.3	3.1	0.2
ARIZONA	50,912	2.4	30.4	31.1	20.4	10.6	7.4	0.0
CALIFORNIA	767,625	1.9	38.7	19.8	12.0	4.8	2.4	22.4
CONNECTICUT	55,042	1.9	45.6	25.2	17.7	4.8	2.6	4.1
DIST. OF COL.	22,954	1.9	47.9	28.4	15.6	5.3	2.8	0.0
FLORIDA	147,574	2.0	42.7	28.7	14.6	7.3	3.9	2.8
GEORGIA	92,350	2.0	45.0	28.2	15.1	6.7	3.8	1.0
INDIANA	45,671	1.9	43.2	30.4	15.2	5.1	2.5	3.5
IOWA	27,438	1.8	47.7	30.1	14.3	6.7	0.0	1.2
KANSAS	17,508	1.9	44.0	30.6	14.1	5.5	2.0	3.9
KENTUCKY	60,486	1.7	51.9	27.9	13.7	4.1	0.7	1.8
LOUISIANA	50,460	2.5	27.6	29.0	21.5	12.0	9.3	0.6
MAINE	16,997	1.8	45.3	31.1	15.3	3.9	1.9	2.5
MARYLAND	54,432	2.0	41.1	27.2	17.5	7.7	3.7	2.8
MASSACHUSETTS	72,898	1.9	48.3	25.9	12.4	5.8	3.7	4.0
MICHIGAN	142,166	2.0	42.8	27.1	18.1	6.7	4.0	1.2
MISSISSIPPI	32,113	2.6	26.6	27.3	21.5	11.2	11.0	0.3
MISSOURI	66,191	2.0	42.3	31.2	15.0	6.9	4.3	0.2
MONTANA	8,179	2.0	41.9	28.0	17.4	6.3	3.5	3.0
NEBRASKA	13,900	2.0	42.8	28.7	18.1	6.4	3.8	0.2
NEVADA	11,311	2.2	21.2	19.2	11.3	4.2	3.7	40.5
NEW HAMPSHIRE	6,820	1.7	51.6	30.1	11.0	2.4	1.7	3.2
NEW JERSEY	95,167	1.9	45.9	28.3	15.1	5.3	3.3	2.1
NEW YORK	364,510	2.0	41.5	28.4	14.5	7.7	3.6	4.3
NORTH CAROLINA	91,364	2.0	46.6	26.5	15.5	4.5	4.7	2.2
OHIO	165,009	1.9	39.2	23.9	13.4	5.1	2.1	16.3
OKLAHOMA	27,341	2.0	41.4	30.8	16.0	5.9	2.7	3.2
OREGON	21,297	1.8	49.3	29.8	12.8	5.0	2.4	0.8
SOUTH CAROLINA	29,170	1.9	45.8	29.3	16.0	5.9	1.9	1.0
SOUTH DAKOTA	4,829	2.0	44.3	28.2	14.8	7.2	5.0	0.7
TENNESSEE	61,067	2.0	44.0	28.3	16.3	5.4	3.4	2.6
TEXAS	169,436	1.9	45.6	28.7	15.4	6.4	3.2	0.7
UTAH	11,370	2.1	39.2	30.2	16.8	8.4	3.9	1.5
VERMONT	7,969	1.8	47.0	31.8	12.7	4.5	1.2	2.7
VIRGINIA	48,617	1.7	53.1	28.4	11.8	4.9	1.8	0.0
WASHINGTON	87,488	1.8	49.0	27.9	15.1	5.1	2.4	0.5
WEST VIRGINIA	29,118	1.9	40.4	38.2	14.5	5.3	1.4	0.2
WISCONSIN	33,555	2.1	40.2	26.6	17.3	8.0	5.6	2.2
WYOMING	1,744	1.9	47.6	29.9	14.7	4.5	2.7	0.6

SOURCE: NATIONAL EMERGENCY TANF DATAFILE AS OF 12/9/98

PREPARED BY DHHS/ACF/OPRE -- December 14, 1998

TABLE 3

PERCENT DISTRIBUTION OF TANF FAMILIES WITH NO ADULT RECIPIENTS BY NUMBER OF RECIPIENT CHILDREN

JULY - SEPTEMBER 1997

STATE	TOTAL FAMILIES	NO ADULT FAMILIES	PERCENT	NUMBER OF RECIPIENT CHILDREN						
				AVERAGE	ONE	TWO	THREE	FOUR	5 OR MORE	UNKNOWN
TOTAL	*2,899,580*	*670,718*	*23.1%*	*1.8*	*53.1*	*25.4*	*12.1*	*4.7*	*2.6*	*2.2*
ALABAMA	28,293	12,126	42.9	1.8	48.0	31.9	13.1	5.1	1.9	0.0
ARIZONA	50,912	15,673	30.8	2.4	33.3	29.6	19.0	9.5	8.2	0.0
CALIFORNIA	767,625	178,948	23.3	1.9	48.5	27.1	12.7	5.1	3.4	3.1
CONNECTICUT	55,042	9,040	16.4	1.6	65.8	11.1	15.3	3.7	0.1	3.9
DIST. OF COL.	22,954	4,188	18.2	1.5	71.1	17.1	8.6	0.4	2.8	0.0
FLORIDA	147,574	43,168	29.3	1.7	56.3	25.8	11.6	3.7	1.9	0.7
GEORGIA	92,350	32,393	35.1	1.7	56.3	24.3	12.5	3.8	3.2	0.0
INDIANA a/										
IOWA	27,438	4,851	17.7	1.6	60.4	26.5	9.7	3.4	0.0	0.0
KANSAS	17,508	3,906	22.3	1.6	58.3	28.7	8.3	3.6	1.2	0.0
KENTUCKY	60,486	15,743	26.0	1.5	68.9	21.6	8.8	2.8	0.0	0.0
LOUISIANA	50,460	16,060	31.8	2.7	21.3	29.9	26.7	10.2	10.4	1.5
MAINE	16,997	2,970	17.5	1.8	49.3	30.7	14.4	3.7	1.5	0.4
MARYLAND a/										
MASSACHUSETTS	72,898	17,224	23.6	1.7	59.3	22.4	12.2	4.0	2.0	0.0
MICHIGAN	142,166	19,326	13.6	1.7	60.0	20.0	17.1	0.0	2.9	0.0
MISSISSIPPI	32,113	10,776	33.6	2.6	32.5	22.9	20.3	12.0	11.8	0.6
MISSOURI	66,191	13,782	20.8	1.9	50.7	29.3	8.0	6.0	6.0	0.0
MONTANA	8,179	1,040	12.7	1.6	58.7	26.2	8.7	4.7	1.2	0.6
NEBRASKA	13,900	3,199	23.0	1.7	50.0	31.6	15.1	2.5	0.8	0.0
NEVADA	11,311	2,878	25.4	2.0	28.7	19.4	7.9	3.6	4.3	36.1
NEW HAMPSHIRE	6,820	1,415	20.7	1.4	65.5	24.4	6.6	1.7	0.3	1.4
NEW JERSEY	95,167	19,754	20.8	1.8	51.1	25.1	14.0	5.2	1.6	2.9
NEW YORK	364,510	74,116	20.3	1.6	59.5	24.2	9.4	5.8	0.0	1.0
NORTH CAROLINA	91,364	18,919	20.7	1.5	66.5	19.9	11.7	1.5	0.5	0.0
OHIO	165,009	37,623	22.8	1.6	51.6	23.1	8.4	2.4	0.9	13.6
OKLAHOMA	27,341	7,580	27.7	1.7	55.5	22.9	10.0	4.0	2.2	5.5
OREGON	21,297	4,084	19.2	1.7	55.2	30.1	10.0	3.6	1.1	0.0
SOUTH CAROLINA	29,170	9,314	31.9	1.7	55.8	25.1	11.4	5.1	2.4	0.0
SOUTH DAKOTA	4,629	1,740	37.6	2.0	45.1	29.2	12.8	8.3	4.5	0.0
TENNESSEE	61,067	16,038	26.3	1.6	59.0	25.6	11.8	2.3	1.0	0.3
TEXAS	169,436	37,965	22.4	1.6	56.7	28.8	8.9	4.5	1.2	0.0
UTAH a/										
VERMONT	7,969	914	11.5	1.5	65.0	21.1	8.9	1.7	0.6	2.8
VIRGINIA	48,617	8,926	18.4	1.4	69.1	22.9	4.8	1.6	1.6	0.0
WASHINGTON	87,488	14,342	16.4	1.7	58.9	22.2	12.2	5.6	1.1	0.0
WEST VIRGINIA a/										
WISCONSIN	33,555	10,101	30.1	1.9	47.5	30.1	13.2	5.5	3.7	0.0
WYOMING	1,744	596	34.2	1.7	53.8	30.7	11.9	2.3	0.9	0.5

NOTE: 'a/'=Data reported but not reliable.

SOURCE: NATIONAL EMERGENCY TANF DATAFILE AS OF 12/9/98

PREPARED BY DHHS/ACF/OPRE -- December 14, 1998

PERCENT DISTRIBUTION OF TANF FAMILIES WITH ONE ADULT RECIPIENT BY NUMBER OF RECIPIENT CHILDREN

JULY - SEPTEMBER 1997

STATE	TOTAL FAMILIES	NUMBER OF RECIPIENT CHILDREN						
		AVERAGE	ONE	TWO	THREE	FOUR	5 OR MORE	UNKNOWN
TOTAL	*2,142,654*	*2.0*	*39.9*	*26.2*	*14.4*	*6.0*	*3.0*	*10.4*
ALABAMA	16,073	2.2	30.0	36.0	20.7	8.9	4.1	0.4
ARIZONA	34,697	2.4	29.4	31.6	21.1	10.9	7.0	0.0
CALIFORNIA	473,532	1.7	37.8	16.1	8.9	2.9	0.5	33.9
CONNECTICUT	43,040	1.9	42.8	27.8	17.5	4.7	3.1	4.3
DIST. OF COL.	18,518	2.0	43.1	30.7	17.0	6.5	2.6	0.0
FLORIDA	104,406	2.1	37.0	29.9	15.9	8.8	4.8	3.7
GEORGIA	59,957	2.1	39.0	30.4	16.5	8.3	4.2	1.6
INDIANA	40,138	1.9	42.2	31.2	15.5	5.0	2.4	3.7
IOWA	20,615	1.8	47.5	30.5	14.6	6.1	0.0	1.4
KANSAS	12,851	1.9	40.6	30.7	15.7	6.2	2.1	4.7
KENTUCKY	43,323	1.8	47.4	29.7	15.1	4.6	0.8	2.4
LOUISIANA	34,065	2.5	30.8	28.4	19.2	12.8	8.6	0.2
MAINE	13,411	1.8	45.2	30.4	15.7	3.9	1.7	3.0
MARYLAND	50,679	2.1	41.0	27.3	18.0	8.1	3.8	1.9
MASSACHUSETTS	53,709	1.9	45.6	26.9	12.2	6.0	3.9	5.4
MICHIGAN	113,198	2.0	42.0	28.3	17.6	7.3	3.4	1.5
MISSISSIPPI	21,337	2.6	26.7	29.5	22.1	10.9	10.7	0.2
MISSOURI	52,179	2.1	40.2	31.6	16.8	7.2	3.9	0.3
MONTANA	5,912	1.9	42.4	28.8	17.4	5.4	2.9	3.1
NEBRASKA	10,173	2.1	41.7	28.2	18.7	7.0	4.2	0.2
NEVADA	8,111	2.2	19.1	19.4	12.2	4.4	3.3	41.6
NEW HAMPSHIRE	5,340	1.7	48.3	31.4	12.2	2.5	2.0	3.7
NEW JERSEY	70,716	1.9	45.8	28.8	14.6	5.3	3.6	2.0
NEW YORK	270,157	2.1	37.2	30.2	15.4	7.5	4.5	5.2
NORTH CAROLINA	51,424	1.9	46.8	26.6	15.4	4.2	4.7	2.2
OHIO	117,957	2.0	36.3	23.7	14.3	5.2	2.4	18.0
OKLAHOMA	19,742	2.1	36.0	33.9	18.3	6.6	2.9	2.3
OREGON	15,632	1.8	49.8	30.3	12.1	5.2	1.5	1.0
SOUTH CAROLINA	19,040	1.9	41.2	31.9	17.7	6.3	1.5	1.2
SOUTH DAKOTA	2,889	2.1	43.7	27.6	15.9	6.5	5.2	1.0
TENNESSEE	44,618	2.1	39.1	29.0	18.0	6.5	4.1	3.4
TEXAS	125,612	2.0	43.0	28.3	17.0	7.2	3.7	0.9
UTAH	11,195	2.1	39.4	30.3	16.8	8.3	3.7	1.5
VERMONT	6,262	1.8	46.5	33.5	11.9	4.6	1.1	2.4
VIRGINIA	38,647	1.8	50.5	29.4	12.8	5.5	1.8	0.0
WASHINGTON	62,947	1.8	50.6	28.9	13.2	4.8	1.8	0.8
WEST VIRGINIA	26,186	1.9	41.5	39.0	13.4	4.3	1.6	0.2
WISCONSIN	23,223	2.2	37.2	25.2	19.0	9.1	6.3	3.2
WYOMING	1,143	1.9	44.5	29.6	16.2	5.8	3.3	0.7

SOURCE: NATIONAL EMERGENCY TANF DATAFILE AS OF 12/9/98

PREPARED BY DHHS/ACF/OPRE -- December 14, 1998

TABLE 5

PERCENT DISTRIBUTION OF TANF FAMILIES WITH TWO OR MORE ADULT RECIPIENTS BY NUMBER OF RECIPIENT CHILDREN

JULY - SEPTEMBER 1997

STATE	TOTAL FAMILIES	*NUMBER OF RECIPIENT CHILDREN* AVERAGE	ONE	TWO	THREE	FOUR	5 OR MORE	UNKNOWN
TOTAL	218,393	2.5	26.7	26.5	23.5	11.7	7.6	4.0
ALABAMA	94	2.0	40.0	20.0	40.0	0.0	0.0	0.0
ARIZONA	542	2.8	12.5	43.8	18.8	12.5	12.5	0.0
CALIFORNIA	115,145	2.6	26.8	23.9	23.6	12.5	8.2	5.1
CONNECTICUT	2.963	2.3	25.0	31.4	27.4	10.9	2.2	3.0
DIST. OF COL.	248	2.8	9.6	47.2	28.8	0.0	14.4	0.0
FLORIDA	0							
GEORGIA	0							
INDIANA	1,274	2.5	28.9	31.6	21.1	7.9	10.5	0.0
IOWA	1,973	2.5	18.3	34.9	22.9	22.0	0.0	1.8
KANSAS	751	2.1	27.7	38.5	15.4	3.1	4.6	10.8
KENTUCKY	1,420	2.4	19.4	41.7	25.0	5.6	5.6	2.8
LOUISIANA	335	3.5	10.0	40.0	10.0	10.0	30.0	0.0
MAINE	616	2.2	28.6	46.4	12.5	5.4	7.1	0.0
MARYLAND	0							
MASSACHUSETTS	1.965	2.7	25.6	28.5	19.0	16.0	10.3	0.6
MICHIGAN	9,642	2.9	18.7	26.8	26.8	13.0	13.6	1.0
MISSISSIPPI	0							
MISSOURI	231	2.4	28.0	40.0	16.0	8.0	8.0	0.0
MONTANA	1,227	2.5	25.1	25.6	24.6	11.8	8.4	4.4
NEBRASKA	527	3.0	20.8	21.6	23.4	19.9	13.4	0.9
NEVADA	321	2.9	5.4	12.5	17.5	5.7	6.4	52.4
NEW HAMPSHIRE	65	2.5	18.8	50.0	12.5	12.5	6.3	0.0
NEW JERSEY	4,697	2.4	26.0	34.2	27.4	6.8	5.5	0.0
NEW YORK	20,236	2.4	33.1	20.8	21.2	16.5	4.6	3.9
NORTH CAROLINA	21,021	2.4	28.2	32.2	19.4	7.8	8.2	4.1
OHIO	9,429	2.4	24.8	29.2	22.3	13.9	4.5	5.4
OKLAHOMA	19	1.0	100.0	0.0	0.0	0.0	0.0	0.0
OREGON	1,581	2.7	28.7	23.1	26.9	6.5	14.8	0.0
SOUTH CAROLINA	816	2.2	37.0	15.9	29.4	6.0	3.7	8.1
SOUTH DAKOTA	0							
TENNESSEE	411	3.5	0.0	50.0	10.0	10.0	30.0	0.0
TEXAS	5,858	2.4	28.8	36.5	23.1	3.8	5.8	1.9
UTAH	175	2.6	28.6	28.6	14.3	14.3	14.3	0.0
VERMONT	792	2.2	30.8	30.8	23.7	6.4	2.6	5.8
VIRGINIA	1,045	2.4	13.6	40.9	36.4	9.1	0.0	0.0
WASHINGTON	10,199	2.5	25.0	29.7	31.3	6.3	7.8	0.0
WEST VIRGINIA	2.539	2.3	24.6	34.2	27.3	13.9	0.0	0.0
WISCONSIN	231	3.7	20.0	10.0	30.0	10.0	30.0	0.0
WYOMING	5	5.2	0.0	20.0	0.0	0.0	80.0	0.0

SOURCE: NATIONAL EMERGENCY TANF DATAFILE AS OF 12/9/98

PREPARED BY DHHS/ACF/OPRE – December 14, 1998

PERCENT DISTRIBUTION OF TANF FAMILIES BY TYPE OF FAMILY FOR WORK PARTICIPATION
JULY - SEPTEMBER 1997

STATE	TOTAL FAMILIES	SINGLE-PARENT	TWO-PARENT	NO-PARENT
TOTAL	3,040,171	70.5	7.2	23.1
ALABAMA	28,293	56.8	0.3	42.9
ARIZONA	50,912	68.2	1.1	30.8
CALIFORNIA	767,625	61.7	15.0	23.3
CONNECTICUT	55,042	78.2	5.4	16.4
DIST. OF COL.	22,954	80.7	1.1	18.2
FLORIDA	147,574	70.7	0.0	29.3
GEORGIA	92,350	64.9	0.0	35.1
INDIANA	45,671	87.9	2.8	a/
IOWA	27,438	75.1	7.2	17.7
KANSAS	17,508	73.4	4.3	22.3
KENTUCKY	60,486	71.6	2.3	26.0
LOUISIANA	50,460	67.5	0.7	31.8
MAINE	16,997	78.9	3.6	17.5
MARYLAND	54,432	93.1	0.0	a/
MASSACHUSETTS	72,898	73.7	2.7	23.6
MICHIGAN	142,166	79.6	6.8	13.6
MISSISSIPPI	32,113	66.4	0.0	33.6
MISSOURI	66,191	78.8	0.3	20.8
MONTANA	8,179	72.3	15.0	12.7
NEBRASKA	13,900	73.2	3.8	23.0
NEVADA	11,311	71.7	2.8	25.4
NEW HAMPSHIRE	6,820	78.3	1.0	20.8
NEW JERSEY	95,167	74.3	4.9	20.8
NEW YORK	364,510	74.1	5.6	20.3
NORTH CAROLINA	91,364	56.3	23.0	20.7
OHIO	165,009	71.5	5.7	22.8
OKLAHOMA	27,341	72.2	0.1	27.7
OREGON	21,297	73.4	7.4	19.2
SOUTH CAROLINA	29,170	65.3	2.8	31.9
SOUTH DAKOTA	4,629	62.4	0.0	37.6
TENNESSEE	61,067	73.1	0.7	26.3
TEXAS	169,436	74.1	3.5	22.4
UTAH	11,370	98.5	1.5	a/
VERMONT	7,969	78.6	9.9	11.5
VIRGINIA	48,617	79.5	2.1	18.4
WASHINGTON	87,488	71.9	11.7	16.4
WEST VIRGINIA	29,118	89.9	8.7	a/
WISCONSIN	33,555	69.2	0.7	30.1
WYOMING	1,744	65.5	0.3	34.2

NOTE: 'a/'=Data reported but not reliable.

SOURCE: NATIONAL EMERGENCY TANF DATAFILE AS OF 12/9/98

PREPARED BY DHHS/ACF/OPRE – December 14 1998

PERCENT DISTRIBUTION OF TANF FAMILIES RECEIVING ASSISTANCE
JULY - SEPTEMBER 1997

STATE	TOTAL FAMILIES	TYPE OF ASSISTANCE: MEDICAL ASSISTANCE	TYPE OF ASSISTANCE: FOOD STAMPS
TOTAL	*3,040,171*	*99.7* a/	*84.7*
ALABAMA	28,293	99.7	70.5
ARIZONA	50,912	99.7	80.9
CALIFORNIA	767,625	71.1 c/	89.6
CONNECTICUT	55,042	100.0	85.2
DIST. OF COL.	22,954	98.2	80.1
FLORIDA	147,574	100.0	80.9
GEORGIA	92,350	99.8	74.5
INDIANA	45,671	b/	75.8
IOWA	27,438	90.1	81.5
KANSAS	17,508	100.0	83.8
KENTUCKY	60,486	100.0	78.9
LOUISIANA	50,460	100.0	85.4
MAINE	16,997	100.0	88.2
MARYLAND	54,432	99.0	94.6
MASSACHUSETTS	72,898	100.0	84.2
MICHIGAN	142,166	100.0	87.4
MISSISSIPPI	32,113	99.6	85.2
MISSOURI	66,191	100.0	74.5
MONTANA	8,179	100.0	89.7
NEBRASKA	13,900	100.0	80.2
NEVADA	11,311	99.2	74.1
NEW HAMPSHIRE	6,820	100.0	87.8
NEW JERSEY	95,167	100.0	81.7
NEW YORK	364,510	98.7	91.6
NORTH CAROLINA	91,364	100.0	70.3
OHIO	165,009	99.8	b/
OKLAHOMA	27,341	100.0	66.4
OREGON	21,297	100.0	80.6
SOUTH CAROLINA	29,170	99.2	86.7
SOUTH DAKOTA	4,629	100.0	80.2
TENNESSEE	61,067	100.0	82.3
TEXAS	169,436	100.0	b/
UTAH	11,370	100.0	92.4
VERMONT	7,969	100.0	90.5
VIRGINIA	48,617	100.0	74.5
WASHINGTON	87,488	100.0	73.8
WEST VIRGINIA	29,118	98.3	98.3
WISCONSIN	33,555	99.9	81.4
WYOMING	1,744	99.2	80.7

NOTES: 'a/' = Excluding California data. 'b/' = Data not reported.

'c/' = Families who received MediCal card and activated for the reporting period.

SOURCE: NATIONAL EMERGENCY TANF DATAFILE AS OF 12/9/98

PREPARED BY DHHS/ACF/OPRE -- December 14, 1998

TABLE 8

TANF FAMILIES RECEIVING CASH ASSISTANCE
JULY - SEPTEMBER 1997

STATE	TOTAL FAMILIES	*CASH ASSISTANCE*	*AVERAGE AMOUNT*
TOTAL	*3,040,171*	*95.2%*	*$359.05*
ALABAMA	28,293	99.8	138.04
ARIZONA	50,912	100.0	292.56
CALIFORNIA	767,525	87.0	488.55
CONNECTICUT	55,042	99.8	469.71
DIST. OF COL.	22,954	99.4	341.53
FLORIDA	147,574	100.0	237.26
GEORGIA	92,350	99.6	239.02
INDIANA	45,671	89.0	237.28
IOWA	27,438	100.0	328.65
KANSAS	17,508	100.0	306.13
KENTUCKY	60,486	100.0	221.70
LOUISIANA	50,460	99.5	152.12
MAINE	16,997	93.5	369.91
MARYLAND	54,432	99.4	329.02
MASSACHUSETTS	72,898	100.0	554.12
MICHIGAN	142,166	94.9	370.39
MISSISSIPPI	32,113	99.8	104.94
MISSOURI	66,191	100.0	250.10
MONTANA	8,179	99.9	365.64
NEBRASKA	13,900	100.0	317.51
NEVADA	11,311	99.5	279.22
NEW HAMPSHIRE	6,820	98.7	421.71
NEW JERSEY	95,167	99.8	346.66
NEW YORK	364,510	99.1	479.88
NORTH CAROLINA	91,364	99.5	219.86
OHIO	165,009	96.1	297.03
OKLAHOMA	27,341	100.0	248.56
OREGON	21,297	96.8	390.65
SOUTH CAROLINA	29,170	98.8	155.27
SOUTH DAKOTA	4,629	100.0	282.98
TENNESSEE	61,067	73.9	171.94
TEXAS	169,436	100.0	165.64
UTAH	11,370	99.9	347.21
VERMONT	7,969	99.8	463.41
VIRGINIA	48,617	97.9	248.16
WASHINGTON	87,488	98.0	478.80
WEST VIRGINIA	29,118	98.9	233.72
WISCONSIN	33,555	97.2	417.18
WYOMING	1,744	99.1	212.51

SOURCE: NATIONAL EMERGENCY TANF DATAFILE AS OF 12/9/98

PREPARED BY DHHS/ACF/OPRE -- December 14, 1998

PERCENT DISTRIBUTION OF TANF FAMILIES
BY REASON FOR GRANT REDUCTION
JULY - SEPTEMBER 1997

STATE	TOTAL FAMILIES	*SANCTION*	*RECOUPMENT**	*OTHER***
TOTAL	*3,040,171*	*2.5*	*7.4*	*5.0*
ALABAMA	28,293	2.5	6.5	0.0
ARIZONA	50,912	1.3	0.9	7.0
CALIFORNIA	767,625	0.6	4.8	15.7
CONNECTICUT	55,042	1.6	7.4	0.0
DIST. OF COL.	22,954	2.0	5.3	0.1
FLORIDA	147,574	0.0	5.7	0.0
GEORGIA	92,350	0.1	10.3	1.6
INDIANA	45,671	1.2	0.9	19.7
IOWA	27,438	5.5	4.1	0.0
KANSAS	17,508	0.0	6.9	0.0
KENTUCKY	60,486	6.8	1.8	0.0
LOUISIANA	50,460	1.3	5.2	2.7
MAINE	16,997	1.9	5.0	0.1
MARYLAND	54,432	2.1	8.3	5.4
MASSACHUSETTS	72,898	0.0	3.7	4.0
MICHIGAN	142,166	3.2	8.2	0.0
MISSISSIPPI	32,113	0.0	1.8	0.0
MISSOURI	66,191	4.9	5.9	0.0
MONTANA	8,179	0.0	0.0	0.0
NEBRASKA	13,900	0.5	7.9	0.0
NEVADA	11,311	18.8	5.1	0.0
NEW HAMPSHIRE	6,820	4.5	0.5	0.0
NEW JERSEY	95,167	9.5	10.5	0.6
NEW YORK	364,510	8.8	28.0	0.4
NORTH CAROLINA	91,364	3.2	4.1	1.1
OHIO	165,009	0.0	0.0	0.0
OKLAHOMA	27,341	0.0	5.7	0.0
OREGON	21,297	4.0	6.0	0.0
SOUTH CAROLINA	29,170	3.7	9.9	0.2
SOUTH DAKOTA	4,629	0.0	0.9	14.1
TENNESSEE	61,067	0.0	3.0	0.0
TEXAS	169,436	0.0	0.0	0.0
UTAH	11,370	1.9	5.7	0.0
VERMONT	7,969	0.1	2.9	0.0
VIRGINIA	48,617	2.0	3.7	7.1
WASHINGTON	87,488	1.3	1.8	2.6
WEST VIRGINIA	29,118	1.6	3.3	0.0
WISCONSIN	33,555	3.2	3.2	0.0
WYOMING	1,744	9.1	4.8	0.4

NOTE: ""=Recoupment of a prior overpayment.*

*"**"=Includes reasons such as a reduced benefit because family moved into the State from another States, or because of State's family cap policy.*

SOURCE: NATIONAL EMERGENCY TANF DATAFILE AS OF 12/8/98

PREPARED BY DHHS/ACF/OPRE -- December 14, 1998

TABLE 10

PERCENT DISTRIBUTION OF TANF ADULT RECIPIENTS BY AGE GROUP

JULY - SEPTEMBER 1997

STATE	TOTAL ADULTS	AGE OF ADULT RECIPIENTS: UNDER 20	20 - 29	30 - 39	40 - 49	OVER 49	UNKNOWN
TOTAL	*2,679,716*	*8.0*	*39.6*	*34.0*	*14.7*	*3.5*	*0.0*
ALABAMA	18,283	7.2	50.3	30.3	10.3	1.9	0.0
ARIZONA	36,830	5.6	40.3	36.2	14.5	3.3	0.0
CALIFORNIA	736,010	11.8	28.6	36.3	19.0	4.2	0.0
CONNECTICUT	49,099	6.5	44.8	33.8	11.6	3.0	0.3
DIST. OF COL.	23,223	5.5	41.9	33.1	10.8	8.2	0.5
FLORIDA	104,406	6.5	43.3	33.6	12.8	3.8	0.0
GEORGIA	60,021	5.9	44.5	33.4	13.0	3.2	0.0
INDIANA	32,157	7.5	52.9	29.6	8.8	1.3	0.0
IOWA	25,519	6.1	46.7	35.2	10.6	1.3	0.0
KANSAS	14,700	8.9	50.8	28.2	9.1	3.0	0.0
KENTUCKY	47,505	6.5	45.6	34.3	11.2	2.3	0.1
LOUISIANA	38,893	7.6	45.2	31.2	14.1	2.0	0.0
MAINE	20,044	5.8	39.6	35.9	14.1	4.6	0.0
MARYLAND	55,383	6.0	43.6	35.5	11.9	2.9	0.0
MASSACHUSETTS	58,087	6.0	46.3	31.9	13.8	2.0	0.0
MICHIGAN	132,482	7.2	41.6	36.4	12.6	2.2	0.0
MISSISSIPPI	21,466	6.9	52.4	26.6	11.5	2.5	0.1
MISSOURI	53,534	5.4	45.2	36.9	9.5	2.9	0.0
MONTANA	8,590	7.7	43.3	34.0	12.5	2.5	0.0
NEBRASKA	12,486	6.9	52.6	28.0	10.3	2.2	0.0
NEVADA	7,171	3.9	37.6	31.3	14.8	12.4	0.0
NEW HAMPSHIRE	7,048	4.2	40.0	35.5	13.2	7.2	0.0
NEW JERSEY	80,046	4.6	40.6	37.4	13.0	4.4	0.0
NEW YORK	338,405	6.4	39.6	33.9	17.1	3.0	0.0
NORTH CAROLINA	92,311	7.2	51.0	30.5	9.5	1.8	0.0
OHIO	136,628	7.7	48.4	30.5	11.1	2.4	0.0
OKLAHOMA	23,117	4.8	42.3	31.2	14.1	7.7	0.0
OREGON	18,896	9.5	35.7	33.6	15.3	5.8	0.1
SOUTH CAROLINA	21,077	5.9	47.6	32.8	10.9	2.7	0.0
SOUTH DAKOTA	2,919	6.0	50.7	28.8	11.8	2.7	0.0
TENNESSEE	45,852	8.2	48.5	32.6	9.1	1.6	0.0
TEXAS	139,920	8.8	44.9	27.9	13.9	4.5	0.0
UTAH	12,086	7.0	44.1	33.5	12.4	3.0	0.0
VERMONT	8,071	6.2	39.2	38.5	14.0	2.1	0.0
VIRGINIA	53,460	5.1	38.7	31.6	14.6	9.8	0.3
WASHINGTON	84,938	4.5	40.7	36.8	14.4	3.6	0.0
WEST VIRGINIA	33,713	4.5	48.0	35.2	11.0	1.3	0.0
WISCONSIN	24,077	7.7	51.9	30.0	8.5	1.9	0.0
WYOMING	1,263	8.7	44.9	33.0	10.6	2.6	0.3

SOURCE: NATIONAL EMERGENCY TANF DATAFILE AS OF 12/9/98

PREPARED BY DHHS/ACF/OPRE -- December 14, 1998

TABLE 11

PERCENT DISTRIBUTION OF TANF ADULT RECIPIENTS BY RACE
JULY - SEPTEMBER 1997

STATE	TOTAL ADULTS	*WHITE*	*BLACK*	*HISPANIC*	*AMERICAN NATIVE*	*ASIAN*	*OTHER*	*UNKNOWN*
TOTAL	*2,679,716*	*36.0*	*35.4*	*21.2*	*1.4*	*4.0*	*0.7*	*1.3*
ALABAMA	18,283	24.4	75.2	0.2	0.1	0.1	0.0	0.0
ARIZONA	36,830	39.0	7.6	33.8	19.1	0.2	0.3	0.0
CALIFORNIA	736,010	28.7	19.7	36.0	0.6	12.2	0.0	2.7
CONNECTICUT	49,099	33.2	30.2	35.2	0.0	1.3	0.1	0.0
DIST. OF COL.	23,223	0.0	99.5	0.0	0.0	0.5	0.0	0.0
FLORIDA	104,406	28.7	50.9	19.9	0.1	0.0	0.2	0.3
GEORGIA	60,021	19.2	79.3	0.8	0.0	0.8	0.0	0.0
INDIANA	32,157	53.3	40.3	5.0	0.0	0.4	1.0	0.0
IOWA	25,519	84.5	10.8	2.3	0.9	0.5	0.7	0.4
KANSAS	14,700	63.8	26.4	6.0	1.8	0.1	0.6	1.3
KENTUCKY	47,505	80.6	18.7	0.2	0.1	0.4	0.0	0.0
LOUISIANA	38,693	15.2	82.8	0.9	0.0	1.1	0.0	0.0
MAINE	20,044	95.8	1.3	0.3	1.0	1.5	0.0	0.2
MARYLAND	55,383	20.5	75.9	1.0	0.1	0.4	0.0	2.1
MASSACHUSETTS	58,087	47.1	19.5	27.4	0.3	5.6	0.0	0.0
MICHIGAN	132,482	46.5	45.6	0.9	1.7	1.1	4.2	0.0
MISSISSIPPI	21,466	15.3	84.5	0.0	0.1	0.0	0.0	0.1
MISSOURI	53,534	46.9	49.5	0.7	0.5	0.7	1.4	0.3
MONTANA	8,590	52.5	1.8	0.6	44.5	0.6	0.0	0.0
NEBRASKA	12,486	60.1	22.0	9.3	6.9	1.0	0.7	0.0
NEVADA	7,171	46.6	36.2	13.9	2.6	0.3	0.3	0.0
NEW HAMPSHIRE	7,048	91.6	2.0	0.8	0.0	2.4	0.0	3.2
NEW JERSEY	80,046	18.3	50.5	29.3	0.0	0.6	1.3	0.0
NEW YORK	338,405	23.8	34.1	35.2	0.7	2.0	0.5	3.7
NORTH CAROLINA	92,311	41.3	49.2	1.8	2.6	2.1	1.8	1.2
OHIO	136,628	52.8	42.2	3.6	0.2	0.1	0.8	0.2
OKLAHOMA	23,117	57.3	25.6	3.1	13.5	0.5	0.0	0.0
OREGON	18,696	79.6	8.6	5.8	2.4	3.6	0.1	0.0
SOUTH CAROLINA	21,077	29.6	68.5	1.1	0.0	0.8	0.0	0.0
SOUTH DAKOTA	2,919	31.3	0.0	0.0	66.3	0.0	2.5	0.0
TENNESSEE	45,852	34.3	64.9	0.3	0.2	0.3	0.1	0.0
TEXAS	139,920	19.7	32.1	46.5	0.7	0.9	0.0	0.0
UTAH	12,086	72.8	3.2	12.9	8.3	1.9	0.0	1.0
VERMONT	8,071	95.6	0.8	0.2	0.3	0.6	0.0	2.6
VIRGINIA	53,460	34.7	62.0	2.7	0.0	0.6	0.0	0.0
WASHINGTON	84,938	65.9	9.8	10.5	5.8	3.4	3.8	0.9
WEST VIRGINIA	33,713	89.6	9.5	0.4	0.0	0.1	0.4	0.0
WISCONSIN	24,077	23.9	54.8	7.7	2.7	0.6	0.0	10.4
WYOMING	1,263	59.0	1.6	6.2	32.6	0.6	0.0	0.0

SOURCE: NATIONAL EMERGENCY TANF DATAFILE AS OF 12/9/98

PREPARED BY DHHS/ACF/OPRE -- December 14, 1998

TABLE 12

PERCENT DISTRIBUTION OF TANF ADULT RECIPIENTS BY MARITAL STATUS
JULY - SEPTEMBER 1997

STATE	TOTAL ADULTS	MARITAL STATUS					
		SINGLE	MARRIED	SEPARATED	WIDOWED	DIVORCED	UNKNOWN
TOTAL	*2,679,716*	*45.3*	*16.2*	*12.7*	*0.7*	*8.3*	*16.8*
ALABAMA	18,283	68.0	5.1	14.8	0.8	11.4	0.0
ARIZONA	36,830	47.0	14.4	17.0	1.0	20.2	0.4
CALIFORNIA	736,010	35.6	29.3	15.5	0.8	6.6	12.2
CONNECTICUT	49,099	66.5	12.6	11.8	1.4	7.7	0.0
DIST. OF COL.	23,223	93.0	2.8	1.6	0.0	2.6	0.0
FLORIDA	104,406	55.3	11.2	17.4	1.1	15.1	0.0
GEORGIA	60,021	0.0	0.0	0.0	0.0	0.0	100.0
INDIANA	32,157	60.2	13.1	10.7	0.6	15.3	0.0
IOWA	25,519	51.6	29.9	6.9	0.1	10.9	0.7
KANSAS	14,700	47.8	17.8	15.6	0.3	18.4	0.0
KENTUCKY	47,505	61.5	22.0	14.9	0.0	0.2	1.4
LOUISIANA	38,893	44.8	3.7	5.4	0.2	2.8	43.1
MAINE	20,044	63.7	16.8	5.3	0.4	13.8	0.0
MARYLAND	55,383	77.3	3.7	10.7	0.8	4.5	2.9
MASSACHUSETTS	58,087	68.2	11.9	12.9	1.5	5.5	0.0
MICHIGAN	132,482	51.0	13.0	14.7	0.9	20.4	0.0
MISSISSIPPI	21,466	67.9	5.8	15.9	0.9	9.5	0.0
MISSOURI	53,534	68.6	4.7	12.9	0.3	13.6	0.0
MONTANA	8,590	47.6	25.6	9.7	0.6	16.5	0.0
NEBRASKA	12,486	52.9	22.1	11.4	0.6	12.9	0.0
NEVADA	7,171	51.6	8.5	18.3	0.9	8.1	12.7
NEW HAMPSHIRE	7,048	50.2	17.7	18.8	0.5	12.0	0.9
NEW JERSEY	80,046	69.8	9.4	15.5	0.4	4.9	0.0
NEW YORK	338,405	59.2	11.6	15.0	1.1	6.8	6.3
NORTH CAROLINA	92,311	0.0	0.0	0.0	0.0	0.0	100.0
OHIO	136,628	56.9	18.7	11.4	0.4	12.6	0.0
OKLAHOMA	23,117	37.4	16.7	27.2	1.5	16.0	1.1
OREGON	18,896	0.0	0.0	0.0	0.0	0.0	100.0
SOUTH CAROLINA	21,077	51.9	13.4	21.3	1.3	12.1	0.0
SOUTH DAKOTA	2,919	31.9	8.9	5.6	0.0	3.7	49.9
TENNESSEE	45,852	62.8	11.5	14.2	0.7	10.9	0.0
TEXAS	139,920	0.0	0.0	0.0	0.0	0.0	100.0
UTAH	12,086	34.4	18.3	20.5	0.5	26.4	0.0
VERMONT	8,071	61.6	8.9	21.4	0.1	7.7	0.3
VIRGINIA	53,460	57.6	18.7	15.0	1.8	6.8	0.0
WASHINGTON	84,938	35.6	26.1	14.3	0.4	16.7	6.9
WEST VIRGINIA	33,713	39.9	24.4	17.1	0.4	17.6	0.6
WISCONSIN	24,077	98.7	1.3	0.0	0.0	0.0	0.0
WYOMING	1,263	38.2	17.4	13.3	0.9	29.1	1.1

SOURCE: NATIONAL EMERGENCY TANF DATAFILE AS OF 12/9/98

PREPARED BY DHHS/ACF/OPRE -- December 14, 1998

PERCENT DISTRIBUTION OF TANF ADULT RECIPIENTS RECEIVING FEDERAL DISABILITY BENEFITS
JULY - SEPTEMBER 1997

STATE	TOTAL ADULTS	YES	NO	UNKNOWN
TOTAL	2,679,716	1.3	90.1	8.6
ALABAMA	18,283	0.3	99.7	0.0
ARIZONA	36,830	0.5	99.5	0.0
CALIFORNIA	736,010	1.0	96.6	2.4
CONNECTICUT	49,099	0.8	99.2	0.0
DIST. OF COL.	23,223	5.2	92.7	2.1
FLORIDA	104,406	0.3	99.7	0.0
GEORGIA	60,021	0.2	99.8	0.0
INDIANA	32,157	0.6	99.4	0.0
IOWA	25,519	0.0	100.0	0.0
KANSAS	14,700	3.1	96.9	0.0
KENTUCKY	47,505	0.1	21.4	78.5
LOUISIANA	38,893	0.0	100.0	0.0
MAINE	20,044	9.9	0.0	90.1
MARYLAND	55,383	2.1	91.9	6.0
MASSACHUSETTS	58,087	1.2	98.8	0.0
MICHIGAN	132,482	0.0	100.0	0.0
MISSISSIPPI	21,466	0.0	100.0	0.0
MISSOURI	53,534	1.7	98.3	0.0
MONTANA	8,590	0.4	99.6	0.0
NEBRASKA	12,486	0.0	100.0	0.0
NEVADA	7,171	3.2	96.8	0.0
NEW HAMPSHIRE	7,048	11.4	88.6	0.0
NEW JERSEY	80,046	0.0	100.0	0.0
NEW YORK	338,405	0.7	95.7	3.7
NORTH CAROLINA	92,311	0.2	99.8	0.0
OHIO	136,628	5.2	94.8	0.0
OKLAHOMA	23,117	3.2	96.8	0.0
OREGON	18,896	11.9	88.1	0.0
SOUTH CAROLINA	21,077	1.0	98.7	0.3
SOUTH DAKOTA	2,919	0.6	97.9	1.4
TENNESSEE	45,852	1.1	98.9	0.0
TEXAS	139,920	0.0	0.0	100.0
UTAH	12,086	1.6	98.4	0.0
VERMONT	8,071	1.8	98.2	0.0
VIRGINIA	53,460	0.1	99.9	0.0
WASHINGTON	84,938	3.6	95.3	1.1
WEST VIRGINIA	33,713	3.8	93.7	2.5
WISCONSIN	24,077	0.3	99.7	0.0
WYOMING	1,263	0.4	99.6	0.0

SOURCE: NATIONAL EMERGENCY TANF DATAFILE AS OF 12/9/98

PREPARED BY DHHS/ACF/OPRE -- December 14, 1998

PERCENT DISTRIBUTION OF TANF ADULT RECIPIENTS BY RELATIONSHIP TO THE HEAD OF HOUSEHOLD

JULY - SEPTEMBER 1997

STATE	TOTAL ADULTS	*RELATIONSHIP TO HEAD OF HOUSEHOLD* HEAD OF HOUSEHOLD	SPOUSE	PARENT	CHILD	GRAND-CHILD	OTHER RELATED	UNRELATED	UNKNOW
TOTAL	*2,679,716*	*85.8*	*8.2*	*0.4*	*3.0*	*0.1*	*0.3*	*1.2*	*1.*
ALABAMA	18,283	96.0	2.0	0.0	0.0	0.0	0.0	2.1	0
ARIZONA	36,830	94.6	3.7	0.0	0.6	0.0	0.2	1.0	0
CALIFORNIA	736,010	75.9	14.5	1.0	4.2	0.1	0.3	1.7	2
CONNECTICUT	49,099	92.9	6.2	0.0	0.0	0.0	0.8	0.0	0
DIST. OF COL.	23,223	98.8	1.2	0.0	0.0	0.0	0.0	0.0	0
FLORIDA	104,406	97.4	0.4	0.0	0.8	0.0	0.2	1.3	0
GEORGIA	60,021	66.8	1.6	0.0	28.2	1.8	1.5	0.0	0
INDIANA	32,157	95.2	3.2	0.1	0.4	0.0	0.2	0.8	0
IOWA	25,519	85.0	9.8	0.4	0.9	0.1	4.0	0.0	0
KANSAS	14,700	91.4	6.6	0.0	0.0	0.0	2.0	0.0	0
KENTUCKY	47,505	93.2	6.2	0.2	0.0	0.0	0.2	0.2	0.
LOUISIANA	38,893	97.7	2.1	0.0	0.0	0.0	0.3	0.0	0
MAINE	20,044	88.9	10.5	0.0	0.4	0.0	0.0	0.2	0
MARYLAND	55,383	95.8	0.7	0.2	3.2	0.0	0.1	0.0	0.
MASSACHUSETTS	58,087	92.7	4.5	0.0	2.4	0.0	0.0	0.3	0.
MICHIGAN	132,482	91.9	5.8	0.4	0.1	0.0	0.0	1.8	0.
MISSISSIPPI	21,466	98.6	1.4	0.0	0.0	0.0	0.0	0.0	0
MISSOURI	53,534	96.9	2.5	0.3	0.0	0.0	0.0	0.3	0.
MONTANA	8,590	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100
NEBRASKA	12,486	86.4	13.2	0.4	0.0	0.0	0.0	0.0	0
NEVADA	7,171	93.8	3.6	0.0	0.0	0.0	0.0	1.4	1
NEW HAMPSHIRE	7,048	96.8	2.4	0.8	0.0	0.0	0.0	0.0	0
NEW JERSEY	80,046	92.6	3.6	0.0	0.0	0.0	0.0	3.8	0
NEW YORK	338,405	84.9	5.5	0.2	7.3	0.4	0.2	1.4	0
NORTH CAROLINA	92,311	77.2	22.8	0.0	0.0	0.0	0.0	0.0	0.
OHIO	136,628	91.8	5.8	0.4	0.7	0.0	0.2	1.1	0.
OKLAHOMA	23,117	93.1	6.5	0.0	0.1	0.2	0.0	0.0	0.
OREGON	18,896	90.9	0.0	0.0	0.0	0.0	0.0	0.0	9
SOUTH CAROLINA	21,077	93.2	5.7	0.0	0.3	0.0	0.0	0.5	0
SOUTH DAKOTA	2,919	97.5	1.9	0.6	0.0	0.0	0.0	0.0	0
TENNESSEE	45,852	97.7	1.7	0.0	0.2	0.0	0.0	0.0	0
TEXAS	139,920	93.8	6.2	0.0	0.0	0.0	0.0	0.0	0
UTAH	12,086	94.1	5.9	0.0	0.0	0.0	0.0	0.0	0
VERMONT	8,071	85.0	10.1	0.0	0.7	0.0	0.1	4.0	0
VIRGINIA	53,460	86.4	6.2	1.3	1.4	0.1	3.3	1.2	0.
WASHINGTON	84,938	85.9	11.1	0.0	0.0	0.0	0.0	3.0	0
WEST VIRGINIA	33,713	85.3	12.4	0.1	1.4	0.0	0.0	0.8	0.
WISCONSIN	24,077	96.6	2.0	0.0	0.2	0.0	0.0	1.1	0.
WYOMING	1,263	90.0	6.1	0.1	0.0	0.0	2.6	1.1	0

SOURCE: NATIONAL EMERGENCY TANF DATAFILE AS OF 12/9/98

PREPARED BY DHHS/ACF/OPRE -- December 14, 1998

TABLE 15

PERCENT DISTRIBUTION OF TANF ADULT RECIPIENTS WITH TEEN PARENT STATUS IN THE FAMILY
JULY - SEPTEMBER 1997

STATE	TOTAL ADULTS	*TEEN PARENT STATUS*		
		YES	NO	UNKNOWN
TOTAL	*2,679,716*	*3.6*	*91.1*	*5.3*
ALABAMA	18,283	0.3	99.7	0.0
ARIZONA	36,830	1.1	98.9	0.0
CALIFORNIA	736,010	1.7	96.1	2.3
CONNECTICUT	49,099	5.1	94.9	0.0
DIST. OF COL.	23,223	3.3	94.6	2.1
FLORIDA	104,406	6.9	93.1	0.0
GEORGIA	60,021	5.9	94.1	0.0
INDIANA	32,157	6.6	93.4	0.0
IOWA	25,519	2.8	97.2	0.0
KANSAS	14,700	8.3	91.7	0.0
KENTUCKY	47,505	1.1	20.4	78.5
LOUISIANA	38,893	0.0	100.0	0.0
MAINE	20,044	5.0	95.0	0.0
MARYLAND	55,383	5.2	66.5	28.3
MASSACHUSETTS	58,087	6.5	93.5	0.0
MICHIGAN	132,482	7.2	92.8	0.0
MISSISSIPPI	21,466	6.9	93.1	0.0
MISSOURI	53,534	5.4	94.6	0.0
MONTANA	8,590	0.0	100.0	0.0
NEBRASKA	12,486	6.4	93.6	0.0
NEVADA	7,171	1.8	98.2	0.0
NEW HAMPSHIRE	7,048	4.0	96.0	0.0
NEW JERSEY	80,046	4.1	95.9	0.0
NEW YORK	338,405	2.7	93.6	3.7
NORTH CAROLINA	92,311	0.6	99.4	0.0
OHIO	136,628	5.1	94.9	0.0
OKLAHOMA	23,117	0.3	99.7	0.0
OREGON	18,896	8.7	91.3	0.0
SOUTH CAROLINA	21,077	5.2	94.6	0.2
SOUTH DAKOTA	2,919	6.0	94.0	0.0
TENNESSEE	45,852	2.1	97.9	0.0
TEXAS	139,920	9.1	90.9	0.0
UTAH	12,086	0.0	100.0	0.0
VERMONT	8,071	4.9	95.1	0.0
VIRGINIA	53,460	4.4	95.6	0.0
WASHINGTON	84,938	3.0	28.5	68.5
WEST VIRGINIA	33,713	4.7	92.4	3.0
WISCONSIN	24,077	0.0	100.0	0.0
WYOMING	1,263	1.1	98.9	0.0

SOURCE: NATIONAL EMERGENCY TANF DATAFILE AS OF 12/9/98

PREPARED BY DHHS/ACF/OPRE -- December 14, 1998

TABLE 16

PERCENT DISTRIBUTION OF TANF ADULT RECIPIENTS BY EDUCATIONAL LEVEL
JULY - SEPTEMBER 1997

STATE	TOTAL ADULTS	YEARS OF EDUCATION 1 - 6	7 - 9	10 - 11	12 AND OVER	UNKNOWN*
TOTAL	*2,679,716*	*4.2*	*11.5*	*22.8*	*42.8*	*18.7*
ALABAMA	18,283	0.9	21.4	25.6	51.2	0.8
ARIZONA	36,830	2.8	9.9	17.5	38.3	31.4
CALIFORNIA	736,010	9.2	8.8	24.8	42.9	14.3
CONNECTICUT	49,099	4.3	16.3	25.8	53.3	0.4
DIST. OF COL.	23,223	1.0	14.3	34.7	41.1	8.8
FLORIDA	104,406	1.8	7.7	15.3	20.4	54.8
GEORGIA	60,021	1.0	10.0	13.9	24.7	50.4
INDIANA	32,157	0.7	13.0	26.1	58.8	1.4
IOWA	25,519	0.0	22.2	0.1	26.2	51.6
KANSAS	14,700	0.0	0.0	0.0	0.0	100.0
KENTUCKY	47,505	2.6	19.6	21.5	34.4	21.9
LOUISIANA	38,893	1.4	13.1	22.2	34.8	28.5
MAINE	20,044	0.9	13.6	15.5	58.3	11.7
MARYLAND	56,383	0.4	7.3	22.2	28.2	41.8
MASSACHUSETTS	58,087	2.4	10.3	23.0	58.7	5.6
MICHIGAN	132,482	2.0	8.3	27.4	61.8	0.4
MISSISSIPPI	21,466	1.0	17.2	30.7	50.7	0.4
MISSOURI	53,534	0.8	13.7	32.4	53.1	0.0
MONTANA	8,590	0.6	11.7	18.1	67.8	1.8
NEBRASKA	12,486	0.5	2.7	14.0	50.6	32.1
NEVADA	7,171	2.4	8.2	26.3	39.9	23.3
NEW HAMPSHIRE	7,048	0.2	6.7	9.6	58.8	24.8
NEW JERSEY	80,046	2.2	16.8	29.6	51.0	0.5
NEW YORK	338,405	3.4	12.9	25.3	51.5	6.9
NORTH CAROLINA	92,311	0.1	11.9	14.3	6.5	67.1
OHIO	136,628	1.6	10.3	25.7	47.0	15.4
OKLAHOMA	23,117	0.7	10.8	22.1	64.8	1.6
OREGON	16,896	2.9	10.5	23.8	51.8	11.1
SOUTH CAROLINA	21,077	1.6	14.1	28.5	55.4	0.3
SOUTH DAKOTA	2,919	0.0	9.5	20.5	68.5	1.4
TENNESSEE	45,852	1.2	9.1	15.1	22.6	52.0
TEXAS	139,920	6.5	21.7	21.5	47.9	2.4
UTAH	12,086	1.6	7.6	25.8	48.6	16.5
VERMONT	8,071	1.1	11.2	18.1	68.3	1.4
VIRGINIA	53,460	4.5	18.1	23.4	51.7	2.3
WASHINGTON	84,938	3.2	5.4	5.1	16.7	69.6
WEST VIRGINIA	33,713	1.4	18.1	25.3	54.5	0.7
WISCONSIN	24,077	0.9	9.1	39.7	18.0	32.4
WYOMING	1,263	1.6	7.3	18.6	71.8	0.8

NOTE: ""=Including no formal education.*

SOURCE: NATIONAL EMERGENCY TANF DATAFILE AS OF 12/9/98

PREPARED BY DHHS/ACF/OPRE – December 14, 1998

PERCENT DISTRIBUTION OF ADULT RECIPIENTS BY CITIZENSHIP STATUS
JULY - SEPTEMBER

STATE	TOTAL ADULTS	U.S. CITIZEN	NONCITIZEN	UNKNOWN
TOTAL	2,679,716	91.8	6.2	2.0
ALABAMA	18,283	99.9	0.1	0.0
ARIZONA	36,830	93.5	6.5	0.0
CALIFORNIA a/	736,010			
CONNECTICUT	49,099	95.9	4.1	0.0
DIST. OF COL.	23,223	99.9	0.1	0.0
FLORIDA	104,406	86.7	13.3	0.0
GEORGIA	60,021	98.7	1.3	0.0
INDIANA	32,157	98.9	1.1	0.0
IOWA	25,519	99.7	0.3	0.0
KANSAS	14,700	97.6	2.4	0.0
KENTUCKY	47,505	99.3	0.2	0.4
LOUISIANA	38,893	99.2	0.8	0.0
MAINE	20,044	98.3	1.7	0.0
MARYLAND	55,363	93.4	1.0	5.6
MASSACHUSETTS	58,087	87.0	12.0	1.0
MICHIGAN	132,482	97.0	3.0	0.0
MISSISSIPPI	21,466	99.9	0.1	0.0
MISSOURI	53,534	98.8	1.2	0.0
MONTANA	8,590	98.2	1.8	0.0
NEBRASKA	12,486	21.9	0.5	77.6
NEVADA	7,171	91.6	7.8	0.6
NEW HAMPSHIRE	7,048	77.5	2.7	19.8
NEW JERSEY	80,046	93.4	0.0	6.6
NEW YORK	338,405	80.5	14.7	4.9
NORTH CAROLINA a/	92,311			
OHIO	136,628	98.6	1.4	0.0
OKLAHOMA	23,117	98.6	0.5	0.9
OREGON a/	18,896			
SOUTH CAROLINA	21,077	99.2	0.5	0.3
SOUTH DAKOTA	2,919	100.0	0.0	0.0
TENNESSEE	45,852	98.8	1.2	0.0
TEXAS	139,920	90.4	9.6	0.0
UTAH	12,086	94.8	5.2	0.0
VERMONT	8,071	98.3	1.6	0.1
VIRGINIA	53,460	97.1	2.8	0.1
WASHINGTON	84,938	85.7	14.3	0.0
WEST VIRGINIA	33,713	99.6	0.0	0.4
WISCONSIN	24,077	100.0	0.0	0.0
WYOMING	1,263	99.6	0.4	0.0

NOTE: "a/"=Data not reported.

SOURCE: NATIONAL EMERGENCY TANF DATAFILE AS OF 12/9/98

PREPARED BY DHHS/ACF/OPRE -- December 14, 1998

TABLE 18

PERCENT DISTRIBUTION OF TANF ADULT RECIPIENTS BY WORK EXEMPTION STATUS
JULY - SEPTEMBER 1997

STATE	TOTAL ADULTS	WORK EXEMPTION STATUS						
		REQUIRED	CHILD UNDER 12 MONTHS	SANCTIONED/ TRIBAL	DISABLED/ ILL	TEEN PARENT IN EDUCATION	NOT APPLICABLE	UNKNOWN
TOTAL	2,679,716	61.5	7.6	2.7	20.2	5.6	1.0	1.4
ALABAMA	18,283	23.1	12.3	14.8	3.0	33.7	13.1	0.0
ARIZONA	36,830	62.0	18.5	13.8	2.2	3.5	0.0	0.0
CALIFORNIA	736,010	60.0	2.9	0.0	35.0	0.0	0.0	2.1
CONNECTICUT	49,099	84.8	10.1	1.2	3.3	0.5	0.0	0.0
DIST. OF COL.	23,223	61.2	11.6	0.5	11.7	2.2	12.3	0.5
FLORIDA	104,406	60.1	15.7	9.1	2.7	12.4	0.0	0.0
GEORGIA	60,021	81.4	6.8	0.9	0.6	10.2	0.0	0.0
INDIANA	32,157	25.8	12.9	0.0	30.0	7.3	24.0	0.0
IOWA	25,519	57.2	10.2	5.2	8.9	18.4	0.0	0.0
KANSAS	14,700	58.1	18.6	0.0	18.6	4.8	0.0	0.0
KENTUCKY	47,505	60.4	6.6	12.6	1.0	19.4	0.0	0.0
LOUISIANA	38,893	76.9	9.1	6.7	4.1	2.8	0.4	1.0
MAINE	20,044	55.4	7.4	1.8	3.6	31.8	0.0	0.0
MARYLAND	55,383	85.9	10.2	0.0	0.0	3.8	0.0	0.0
MASSACHUSETTS	58,087	24.0	13.5	0.0	56.3	5.8	0.3	0.0
MICHIGAN	132,482	67.1	10.4	0.8	5.0	16.7	0.0	0.0
MISSISSIPPI	21,466	71.6	13.4	0.0	15.0	0.0	0.0	0.0
MISSOURI	53,534	62.4	12.3	8.0	17.0	0.3	0.0	0.0
MONTANA	6,590	67.1	0.0	28.4	0.0	0.8	0.0	3.7
NEBRASKA	12,486	79.3	6.1	1.2	11.2	0.0	0.0	0.2
NEVADA	7,171	44.6	5.2	5.7	0.3	15.3	27.7	1.2
NEW HAMPSHIRE	7,048	22.3	7.9	4.0	39.1	6.9	19.8	0.0
NEW JERSEY	80,046	62.9	7.8	6.8	13.5	9.0	0.0	0.0
NEW YORK	338,405	60.5	7.3	1.4	25.3	5.5	0.0	0.0
NORTH CAROLINA	92,311	89.5	3.6	4.4	0.0	2.5	0.0	0.0
OHIO	136,828	77.5	12.6	5.1	0.0	4.9	0.0	0.0
OKLAHOMA	23,117	31.9	17.1	0.0	0.0	31.2	0.0	18.6
OREGON	18,898	84.0	0.0	2.8	11.9	0.9	0.5	0.0
SOUTH CAROLINA	21,077	64.5	10.8	0.4	20.8	3.5	0.0	0.0
SOUTH DAKOTA	2,919	50.9	5.2	40.0	2.3	1.7	0.0	0.0
TENNESSEE	45,852	52.0	0.0	0.6	8.2	6.2	0.0	33.0
TEXAS	139,920	30.2	8.2	4.8	53.5	3.3	0.0	0.0
UTAH	12,086	61.4	17.6	2.6	0.0	16.8	0.0	1.6
VERMONT	8,071	3.6	0.8	0.0	0.0	0.0	95.6	0.0
VIRGINIA	53,460	70.3	5.1	3.5	20.3	0.8	0.0	0.0
WASHINGTON	84,938	80.1	9.2	0.8	3.0	4.3	2.1	0.6
WEST VIRGINIA	33,713	67.5	6.0	1.4	14.7	2.5	3.1	4.8
WISCONSIN	24,077	27.5	16.4	4.7	8.8	42.6	0.0	0.0
WYOMING	1,263	56.3	0.9	33.7	8.1	0.9	0.0	0.0

SOURCE: NATIONAL EMERGENCY TANF DATAFILE AS OF 12/9/98

PREPARED BY DHHS/ACF/OPRE -- December 14, 1998

TABLE 19

PERCENT DISTRIBUTION OF TANF ADULT RECIPIENTS BY EMPLOYMENT STATUS

JULY - SEPTEMBER 1997

STATE	TOTAL ADULTS	EMPLOYMENT STATUS			
		EMPLOYED	UNEMPLOYED*	NOT IN LABOR FORCE**	UNKNOWN
TOTAL	*2,679,716*	*18.2*	*39.9*	*31.1*	*10.8*
ALABAMA	18,283	26.4	57.1	16.4	0.0
ARIZONA	36,830	21.1	78.9	0.0	0.0
CALIFORNIA	736,010	24.1	32.9	32.0	11.0
CONNECTICUT	49,099	46.7	44.2	9.1	0.0
DIST. OF COL.	23,223	3.3	60.3	36.5	0.0
FLORIDA	104,406	24.4	3.9	71.6	0.0
GEORGIA	60,021	21.6	56.3	22.1	0.0
INDIANA	32,157	12.7	59.5	27.7	0.0
IOWA	25,519	29.4	8.4	2.1	60.1
KANSAS	14,700	15.5	57.4	27.1	0.0
KENTUCKY	47,505	11.7	81.2	7.1	0.0
LOUISIANA	38,893	3.5	85.9	10.6	0.0
MAINE	20,044	20.9	59.8	19.3	0.0
MARYLAND	55,383	19.0	7.3	73.7	0.0
MASSACHUSETTS	58,087	10.9	25.5	63.6	0.0
MICHIGAN	132,482	38.5	45.5	16.0	0.0
MISSISSIPPI	21,466	3.7	70.5	25.8	0.0
MISSOURI	53,534	11.8	44.3	43.8	0.0
MONTANA	8,590	17.0	83.0	0.0	0.0
NEBRASKA	12,486	15.9	84.1	0.0	0.0
NEVADA	7,171	14.9	37.6	37.7	9.8
NEW HAMPSHIRE	7,048	19.0	13.4	47.7	19.8
NEW JERSEY	80,046	8.0	76.0	15.9	0.0
NEW YORK	338,405	10.4	57.0	32.6	0.0
NORTH CAROLINA	92,311	15.2	2.0	0.0	82.8
OHIO	136,628	25.5	70.0	4.6	0.0
OKLAHOMA	23,117	20.1	66.7	13.1	0.0
OREGON	18,896	9.3	90.7	0.0	0.0
SOUTH CAROLINA	21,077	16.9	52.6	30.4	0.0
SOUTH DAKOTA	2,919	11.6	79.7	8.5	0.2
TENNESSEE	45,852	13.5	27.0	59.5	0.0
TEXAS	139,920	3.1	6.6	90.3	0.0
UTAH	12,086	28.2	4.2	40.8	26.8
VERMONT	8,071	28.1	44.7	27.2	0.0
VIRGINIA	53,460	3.4	4.3	0.4	92.0
WASHINGTON	84,938	4.3	7.7	18.9	69.0
WEST VIRGINIA	33,713	6.6	34.0	53.2	6.3
WISCONSIN	24,077	23.4	76.6	0.0	0.0
WYOMING	1,263	23.1	76.9	0.0	0.0

NOTES: "" = Unemployed, looking for work. "**"=unemployed, not looking for work (includes discouraged workers).*

SOURCE: NATIONAL EMERGENCY TANF DATAFILE AS OF 12/9/98

PREPARED BY DHHS/ACF/OPRE -- December 14, 1998

TANF ADULT RECIPIENTS BY TYPE OF NON-TANF INCOME
JULY - SEPTEMBER 1997

STATE	TOTAL ADULTS	ALL INCOME	MONTHLY AVERAGE	EARNED INCOME	MONTHLY AVERAGE	UNEARNED INCOME	MONTHLY AVERAGE
TOTAL	2,679,716	25.7%	$490.81	17.9%	$591.57	10.0%	$225.99
ALABAMA	18,283	11.3	73.87	1.2	176.50	10.1	60.55
ARIZONA	35,830	95.1	361.41	10.2	336.50	94.8	326.59
CALIFORNIA	736,010	33.1	580.19	25.1	695.42	9.1	188.60
CONNECTICUT	49,099	48.4	618.72	46.1	628.50	3.0	336.39
DIST. OF COL	23,223	13.6	633.95	2.7	1,350.47	11.5	428.52
FLORIDA	104,406	19.5	400.18	16.5	447.54	3.0	137.42
GEORGIA	60,021	34.1	411.39	21.4	537.00	15.8	162.99
INDIANA	32,157	34.7	591.10	26.8	663.21	9.8	280.76
IOWA	25,519	32.8	568.85	31.1	586.12	2.0	196.57
KANSAS	14,700	76.2	416.61	15.5	388.66	71.9	357.91
KENTUCKY	47,505	14.9	332.51	11.7	376.51	3.3	160.78
LOUISIANA	38,893	13.3	176.08	3.5	375.85	9.8	102.68
MAINE	20,044	24.8	612.77	20.8	663.84	4.6	305.73
MARYLAND	55,383	17.4	146.46	12.9	132.11	5.4	159.10
MASSACHUSETTS	58,087	13.7	511.04	12.1	550.27	1.6	213.12
MICHIGAN	132,482	41.4	471.13	38.6	475.14	5.8	197.25
MISSISSIPPI a/	21,466						
MISSOURI	53,534	17.6	476.67	7.8	850.05	10.2	330.15
MONTANA	8,590	25.8	434.83	16.7	448.46	10.3	356.56
NEBRASKA	12,486	23.5	453.58	15.8	574.76	10.1	156.74
NEVADA	7,171	38.7	399.35	16.7	767.24	27.6	94.02
NEW HAMPSHIRE	7,048	22.1	529.89	15.6	632.47	8.1	229.87
NEW JERSEY	80,046	9.3	584.78	8.0	638.02	1.6	201.60
NEW YORK	338,405	19.6	349.52	8.3	501.17	12.7	211.75
NORTH CAROLINA	92,311	23.4	384.48	15.2	498.47	9.6	149.02
OHIO	136,628	23.1	652.20	23.1	652.20	a/	
OKLAHOMA	23,117	23.4	630.27	20.1	631.30	3.4	594.17
OREGON	18,896	15.6	287.85	14.1	315.11	1.6	24.14
SOUTH CAROLINA	21,077	38.1	323.26	18.3	494.52	23.0	141.72
SOUTH DAKOTA	2,919	13.5	288.81	11.6	314.93	2.1	178.72
TENNESSEE	45,852	14.5	629.18	13.5	642.79	1.1	405.42
TEXAS	139,920	2.4	588.50	2.4	588.50	a/	
UTAH	12,086	28.4	480.88	23.9	507.74	5.5	280.19
VERMONT	8,071	30.6	479.85	27.4	498.60	4.5	226.36
VIRGINIA	53,460	11.6	499.21	10.8	527.58	1.0	83.73
WASHINGTON	84,938	22.1	314.61	10.5	416.29	12.2	212.48
WEST VIRGINIA	33,713	13.3	336.46	6.9	380.47	6.7	272.23
WISCONSIN	24,077	29.8	436.71	21.8	455.88	10.1	303.58
WYOMING	1,263	45.4	308.59	21.4	518.06	28.9	100.84

NOTE: 'a/'=Data not reported.

SOURCE: NATIONAL EMERGENCY TANF DATAFILE AS OF 12/9/98

PREPARED BY DHHS/ACF/OPRE -- December 14, 1998

TABLE 21

PERCENT DISTRIBUTION OF TANF RECIPIENT CHILDREN BY AGE GROUP
JULY - SEPTEMBER 1997

STATE	TOTAL CHILDREN	*AGE OF RECIPIENT CHILDREN* 0 - 1	2 - 5	6 - 11	12 - 15	16 - 19	UNKNOWN*
TOTAL	*5,489,183*	*7.4*	*29.7*	*33.8*	*15.8*	*6.5*	*6.8*
ALABAMA	57,927	6.9	29.2	32.5	16.5	6.8	8.1
ARIZONA	121,762	7.6	25.1	35.4	16.3	6.0	9.6
CALIFORNIA	1,133,979	8.4	32.9	32.6	14.6	5.5	6.1
CONNECTICUT	100,038	5.9	26.1	36.5	17.2	7.7	6.6
DIST. OF COL.	43,260	5.6	34.8	33.1	12.6	5.8	8.0
FLORIDA	287,518	6.9	27.7	35.7	16.4	6.3	7.1
GEORGIA	179,806	6.3	28.9	35.5	15.4	9.4	4.4
INDIANA	84,032	7.9	32.5	33.7	12.6	4.7	8.5
IOWA	48,758	7.6	29.5	34.4	15.5	5.8	7.2
KANSAS	31,503	9.0	29.5	31.6	14.7	4.8	10.5
KENTUCKY	102,191	6.5	29.4	34.6	16.7	6.6	6.2
LOUISIANA	126,904	5.8	27.2	29.9	15.7	10.4	10.9
MAINE	30,452	5.9	24.8	37.0	18.1	8.4	5.8
MARYLAND	107,802	6.3	32.3	34.5	14.8	5.5	6.6
MASSACHUSETTS	130,965	6.2	30.2	35.5	16.0	7.7	4.4
MICHIGAN	286,566	6.7	26.0	35.0	16.8	6.7	8.8
MISSISSIPPI	83,245	6.0	25.2	29.4	16.0	12.1	11.4
MISSOURI	133,579	6.1	30.9	35.5	15.0	6.8	5.7
MONTANA	15,838	6.8	27.7	35.3	17.7	5.0	7.4
NEBRASKA	26,168	6.1	29.1	32.8	14.8	4.6	12.6
NEVADA	14,787	6.7	32.4	35.7	13.1	5.1	7.0
NEW HAMPSHIRE	11,155	8.0	31.5	34.7	12.9	6.9	6.0
NEW JERSEY	178,044	6.3	27.9	36.4	16.6	7.0	5.9
NEW YORK	705,529	7.5	29.2	32.5	18.0	7.7	5.0
NORTH CAROLINA	174,543	8.1	31.1	34.8	13.2	3.7	9.2
OHIO	262,987	7.7	30.5	32.9	14.9	6.2	7.8
OKLAHOMA	51,759	6.7	26.5	34.3	17.4	7.1	8.0
OREGON	38,700	7.7	27.5	32.6	16.5	7.4	8.2
SOUTH CAROLINA	54,371	6.9	27.4	37.1	16.1	5.4	7.2
SOUTH DAKOTA	9,385	7.9	26.9	34.8	16.9	6.7	6.9
TENNESSEE	116,089	7.3	28.4	36.1	15.8	6.4	6.0
TEXAS	326,367	8.5	30.2	33.1	15.2	5.9	6.9
UTAH	23,364	7.9	30.6	32.9	14.3	5.3	9.0
VERMONT	13,800	6.3	27.1	37.9	17.0	6.1	5.6
VIRGINIA	84,842	5.7	31.2	36.1	17.6	5.3	4.3
WASHINGTON	160,952	7.1	27.8	35.2	17.0	6.3	6.4
WEST VIRGINIA	55,074	7.5	31.3	34.2	12.7	7.0	7.3
WISCONSIN	69,924	9.0	29.2	32.5	15.5	5.4	8.4
WYOMING	3,218	7.1	26.5	35.4	17.3	5.3	8.4

NOTE: ""=Including unborn child.*

SOURCE: NATIONAL EMERGENCY TANF DATAFILE AS OF 12/9/98

PREPARED BY DHHS/ACF/OPRE -- December 14, 1998

TABLE 22

PERCENT DISTRIBUTION OF TANF YOUNGEST RECIPIENT CHILD BY AGE GROUP
JULY - SEPTEMBER 1997

STATE	TOTAL FAMILIES	AGE OF THE YOUNGEST CHILD: 0 - 1	2	3 - 5	6 - 8	9 - 11	12 - 15	16 - 19	UNKNOWN*
TOTAL	*3,040,171*	*7.4*	*7.1*	*19.5*	*15.2*	*12.2*	*14.9*	*8.0*	*15.6*
ALABAMA	28,293	5.0	6.8	21.0	18.0	15.5	20.9	9.7	3.1
ARIZONA	50,912	14.3	7.9	21.0	15.4	8.7	7.6	3.0	22.0
CALIFORNIA	767,625	4.3	5.0	19.5	13.7	10.7	13.4	7.3	26.1
CONNECTICUT	55,042	5.8	5.9	16.3	17.1	17.2	19.2	9.4	9.2
DIST. OF COL.	22,954	6.2	5.8	22.9	20.9	13.5	17.9	7.9	4.9
FLORIDA	147,574	5.7	5.6	16.5	18.9	15.9	19.3	9.6	8.6
GEORGIA	92,350	10.4	11.2	21.5	17.2	12.0	12.3	6.7	8.7
INDIANA	45,671	12.0	10.3	17.8	12.5	10.5	13.1	6.2	17.6
IOWA	27,438	6.7	6.7	18.9	17.9	14.1	19.5	9.6	6.7
KANSAS	17,508	13.4	9.1	18.7	11.6	9.8	11.2	4.0	22.3
KENTUCKY	60,486	9.9	8.5	24.0	15.4	11.5	13.4	5.2	12.1
LOUISIANA	50,460	4.3	6.1	18.3	15.0	13.4	16.8	17.1	8.9
MAINE	16,997	6.1	5.0	16.2	18.0	15.2	20.0	11.8	7.6
MARYLAND	54,432	9.7	11.7	21.8	16.0	10.7	11.5	4.8	13.8
MASSACHUSETTS	72,898	4.7	6.2	20.9	14.8	14.0	17.4	12.8	9.2
MICHIGAN	142,166	10.0	9.7	20.6	17.3	9.3	9.7	6.1	18.1
MISSISSIPPI	32,113	4.5	6.1	18.3	15.0	14.0	17.1	15.8	9.2
MISSOURI	66,191	3.9	4.4	22.9	18.2	15.2	19.3	12.2	3.8
MONTANA	8,179	5.3	5.5	17.0	17.3	14.4	21.5	9.0	9.9
NEBRASKA	13,900	9.7	8.5	21.2	13.0	8.3	12.2	2.6	24.6
NEVADA	11,311	2.1	4.0	12.5	10.5	11.8	10.6	5.2	43.4
NEW HAMPSHIRE	6,820	7.5	7.3	19.3	19.3	14.3	15.1	10.7	6.7
NEW JERSEY	95,167	4.1	6.7	17.8	17.2	16.4	20.4	11.5	5.9
NEW YORK	364,510	6.9	6.9	16.7	14.1	13.9	21.1	12.2	8.2
NORTH CAROLINA	91,364	11.6	9.3	21.2	17.1	11.5	10.1	3.6	15.5
OHIO	165,009	10.8	9.0	18.7	11.6	8.0	9.0	4.3	28.6
OKLAHOMA	27,341	4.3	6.2	17.4	16.8	13.4	21.4	12.4	8.1
OREGON	21,297	7.0	6.7	18.1	16.5	14.4	18.6	11.4	7.1
SOUTH CAROLINA	29,170	4.3	4.9	19.4	18.0	15.4	22.3	8.8	7.0
SOUTH DAKOTA	4,629	6.8	6.4	18.9	16.8	17.5	18.0	8.2	7.3
TENNESSEE	61,067	5.6	5.1	17.6	16.5	16.5	19.9	11.0	5.6
TEXAS	169,436	14.4	11.2	22.5	14.2	9.7	9.8	4.3	13.8
UTAH	11,370	8.7	9.7	22.0	14.7	13.5	14.8	5.8	10.8
VERMONT	7,969	6.1	5.4	15.5	19.9	16.7	18.2	9.6	7.7
VIRGINIA	48,617	4.8	6.8	22.5	19.0	15.5	19.3	7.8	4.2
WASHINGTON	87,488	11.5	9.5	23.3	13.5	14.2	11.1	4.6	12.4
WEST VIRGINIA	29,118	9.4	7.4	22.8	20.8	11.8	13.6	8.1	6.1
WISCONSIN	33,555	15.9	7.7	21.6	12.3	8.7	11.4	3.3	19.2
WYOMING	1,744	6.6	6.0	18.0	16.8	17.5	20.3	8.0	6.9

NOTES: "" = Including unborn child.*

SOURCE: NATIONAL EMERGENCY TANF DATAFILE AS OF 12/9/98

PREPARED BY DHHS/ACF/OPRE -- December 14, 1998

PERCENT DISTRIBUTION OF TANF RECIPIENT CHILDREN BY RACE
JULY - SEPTEMBER 1997

STATE	TOTAL CHILDREN	*WHITE*	*BLACK*	*HISPANIC*	*AMERICAN NATIVE*	*ASIAN*	*OTHER*	*UNKNOWN*
TOTAL	*5,489,183*	*29.2*	*39.8*	*23.5*	*1.5*	*3.3*	*0.7*	*2.0*
ALABAMA	57,927	20.9	78.3	0.5	0.0	0.3	0.0	0.0
ARIZONA	121,762	27.1	10.5	42.9	19.0	0.3	0.3	0.0
CALIFORNIA	1,133,979	20.0	16.2	48.7	0.4	11.5	0.0	3.1
CONNECTICUT	100,038	26.5	33.2	39.2	0.1	1.0	0.0	0.0
DIST. OF COL.	43,260	0.0	99.5	0.0	0.0	0.5	0.0	0.0
FLORIDA	287,518	23.8	56.3	19.4	0.0	0.1	0.1	0.3
GEORGIA	179,806	18.2	80.4	0.8	0.0	0.4	0.0	0.3
INDIANA	84,032	47.0	46.5	5.5	0.0	0.2	0.8	0.0
IOWA	48,758	77.7	15.9	3.9	0.7	0.6	0.7	0.6
KANSAS	31,503	53.5	33.7	9.2	1.2	0.1	0.9	1.4
KENTUCKY	102,191	77.4	21.6	0.6	0.0	0.3	0.0	0.0
LOUISIANA	126,904	12.2	85.9	0.5	0.3	1.1	0.1	0.0
MAINE	30,452	95.0	1.4	0.3	1.2	2.0	0.0	0.1
MARYLAND	107,802	17.7	78.5	0.9	0.0	0.8	0.0	2.1
MASSACHUSETTS	130,965	41.7	17.6	31.5	0.8	8.4	0.0	0.0
MICHIGAN	286,566	36.8	53.6	0.7	1.9	0.6	6.5	0.0
MISSISSIPPI	83,245	11.2	88.7	0.0	0.1	0.0	0.0	0.0
MISSOURI	133,579	41.4	56.2	1.0	0.3	0.4	0.6	0.0
MONTANA	15,838	50.1	1.8	0.7	46.7	0.7	0.0	0.0
NEBRASKA	26,168	52.6	27.3	10.4	7.5	0.9	1.3	0.0
NEVADA	14,787	39.1	42.6	15.2	2.5	0.4	0.1	0.0
NEW HAMPSHIRE	11,155							100.0
NEW JERSEY	178,044	15.5	54.6	28.4	0.0	0.4	1.0	0.0
NEW YORK	705,529	20.3	34.4	38.6	0.5	2.0	0.2	4.1
NORTH CAROLINA	174,543	32.4	60.2	2.1	2.6	1.6	1.2	0.0
OHIO	262,987	46.4	48.4	3.7	0.1	0.3	1.0	0.1
OKLAHOMA	51,759	47.9	33.7	4.0	14.3	0.2	0.0	0.0
OREGON	38,700	70.8	10.9	12.5	2.7	3.0	0.1	0.0
SOUTH CAROLINA	54,371	22.4	76.5	0.7	0.0	0.5	0.0	0.0
SOUTH DAKOTA	9,385	19.7	0.0	0.0	77.7	0.0	2.6	0.0
TENNESSEE	116,089	29.9	69.1	0.3	0.2	0.2	0.2	0.0
TEXAS	326,367	16.5	34.3	48.0	0.3	0.8	0.0	0.0
UTAH	23,364	67.8	3.5	15.5	10.0	2.5	0.0	0.7
VERMONT	13,800	84 1	1.2	0.1	0.2	0.6	0.0	13.9
VIRGINIA	84,842	28.5	68.1	2.5	0.0	0.9	0.0	0.0
WASHINGTON	160,952	58.1	11.8	16.7	5.0	3.4	4.1	1.0
WEST VIRGINIA	55,074	86.5	11.0	0.7	0.0	0.0	1.8	0.0
WISCONSIN	69,924	14.0	37.8	4.9	1.8	1.4	0.0	40.1
WYOMING	3,218	53.0	3.5	10.4	32.8	0.2	0.0	0.1

SOURCE: NATIONAL EMERGENCY TANF DATAFILE AS OF 12/9/98

PREPARED BY DHHS/ACF/OPRE -- December 14, 1998

TABLE 24

PERCENT DISTRIBUTION OF TANF RECIPIENT CHILDREN RECEIVING FEDERAL DISABILITY BENEFITS

JULY - SEPTEMBER 1997

STATE	TOTAL CHILDREN	YES	NO	UNKNOWN
TOTAL	*5,489,183*	*0.8*	*86.6*	*12.6*
ALABAMA	57,927	0.0	100.0	0.0
ARIZONA	121,762	2.0	98.0	0.0
CALIFORNIA	1,133,979	0.4	93.9	5.6
CONNECTICUT	100,038	3.7	96.0	0.3
DIST. OF COL.	43,260	1.4	98.1	0.5
FLORIDA	287,518	1.4	98.6	0.0
GEORGIA	179,806	0.7	99.3	0.0
INDIANA	84,032	0.2	99.8	0.0
IOWA	48,758	0.3	99.7	0.0
KANSAS	31,503	0.1	99.9	0.0
KENTUCKY	102,191	0.0	21.2	78.7
LOUISIANA	126,904	0.0	100.0	0.0
MAINE	30,452	1.0	0.0	99.0
MARYLAND	107,802	3.3	91.4	5.3
MASSACHUSETTS	130,965	3.6	96.4	0.0
MICHIGAN	286,566	0.0	100.0	0.0
MISSISSIPPI	83,245	0.0	100.0	0.0
MISSOURI	133,579	4.6	95.4	0.0
MONTANA	15,838	1.6	98.4	0.0
NEBRASKA	28,168	0.0	100.0	0.0
NEVADA	14,787	0.3	99.2	0.6
NEW HAMPSHIRE	11,155	0.0	100.0	0.0
NEW JERSEY	178,044	0.0	100.0	0.0
NEW YORK	705,529	0.6	98.4	1.0
NORTH CAROLINA	174,543	0.0	0.0	100.0
OHIO	262,987	0.3	99.7	0.0
OKLAHOMA	51,759	0.0	100.0	0.0
OREGON	38,700	2.2	97.8	0.0
SOUTH CAROLINA	54,371	0.5	99.1	0.4
SOUTH DAKOTA	9,385	0.0	99.0	1.0
TENNESSEE	116,089	0.0	100.0	0.0
TEXAS	326,367	0.0	0.0	100.0
UTAH	23,364	0.2	99.8	0.0
VERMONT	13,800	4.5	95.5	0.0
VIRGINIA	84,842	0.0	100.0	0.0
WASHINGTON	160,952	2.2	96.0	1.8
WEST VIRGINIA	55,074	1.5	96.5	2.1
WISCONSIN	69,924	0.1	99.9	0.0
WYOMING	3,218	0.7	99.3	0.0

SOURCE: NATIONAL EMERGENCY TANF DATAFILE AS OF 12/9/98

PREPARED BY DHHS/ACF/OPRE -- December 14, 1998

PERCENT DISTRIBUTION OF TANF RECIPIENT CHILDREN BY RELATIONSHIP TO THE HEAD OF HOUSEHOLD

JULY - SEPTEMBER 1997

STATE	TOTAL CHILDREN	RELATIONSHIP TO HEAD OF HOUSEHOLD							
		HEAD OF HOUSEHOLD	SPOUSE	PARENT	CHILD	GRAND-CHILD	OTHER RELATED	UNRELATED	UNKNOWN
TOTAL	*5,489,183*	*0.4*	*0.0*	*0.2*	*79.5*	*4.7*	*2.1*	*2.1*	*11.[illegible]*
ALABAMA	57,927	0.0	0.0	0.0	78.6	15.5	5.6	0.3	0.[illegible]
ARIZONA	121,762	0.0	0.0	0.0	89.3	7.5	2.9	0.1	0.[illegible]
CALIFORNIA	1,133,979	0.0	0.1	0.5	89.0	3.4	0.8	0.0	6.[illegible]
CONNECTICUT	100,038	0.1	0.0	0.0	91.5	6.5	1.5	0.0	0.[illegible]
DIST. OF COL.	43,260	0.0	0.0	0.3	92.9	3.5	3.0	0.3	0.[illegible]
FLORIDA	287,518	3.5	0.0	0.0	57.2	4.5	3.0	31.8	0.[illegible]
GEORGIA	179,806	0.0	0.0	0.0	87.3	9.3	2.9	0.5	0.[illegible]
INDIANA	84,032	0.0	0.0	0.0	90.6	7.2	2.0	0.1	0.[illegible]
IOWA	48,758	0.0	0.0	0.0	91.9	5.8	2.3	0.0	0.[illegible]
KANSAS	31,503	0.0	0.0	0.0	88.4	8.1	3.2	0.2	0.[illegible]
KENTUCKY	102,191	0.0	0.2	0.0	90.8	6.1	2.6	0.0	0.[illegible]
LOUISIANA	126,904	2.9	0.6	0.0	82.5	8.7	4.8	0.3	0.[illegible]
MAINE	30,452	0.1	0.0	0.0	95.9	2.8	1.0	0.1	0.[illegible]
MARYLAND	107,602	0.6	0.1	0.3	94.4	2.2	2.5	0.0	0.[illegible]
MASSACHUSETTS	130,965	0.3	0.0	0.0	94.8	3.8	0.9	0.1	0.[illegible]
MICHIGAN	286,566	0.2	0.0	0.0	93.0	3.6	3.1	0.1	0.[illegible]
MISSISSIPPI	83,245	0.0	0.0	0.0	82.5	12.8	4.7	0.0	0.[illegible]
MISSOURI	133,579	0.0	0.0	0.0	90.7	7.0	1.8	0.4	0.[illegible]
MONTANA	15,838	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.[illegible]
NEBRASKA	28,168	1.3	0.0	0.2	98.0	0.2	0.4	0.0	0.[illegible]
NEVADA	14,787	0.1	0.0	0.3	83.1	14.7	1.5	0.0	0.[illegible]
NEW HAMPSHIRE	11,155	0.0	0.0	0.0	81.9	0.0	18.1	0.0	0.[illegible]
NEW JERSEY	178,044	0.0	0.0	0.0	85.9	9.4	3.8	0.9	0.[illegible]
NEW YORK	705,529	0.6	0.0	0.4	92.4	3.7	1.7	0.3	1.[illegible]
NORTH CAROLINA	174,543	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.[illegible]
OHIO	262,987	0.0	0.0	0.1	87.4	1.8	3.8	6.9	0.[illegible]
OKLAHOMA	51,759	0.1	0.0	0.0	83.5	11.8	3.8	0.3	0.[illegible]
OREGON	38,700	0.0	0.0	0.0	86.5	0.0	0.0	0.0	13.[illegible]
SOUTH CAROLINA	54,371	0.0	0.0	0.2	82.2	12.6	5.0	0.1	0.[illegible]
SOUTH DAKOTA	9,385	0.0	0.0	0.0	78.9	13.0	8.0	0.0	0.[illegible]
TENNESSEE	116,089	0.0	0.0	0.0	88.2	8.9	2.9	0.0	0.[illegible]
TEXAS	326,367	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.[illegible]
UTAH	23,364	0.0	0.7	0.0	97.8	0.9	0.5	0.0	0.[illegible]
VERMONT	13,800	0.0	0.0	0.0	98.1	0.0	1.8	0.1	0.[illegible]
VIRGINIA	84,842	0.2	0.2	0.1	84.2	10.3	5.0	0.1	0.[illegible]
WASHINGTON	160,952	0.0	0.0	0.0	92.5	4.6	2.6	0.4	0.[illegible]
WEST VIRGINIA	55,074	0.2	0.1	0.3	98.0	0.6	0.7	0.1	0.[illegible]
WISCONSIN	69,924	0.1	0.0	0.0	86.7	8.6	2.5	0.2	0.[illegible]
WYOMING	3,218	0.0	0.0	0.0	80.5	13.9	5.6	0.0	0.[illegible]

SOURCE: NATIONAL EMERGENCY TANF DATAFILE AS OF 12/9/98

PREPARED BY DHHS/ACF/OPRE -- December 14, 1998

TABLE 26

PERCENT DISTRIBUTION OF TANF RECIPIENT CHILDREN WITH TEEN PARENT STATUS IN THE FAMILY

JULY - SEPTEMBER 1997

STATE	TOTAL CHILDREN	TEEN PARENT STAUS		
		YES	NO	UNKNOWN
TOTAL	*5,489,183*	*0.3*	*91.9*	*7.8*
ALABAMA	57,927	0.0	100.0	0.0
ARIZONA	121,762	0.2	99.8	0.0
CALIFORNIA	1,133,979	0.1	94.0	5.9
CONNECTICUT	100,038	0.0	93.3	6.6
DIST. OF COL.	43,260	0.0	99.7	0.3
FLORIDA	287,518	0.0	100.0	0.0
GEORGIA	179,806	0.0	100.0	0.0
INDIANA	84,032	0.6	99.4	0.0
IOWA	48,758	0.0	100.0	0.0
KANSAS	31,503	0.0	100.0	0.0
KENTUCKY	102,191	0.2	99.8	0.0
LOUISIANA	126,904	0.6	99.4	0.0
MAINE	30,452	3.3	96.7	0.0
MARYLAND	107,802	0.6	97.1	2.3
MASSACHUSETTS	130,965	0.2	99.8	0.0
MICHIGAN	286,566	0.0	100.0	0.0
MISSISSIPPI	83,245	0.7	99.3	0.0
MISSOURI	133,579	0.9	99.1	0.0
MONTANA	15,838	0.0	0.0	100.0
NEBRASKA	28,168	0.0	91.8	8.2
NEVADA	14,787	0.3	99.0	0.7
NEW HAMPSHIRE	11,155	0.0	100.0	0.0
NEW JERSEY	178,044	0.3	99.7	0.0
NEW YORK	705,529	0.6	98.5	1.0
NORTH CAROLINA	174,543	0.0	0.0	100.0
OHIO	262,987	0.5	99.5	0.0
OKLAHOMA	51,759	0.0	100.0	0.0
OREGON	38,700	0.0	100.0	0.0
SOUTH CAROLINA	54,371	0.5	99.3	0.2
SOUTH DAKOTA	9,385	0.0	0.0	100.0
TENNESSEE	116,089	0.6	99.4	0.0
TEXAS	326,367	0.3	99.7	0.0
UTAH	23,364	0.0	100.0	0.0
VERMONT	13,800	0.0	100.0	0.0
VIRGINIA	84,842	0.1	99.9	0.0
WASHINGTON	160,952	0.3	12.4	87.3
WEST VIRGINIA	55,074	1.1	95.6	3.4
WISCONSIN	69,924	0.0	100.0	0.0
WYOMING	3,218	0.8	99.2	0.0

SOURCE: NATIONAL EMERGENCY TANF DATAFILE AS OF 12/9/98

PREPARED BY DHHS/ACF/OPRE -- December 14, 1998

PERCENT DISTRIBUTION OF TANF RECIPIENT CHILDREN BY EDUCATIONAL LEVEL
JULY - SEPTEMBER 1997

STATE	TOTAL CHILDREN	YEARS OF EDUCATION			
		1 - 6	7 - 9	OVER 9	UNKNOWN*
TOTAL	*5,489,183*	*23.6*	*8.7*	*4.7*	*63.0*
ALABAMA	57,927	33.3	13.2	11.1	42.4
ARIZONA	121,762	23.9	8.4	3.5	64.2
CALIFORNIA	1,133,979	30.4	11.1	4.7	53.8
CONNECTICUT	100,038	35.5	11.9	8.3	44.2
DIST. OF COL.	43,260	34.5	9.2	4.2	52.0
FLORIDA	287,518	0.0	0.0	0.0	99.9
GEORGIA	179,606	0.0	0.2	0.0	99.8
INDIANA	84,032	27.0	7.9	2.3	62.8
IOWA	48,758	32.1	12.3	10.7	44.9
KANSAS	31,503	0.0	0.0	0.0	100.0
KENTUCKY	102,191	1.6	0.8	0.3	97.2
LOUISIANA	126,904	18.4	8.0	5.8	67.9
MAINE	30,452	9.2	3.2	3.0	84.6
MARYLAND	107,602	25.6	8.7	2.0	63.8
MASSACHUSETTS	130,965	34.6	11.7	7.3	46.3
MICHIGAN	286,566	37.7	10.9	5.8	45.6
MISSISSIPPI	83,245	30.9	12.6	17.8	38.6
MISSOURI	133,579	31.8	12.1	5.9	50.2
MONTANA	15,838	31.4	11.8	4.8	52.0
NEBRASKA	28,168	4.6	1.3	0.5	93.6
NEVADA	14,787	33.0	9.7	4.7	52.7
NEW HAMPSHIRE	11,155	0.0	0.0	0.0	100.0
NEW JERSEY	178,044	34.2	12.4	6.0	47.4
NEW YORK	705,529	34.3	13.5	8.1	44.0
NORTH CAROLINA	174,543	0.0	0.0	0.0	100.0
OHIO	262,987	30.5	11.8	5.2	52.5
OKLAHOMA	51,759	33.0	10.9	6.1	49.9
OREGON	38,700	0.2	0.9	1.1	97.8
SOUTH CAROLINA	54,371	37.2	11.7	2.5	48.6
SOUTH DAKOTA	9,385	33.0	12.2	6.7	48.1
TENNESSEE	116,089	34.3	11.6	8.1	46.0
TEXAS	326,367	0.4	2.6	3.0	94.1
UTAH	23,364	0.0	0.0	0.0	100.0
VERMONT	13,800	27.3	8.8	1.8	62.2
VIRGINIA	84,842	30.2	7.3	2.4	60.2
WASHINGTON	160,952	9.0	4.8	1.5	84.8
WEST VIRGINIA	55,074	30.8	10.1	3.8	55.4
WISCONSIN	69,924	0.3	0.8	0.1	98.8
WYOMING	3,218	31.3	12.4	5.0	51.3

NOTES: "" = including no formal education.*

SOURCE: NATIONAL EMERGENCY TANF DATAFILE AS OF 12/9/98

PREPARED BY DHHS/ACF/OPRE -- December 14, 1998

PERCENT DISTRIBUTION OF TANF RECIPIENT CHILDREN BY CITIZENSHIP STATUS
JULY - SEPTEMBER 1997

STATE	TOTAL CHILDREN	U.S. CITIZEN	NONCITIZEN	UNKNOWN
TOTAL	5,489,183	89.4	1.6	9.0
ALABAMA	57,927	100.0	0.0	0.0
ARIZONA	121,762	96.0	3.3	0.7
CALIFORNIA a/	1,133,979			
CONNECTICUT	100,038	98.2	1.2	0.6
DIST. OF COL.	43,260	26.6	0.0	73.4
FLORIDA	287,518	97.3	2.7	0.0
GEORGIA	179,806	99.6	0.4	0.0
INDIANA	84,032	99.5	0.4	0.0
IOWA	48,758	99.9	0.1	0.0
KANSAS	31,503	99.5	0.5	0.0
KENTUCKY	102,191	99.6	0.2	0.2
LOUISIANA	126,904	21.0	0.1	78.9
MAINE	30,452	99.2	0.8	0.0
MARYLAND	107,802	94.9	0.3	4.7
MASSACHUSETTS	130,965	92.5	6.7	0.8
MICHIGAN	286,566	98.7	1.3	0.0
MISSISSIPPI	83,245	100.0	0.0	0.0
MISSOURI	133,579	99.7	0.3	0.0
MONTANA	15,838	9.5	0.3	90.2
NEBRASKA	28,168	20.4	0.0	79.6
NEVADA	14,787	10.5	0.0	89.5
NEW HAMPSHIRE	11,155	98.2	1.8	0.0
NEW JERSEY	178,044	95.1	0.0	4.9
NEW YORK	705,529	94.3	3.1	2.6
NORTH CAROLINA a/	174,543			
OHIO	262,987	99.6	0.4	0.0
OKLAHOMA	51,759	98.7	0.2	1.1
OREGON a/	38,700			
SOUTH CAROLINA	54,371	99.6	0.3	0.1
SOUTH DAKOTA	9,385	100.0	0.0	0.0
TENNESSEE	116,089	98.9	1.1	0.0
TEXAS	326,367	99.0	1.0	0.0
UTAH	23,364	98.9	1.1	0.0
VERMONT	13,800	4.1	0.1	95.8
VIRGINIA	84,842	7.1	0.1	92.8
WASHINGTON	160,952	92.8	7.2	0.0
WEST VIRGINIA	55,074	98.8	0.0	1.2
WISCONSIN	69,924	10.6	0.0	89.4
WYOMING	3,218	99.9	0.1	0.1

NOTE: 'a/'=Data not reported.

SOURCE: NATIONAL EMERGENCY TANF DATAFILE AS OF 12/9/98

PREPARED BY DHHS/ACF/OPRE -- December 14, 1998

TABLE 29

TANF RECIPIENT CHILDREN WITH UNEARNED INCOME

JULY - SEPTEMBER 1997

STATE	TOTAL CHILDREN	*UNEARNED INCOME*	*MONTHLY AVERAGE*
TOTAL	*5,489,183*	*3.7%*	*$189.95*
ALABAMA a/	57,927		
ARIZONA	121,762	5.2	239.37
CALIFORNIA	1,133,979	2.1	176.50
CONNECTICUT	100,038	2.4	215.26
DIST. OF COL.	43,260	1.6	446.17
FLORIDA	287,518	3.9	123.32
GEORGIA	179,806	3.7	151.27
INDIANA	84,032	5.3	188.35
IOWA	48,758	10.5	130.57
KANSAS	31,503	2.4	108.83
KENTUCKY	102,191	4.7	105.21
LOUISIANA	126,904	7.7	387.97
MAINE	30,452	4.8	117.96
MARYLAND	107,802	2.6	289.05
MASSACHUSETTS	130,965	6.3	101.25
MICHIGAN	286,566	0.2	60.00
MISSISSIPPI a/	83,245		
MISSOURI	133,579	5.5	325.26
MONTANA	15,838	2.4	84.31
NEBRASKA	28,168	12.4	170.21
NEVADA	14,787	2.0	100.11
NEW HAMPSHIRE a/	11,155		
NEW JERSEY	178,044	2.1	161.95
NEW YORK	705,529	2.8	189.86
NORTH CAROLINA	174,543	6.7	149.65
OHIO a/	262,987		
OKLAHOMA	51,759	5.2	172.19
OREGON a/	38,700		
SOUTH CAROLINA	54,371	6.9	123.03
SOUTH DAKOTA	9,385	1.0	100.43
TENNESSEE a/	116,089		
TEXAS a/	326,367		
UTAH	23,364	2.5	109.39
VERMONT	13,800	4.5	129.70
VIRGINIA	84,842	0.4	78.63
WASHINGTON	160,952	5.5	256.27
WEST VIRGINIA	55,074	7.4	183.74
WISCONSIN	69,924	15.0	180.76
WYOMING	3,218	23.2	85.02

NOTE: 'a/'=Data not reported.

SOURCE: NATIONAL EMERGENCY TANF DATAFILE AS OF 12/9/98

PREPARED BY DHHS/ACF/OPRE -- December 14, 1998

PERCENT DISTRIBUTION OF TANF CLOSED CASES BY REASON FOR CLOSURE
JULY - SEPTEMBER 1997

STATE	TOTAL CASES	EMPLOYMENT	MARRIAGE	5-YEAR LIMIT	SANCTION	STATE POLICY	OTHER*
TOTAL	673,622	16.2	0.3	0.0	6.4	10.2	66.8
ALABAMA	6,895	6.2	0.0	0.0	0.1	0.1	93.7
ARIZONA	19,603	24.6	0.0	0.0	0.0	0.0	75.4
CALIFORNIA	167,775	3.1	0.3	0.0	0.3	0.5	95.9
CONNECTICUT	5,924	42.6	0.0	0.0	1.0	0.0	56.4
DIST. OF COL.	130	28.4	0.0	0.0	0.0	1.5	70.1
FLORIDA	73,364	14.1	0.0	0.0	22.9	0.0	63.0
GEORGIA	11,703	0.0	0.0	0.0	0.0	0.0	100.0
INDIANA	14,346	9.0	0.1	0.0	46.0	1.2	43.7
IOWA	9,617	27.3	0.0	0.0	25.4	0.0	47.4
KANSAS	3,731	62.9	0.0	0.0	6.4	0.0	30.7
KENTUCKY	15,472	15.0	0.0	0.0	0.0	0.0	85.0
LOUISIANA	10,102	36.5	0.1	0.0	12.0	0.2	51.3
MAINE	3,545	42.3	5.7	0.0	0.3	0.0	51.7
MARYLAND	11,476	8.2	0.0	0.0	7.7	0.0	84.0
MASSACHUSETTS	8,533	56.4	1.0	0.0	0.0	9.3	33.3
MICHIGAN	15,669	34.7	0.1	0.0	3.1	52.8	9.3
MISSISSIPPI	6,600	2.0	0.0	0.0	23.5	0.0	74.5
MISSOURI	14,856	8.5	0.5	0.0	15.9	0.0	75.1
MONTANA	3,022	0.0	0.0	0.0	0.0	0.0	99.9
NEBRASKA	3,442	16.1	0.0	0.0	0.0	0.0	83.9
NEVADA	1,926	3.0	0.0	0.0	0.0	0.0	97.0
NEW HAMPSHIRE	2,039	28.2	4.4	0.0	0.8	0.0	66.6
NEW JERSEY	11,148	29.7	0.0	0.0	0.1	70.3	0.0
NEW YORK	32,638	15.6	0.0	0.0	0.0	44.4	40.0
NORTH CAROLINA	20,449	4.3	0.0	0.0	0.0	0.0	95.7
OHIO	46,241	28.3	0.0	0.0	9.7	0.0	61.9
OKLAHOMA	12,439	19.3	0.9	0.0	12.7	0.0	67.1
OREGON	6,818	52.8	1.8	0.0	4.5	0.0	41.0
SOUTH CAROLINA	7,044	27.2	0.0	0.0	26.2	0.0	46.6
SOUTH DAKOTA	1,778	37.1	0.0	0.0	0.0	48.4	14.6
TENNESSEE	19,369	0.6	0.0	0.0	5.2	10.2	83.9
TEXAS	47,398	37.1	0.9	0.0	0.0	39.8	22.2
UTAH	2,925	36.5	1.5	0.0	3.7	23.9	34.3
VERMONT	3,106	33.0	0.0	0.0	0.0	0.0	67.0
VIRGINIA	6,034	32.0	0.0	0.0	6.3	34.9	26.8
WASHINGTON	10,914	34.9	3.9	0.0	0.0	14.0	47.3
WEST VIRGINIA	1,608	21.7	0.0	0.0	0.6	5.0	72.7
WISCONSIN	10,729	3.4	0.0	0.0	0.0	96.6	0.0
WYOMING	1,214	0.0	0.0	0.0	0.0	0.0	100.0

NOTE: "=All other unknown reasons including that family voluntarily closes the case.*

SOURCE: NATIONAL EMERGENCY TANF DATAFILE AS OF 12/9/98

PREPARED BY DHHS/ACF/OPRE -- December 14, 1998

WR -
TANF cuts

Barry J. Toiv

03/16/99 05:28:09 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Cynthia A. Rice/OPD/EOP, Richard L. Siewert/WHO/EOP

cc:

Subject: Looks like a pretty good Republican food fight at the moment.

Congress Eyes Unspent Welfare Money

By LAURA MECKLER Associated Press Writer

WASHINGTON (AP) -- Unspent welfare money totaling billions of dollars is proving tempting to some in Congress who want to reclaim the cash windfall from the states.

It's causing a fight among Republicans who want the money for disaster relief and education, and others who argue they must keep promises made during the welfare debate just three years ago, and let states spend as they see fit.

``We made a deal,'' House Ways and Means Committee Chairman Bill Archer, R-Texas, wrote to Senate Majority Leader Trent Lott, R-Miss. ``As state legislatures confront the toughest challenges of welfare reform, Congress is proposing to pull the rug from under them.''

And Wisconsin Gov. Tommy Thompson, a Republican, said he and other governors will fight any raid on state money.

``There is no question that the Congress made a pledge, a promise,'' Thompson said Tuesday. ``How can you ever be trusted again if on such a serious issue as this you give your word and give your pledge, and then you go back on it?''

Americans have left the welfare rolls more quickly than anyone predicted, leaving states with extra money not spent on welfare checks. A strong economy helped people find jobs, and tougher rules discouraged people from staying on assistance.

But the amount the federal government gives to states was based on earlier years when caseloads were much higher. Under the 1996 federal welfare overhaul, a total of $16.5 billion is put in federal accounts earmarked for states each year. Many states have saved the money in case the economy turns down, and many say it will be needed to provide more intensive services for welfare recipients who need the most help getting off welfare.

At the end of September, after two years under the new system, more than $3 billion promised to the states was sitting unused in federal accounts.

In the Senate, an emergency spending bill would use $350 million of that money. And in the House, a Republican instrumental in crafting the 1996 welfare law wants to let states use their welfare money for education programs that may have nothing to do with the poor.

That would let Republicans support popular school programs without having to find any new cash, responding to President Clinton's education initiatives while still allowing for a tax cut.

Neither proposal is going over well with other Republicans who helped shape the 1996 welfare law, which fundamentally changed how the nation aids its poor.

The federal government used to set the rules and promised to help pay the benefits of each person who qualified for assistance. Under the new system, states agreed to live with a set level of funding in exchange for enormous flexibility in creating their programs.

Like Thompson, Archer warned that future attempts to turn education, child protection, housing, food and health programs into similar ``block grants'' to states will fail if Congress breaks the welfare deal. Indeed, opponents of the welfare overhaul had warned that Congress would raid welfare money when it hit a financial crunch.

``If Congress cannot be trusted to keep its word ... it will be all but impossible to enact additional reforms,'' said Archer's letter to Lott, also signed by other welfare overhaul leaders, Reps. Clay Shaw, R-Fla., and Nancy Johnson, R-Conn.

In the Senate, Appropriations Committee Chairman Ted Stevens, R-Alaska, wants to use $350 million to help provide disaster relief to the Central American victims of Hurricane Mitch.

States that have spent all their welfare money wouldn't be punished, but those with money left would lose a portion. The biggest loser would be New York, which would forfeit more than $79 million of the $689 million it has still unspent.

Meanwhile, House Budget Committee Chairman John Kasich, who was central to creation of the 1996 welfare overhaul, introduced a plan Tuesday to let states use their welfare money for education programs, such as building new schools or hiring more teachers.

``It should be as broadly based on education as possible,'' said

Bruce Cuthbertson, spokesman for Kasich, who is seeking the GOP presidential nomination.

Even Republicans who support flexibility in federal funding reject that.

``Using it for school construction and things of that nature is a nonstarter,'' said Archer's spokesman, Trent Duffy.

Thompson agreed: ``You've got to be in the realm of what's good for the welfare clientele.''

AP-NY-03-16-99 1650EST

Mr. Bruno's Excellent Idea

It is not often that the major social welfare agencies in New York line up to support a proposal advanced by Joseph Bruno, the upstate Republican who is majority leader of the State Senate. It happened last week when Mr. Bruno, previously an advocate of cutbacks in welfare and health care for the poor, proposed a tax break for low-income workers. It would be paid for by savings that have resulted from the drop in welfare rolls. The idea makes particular sense because it would reward, among others, precisely those people who managed to get low-paying jobs after being on welfare.

Mr. Bruno's proposal would let working people who earn less than $30,000 keep more of their earnings. Even more attractive, it would give a cash refund to working families making less than $14,000, who pay no income tax at all. This payment, known as the earned-income tax credit, was a centerpiece of President Clinton's tax initiative of 1993. It has turned out to be one of the most successful anti-poverty programs of recent years.

The particular attraction of the credit, which would cost $160 million a year to finance, is that much of it would be paid for with Federal funds. Under the welfare reform act, Congress converted its matching payments to the state into a block grant that has kept level since 1997. The decline in welfare rolls means that $500 million in Federal matching funds have not been spent, a sum expected to rise to $1.4 billion in a year. Under Federal rules, this money can be spent only to help the poor through day-care, drug-assistance or other programs designed to help them hold down jobs. In suggesting that some of the money go for a tax credit to supplement the income of the working poor, Mr. Bruno is adopting an approach already being pursued by about a dozen states.

New York has been slow to spend all the surplus money available under welfare reform, in part because of a desire to save some in case there is a recession and the welfare rolls expand again. But using as much money as possible for a tax credit will create a bigger incentive for people to get off the rolls. That is important, because with each passing year Federal law requires larger percentages of people on welfare to find work.

DRAFT

260.31 What does the term "assistance" mean?

(a) (I) The term "assistance" includes cash, ~~subsidies~~ payments, vouchers, and other forms of benefits designed to meet a family's ongoing basic needs (i.e., for food clothing, shelter, utilities, household good, personal care items, and general incidental expenses).

(ii) It includes such benefits ~~even when they are~~ provided in the form of payments by a TANF agency, or other ~~public~~ agency ~~on its behalf~~ for a TANF agency, to individual recipients as part of ~~and conditioned on~~ their participation in a work activity as defined in Sec 407(a) of TANF ~~work experience or community service activities~~.

(b) It excludes:

(1) ~~One-time,~~ short-term benefits [may be defined further] (such as payments for rent deposits or appliance repairs) that:

(i) Are designed to deal with a specific crisis situation or episode of need; and

(ii) Are not intended to meet ongoing or recurring needs;

(2) Work subsidies or other payments ~~paid~~ to employers to help cover the costs of employee wages, benefits, supervision, ~~and~~ training, or services to help an individual succeed in employment;

(3) ~~Benefits designed to defray the costs of an individual recipient for work, education, training and related activities (~~ Supports for working families, (such as transportation, ~~and~~ child care~~)~~, and education and training related to job retention or advancement) in subsidized or unsubsidized employment;

(4) Earned income tax credits;

(5) Contributions to, and distributions from, Individual Development Accounts;

(6) Services such as counseling, case management, peer support, child care information and referral, transitional services and other employment-related services that do not provide basic income support;

(7) Transportation benefits provided under an Access to Jobs or Reverse Commute project, pursuant to section 404 (k) of the Act, to an individual who is not otherwise receiving assistance.

(c) The definition of the term assistance specified in paragraphs (a) and (b) does not apply to the use of the tern assistance at part 263, subpart A, of this chapter. [HHS needs to explain why MOE treated differently]

260.32 What does the term "WtW cash assistance" mean?

For the purpose of 264.1 (b) (1) (iii) of this chapter, WtW cash assistance only includes benefits that:

(A) Meet the definition of assistance at 260.31 and

(B) Are provided in the form of cash payments, checks, reimbursements, electronic funds transfers, or any other form that can legally be converted to currency.

ISSUES

1) Resolves wage subsidy/work subsidy issue by making payments to individuals assistance and payments to employers "nonassistance". We could not find a meaningful way to draw the line within payments to employers. By broadening from community services and work experience to any work activity under 407(a), we've included all the situations that are already covered in (a)(I), but made it clear that if someone is getting a check from the welfare agency for any of these work activities, that's always assistance.

May want to explain in preamble how intermediaries would be treated.

2) NOTE: I added the edits to (b) (2) because if we've resolved the subsidy issue, then it makes sense to just clarify that any employer payments or excluded from assistance

3) Clarifies in (b)(3) that education/training for someone who is working (and the child care and transportation they receive) is not assistance.

(4) Payments for education and training services could be covered under "other employment-related services" in (6), but we've left HHS' language intact which is consistent with the 1/97 guidance and NPRM on this issue. The preamble currently mentions education and training as an example of an employment-related service. The definition could mean that someone who only gets education services but no other assistance would not count towards the work rates or time limits, but if they got child care and transportation then they would count (since they are not working). However, this does not seem like a big enough risk to justify carving out a specific exception to the exclusion (which would further highlight it).

(5) The term subsidies in 260.31(a)(i) could cause confusion -- may be interpreted as wage subsidies. Suggest substituting another term.

(6) OMB had suggested adding "directly to the employer" after "provided" in 260.32 but that's no longer necessary given the proposed revised definition for 260.31 (a) (ii).

(7) Might be better to use "Short-term payments" rather than benefits. Had already agreed to strike one-time. Further definition of short-term is being reviewed by HHS.

(8) Unintended consequences:

- could pay for education under employment-related service for someone not working or receiving cash and have this not count toward work requirements or time limits.

- child care/transportation for someone doing applicant job search -- if not working, it's not clear where this falls in proposed definition. Makes policy sense for this to be excluded from assistance. Options: either include as a short-term benefit or expand (3) to include job search under certain circumstances.

- proposed definition for a(ii) could make it harder to draw the line that working families in b(3) are just those in a job.

(9) Consequences:

- States will be able to provide supports for working families without having the time limits, work requirements or data collection apply.

- Individuals participating in subsidized employment where they are getting a wage from the employer rather than a payment from the welfare agency are not subject to time limits, work requirements or data collection. Individuals are already working so they're not avoiding work requirements. To the extent removing subsidized employment from assistance makes it more attractive, states may create more. This may create an incentive for states to put more people in subsidized employment (vs. workfare or just getting a check). It doesn't make subsidized employment more attractive than unsubsidized employment.

- Caseloads: narrowing definition of assistance could result in lower caseloads (because only those receiving assistance are counted as a case).

- Work participation rates: may be tougher to meet because individuals who are in unsubsidized employment and those in subsidized employment where the check goes to the employer will likely be excluded from the numerator and denominator. At the same time, because they are not part of the caseload, states will get caseload reduction credit.

- Data: we will lose participant level data on individuals who are not receiving assistance, although we will get aggregate financial data.

	Cash only	Working and cash	Working and no cash	Not working and no cash
Cash, vouchers etc to meet ongoing basic needs	A	A	--	--
Benefits paid to individual for a work activity, i.e. workfare (and all other activities counted toward the work rate)	A	A	--	--
Short-term payments (diversion)	--	--	Not A	Not A (but usually tied to employment)
Subsidized employment where payment goes to employer	--	NA (but requirements apply to the cash)	NA	--
Child Care	--	NA (but requirements apply to the cash)	NA	not specified but not likely to occur
Transportation	--	NA (but requirements apply to the cash)	NA	not specified but not likely to occur
Services (counseling, case management, child care I&R, transitional services, other employment related [includes education and training] services that do not provide basic income support)	NA (but requirements apply to the cash)	NA (but requirements apply to the cash)	NA	NA

Assistance 5/11/99

NPRM	HHS Revised Proposed Final	EOP Position
Assistance ***includes***:	Assistance ***includes***:	
Every form of support provided to families under TANF (including child care, work subsidies, and allowances to meet living expenses) except:	1) Cash, subsidies, vouchers, and other forms of benefits designed to meet a family's ongoing basic needs (i.e. food, clothing, shelter, utilities, household goods, personal care items, and general incidental expenses) -- *basically welfare-like expenses*	OK
	2) "Wage subsidies": Benefits provided in the form of payments by a TANF agency, or other agency for a TANF agency, to or on behalf of individual recipients as part of their participation in *work experience or community service* activities.	Include all wage subsidies including payments to private employers for subsidized employment and grant diversion.
Assistance ***excludes***:	Assistance ***excludes***:	
1) one-time, short-term assistance (i.e., assistance paid within a 30 day period, no more than once in any 12-month period, to meet needs that do not extend beyond a 90-day period, such as automobile repair to retain employment and avoid welfare receipt and appliance repair to maintain living arrangements.)	1) short-term benefits designed to deal with a specific crisis situation or episode of need [and prevent a family from going on, or returning to, assistance] and are not intended to meet ongoing or recurring needs -- such as payments for automobile or appliance repair.	OMB advocates limiting/defining short-term (probably 4 or 6 months). DPC doesn't feel this is necessary.
	2) "Work subsidies": Payments made to employers to help cover the cost of employee wages, benefits, supervision, and training.	Include subsidies to cover wages in assistance. Exclude: Payments made to employers to help cover the work-related costs of supervision, training, benefits and support services.
	3) Supports for working families such as transportation and child care	OK
2) services that have no direct monetary value to an individual family and that do not involve implicit or explicit income support (such as counseling, case management, peer support and employment services that do not involve subsidies or other forms of income support); and	4) refundable EITCs	OK?
	5) contributions to and distributions from IDAs	OK
	6) Services such as counseling, case management, peer support, child care information and referral, transitional services and other employment-related services [includes education and training] that do not provide basic income support.	OK, but may want to specify education and training.
	7) Transportation benefits provided under Access to Jobs project to an individual not otherwise receiving assistance	OK
	Defines Welfare to Work Cash Assistance: Benefits that meet the definition of assistance above and are paid in cash, or other payments that can legally be converted to currency [work experience/community service included, subsidized employment excluded].	NOTE: WtW statute excludes non-cash assistance from time limits. Conference Report listed wage subsidies as an example of cash assistance. Concern about limiting subsidized employment.

NATIONAL GOVERNORS' ASSOCIATION

Thomas R. Carper
Governor of Delaware
Chairman

Michael O. Leavitt
Governor of Utah
Vice Chairman

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February 10, 1999

AK
cc: EK
CR
+ return

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

The nation's Governors appreciate your recent acknowledgement of the astounding drop in welfare caseloads and the tremendous success in welfare reform across the country. Indeed, as Governors, we believe our achievements, in partnership with the federal government, have surpassed all original expectations. However, our work is far from over. As you know, success in welfare reform cannot be measured solely by caseload decline. As welfare reform evolves, we are facing new challenges in moving families toward self-sufficiency that can be addressed only with innovation and flexibility within the Temporary Assistance for Needy Families (TANF) block grant. Although the 1996 welfare reform agreement that we entered into with the administration and the Congress embraced this concept of state innovation and flexibility, we believe the proposed TANF regulations will hamper states' efforts and undermine the continued success of welfare reform.

As your administration finalizes the TANF regulations, we want to reiterate a few key concerns of the nation's Governors. More comprehensive comments were submitted to the Department of Health and Human Services on behalf of the Governors last year. We feel it is important, however, to once again emphasize the need for significant revisions in certain issue areas of the regulations.

Definition of Assistance

As welfare recipients move into the workforce, states are increasing their efforts to help these families remain employed and advance to better jobs. We think that the administration would agree that providing support services to these individuals is consistent with the original purpose of welfare reform—to promote self-sufficiency. The proposed regulations, however, would inhibit states from using TANF funds for work supports, such as child care and transportation, by including such services in the definition of assistance. It seems unreasonable to require a state to count against a family's 60-month time limit support services provided to working parents leaving welfare, or to working families at-risk of entering the caseload. Further, this policy seems to be at odds with the administration's emphasis on encouraging states to provide services to the working poor. The nation's Governors strongly urge you to revise the proposed definition of assistance to reflect the evolving direction of TANF services which include helping individuals sustain employment and self-sufficiency.

Separate State Programs

We believe that the administrations' concerns about separate state programs have not been realized. While some states have created separate state programs, they have done so to provide greater flexibility in addressing specific needs among some of the most vulnerable populations. For example, states have established separate state programs to provide enhanced access to education and training activities, and to provide food assistance to immigrant children. Fears that states would create separate state programs to evade work participation requirements or to capture the federal share of child support have proven to be unfounded. Nonetheless, the regulations capitalize on these fears and would greatly inhibit states from creating innovative programs that address particular needs. We urge you to consider the beneficial aspects of separate state programs and revise the regulations to encourage, rather than penalize, state innovation in this area.

Waivers

In many states, innovation in welfare reform began long before the passage of the 1996 welfare reform legislation. Rather than impede states' ability to continue efforts already underway, the statute recognizes the value of waivers and explicitly allows states to continue those that are "inconsistent" with the TANF law. However, in the proposed regulations, "inconsistency" is very narrowly defined and will discourage states from continuing existing waivers. We urge you to revise the proposed regulations on waivers to reflect the expressed intent of the law.

Additionally, we encourage you to refer back to our original comments on the regulations that were submitted by the National Governors' Association in February 1998. Specifically, we want to call your attention to the Governors' concerns with the burdensome data reporting requirements, the definition of administrative costs and the threat of including child-only cases in the calculation of the work rate. These and other concerns are outlined quite extensively in the original comments.

Success in welfare reform would not be possible without the creativity and innovation of the states. Because the TANF regulations will have a tremendous influence on the future of welfare reform, we strongly encourage the administration to consider the importance of issuing regulations that encourage states to continue their efforts in helping families achieve, and maintain, self-sufficiency. States have been successfully implementing welfare reform over the past two years based on a reasonable interpretation of the law. We believe that the final regulations should not deter states from continuing initiatives already in place or from creating new innovations. We are hopeful that you will consider the views of the nation's Governors before issuing the final TANF regulations.

Sincerely,

Tom Carper

Governor Thomas R. Carper
Chairman

Michael O Leavitt

Governor Michael O. Leavitt
Vice Chairman

Tommy G. Thompson

Governor Tommy G. Thompson
Co-Lead Governor on Welfare

Frank O'Bannon

Governor Frank O'Bannon
Co-Lead Governor on Welfare

cc: The Honorable Donna E. Shalala
Bruce Reed, Domestic Policy Council

EITC

Background

HHS would allow only the portion of a State's earned income tax credit program that is "refundable" — meaning that portion in excess of tax liability and thus paid as cash to the TANF-eligible family — to count as MOE. States argue that this creates perverse incentives against tax credits, which may be more efficient ways to provide relief for poor families. In other words, the State could either collect $500 from a family in taxes and pay out $400 in cash from the welfare program; or reduce the family's tax liability by $400, which would have the same net effect on both the family and the State Treasury and would not require the additional administrative steps involved in paying out the $400.

States argue that this will ~~also~~ only CBPP be inequitable to States that have chosen the more administratively efficient option. Advocates, on the other hand, support HHS' draft policy as consistent with the statute, which describes "expenditures" as those items eligible for MOE; in addition, HHS and advocates are concerned that it would be difficult both to verify the amount of the tax credit used for MOE for TANF families, and to prevent expansion to other forms of tax credits that are not related to the purposes of the TANF program, like property tax relief.

Analysis

HHS' draft policy is consistent with the letter of the statute, which speaks of "expenditures" for MOE, but the actual effect of the two kinds of tax credits is identical — in both cases in the example above, the family is $400 better off and the State has sacrificed $400, although in the tax credit the State saves administrative costs involved in writing an additional check. As welfare rolls decline and States look for more avenues to spend MOE funds, it seems illogical to require them to create more bureaucracy (providing more cash assistance) in order to claim as MOE the same net dollars that it could not claim without that bureaucracy (via a tax credit). In addition, the Administration supports tax credit programs to aid the disadvantaged like State EITCs; this would encourage their growth.

As to the concern that this could extend to credits unrelated to the purposes of TANF, such as general tax relief, States could be required to demonstrate that their credits were designed specifically to meet a TANF purpose for TANF-eligible families (like the Virginia EITC); this would be subject to HHS' approval. As to the concern that this would be difficult to track, HHS could require that the State document the amount of the credit spent for TANF eligible families if States choose to claim such expenditures. Given the potential for a significant reduction in MOE that could lead to both penalties and a reduction in the succeeding year's grant, States would likely not claim the MOE unless they were sure they could identify the credit as assisting only TANF-eligible families for a TANF purpose, and could document the amount provided.

Recommendation: For States that design tax credits (such as EITCs) that only go to TANF eligible families and are tied to a TANF purpose, allow entire credit EITC as MOE; require that States report on the total amount used for MOE and be able to document the family-specific amounts as as audit requirement. Treat the non-refundable part of the EITC the same way as the refundable part is treated in terms of whether it is considered "assistance".

Worker Protections

Background

TANF

The TANF statute's nondisplacement provision says a family receiving TANF assistance may fill a vacant position, but no adult in a work activity funded through federal funds may be employed or assigned 1) when any other individual is on layoff from the same or substantially equivalent job or 2) if the employer has terminated a regular employee or caused an involuntary reduction of its workforce to create the vacancy. A state with a TANF program shall establish and maintain a grievance procedure for resolving complaints of alleged violations. The provision contains a non-preemption clause.

The Secretary of HHS does not have the authority to regulate this provision and there is no penalty for a state which violates it (section 417 of the Act only allows HHS to regulate where explicitly authorized and this provision does not provide that authority).

In addition, the TANF statute confirms that certain civil rights laws apply to TANF programs (Age Discrimination, Rehabilitation Act, Americans with Disabilities Act, and Title VI of the Civil Rights Act).

One of TANF's 14 penalties is for use of funds "in violation of this part."

Welfare-to-Work

The Welfare-to-Work statute provides stronger worker protections which also: 1) prohibit programs from violating collective bargaining agreements or other contracts; 2) prohibit partial displacement (reduction in hours); 3) provide a more explicit grievance procedure which must include a hearing, certain types of remedies, and appeal rights. The provision contains a non-preemption clause.

The Secretary of Labor has the authority to regulate this provision and did so in the Interim Final Rule published in November 1997.

The Welfare-to-Work statute also confirms that health and safety standards established under federal and state laws apply to Welfare-to-Work participants.

NPRM

The NPRM reiterated the TANF statutory worker protection language. The preamble mentioned the applicable non-discrimination statutes but noted that HHS's Office of Civil Rights, not ACF, has regulatory authority.

Unions and civil rights groups submitted detailed comments which urged revisions to the regulation to 1) provide greater attention to these issues, including more explicit language about federal authority outside of ACF; 2) encourage states to adopt Welfare-to-Work's more vigilant worker protection provisions; and 3) proposed various incentives for states to enforce the statute stringently (see more below).

Proposed Final Rule

Comment	Proposed Final Rule
1) Reference the Welfare-to-Work displacement language and recommend states have one set of displacement protections and grievance procedures.	Done. Preamble discusses more extensive WtW non-displacement provisions and notes that it would be easier for states, employers, and workers if states adopted one set of procedures, but notes that that may not be appropriate in all states.
2) Require states to provide notice to current workers at welfare work sites informing them of their displacement protections and available remedies.	Change not made. HHS in preamble argues that this requirement would not be consistent with section 417 of law limiting its regulatory authority and that HHS-OCR and other agencies were making information available to welfare agencies.
3) Set guidelines on the structure and nature of state grievance procedures and ensure such procedures don't preempt other legal remedies.	Change not made. HHS in preamble argues that this requirement would not be consistent with section 417 of law limiting its regulatory authority
4) Impose penalties on states that do not establish grievance procedures using the authority to penalize states for improper expenditure of TANF funds.	Change not made. HHS believes that they do not have the authority to penalize States for this as a TANF violation because the grievance procedures would not be set up using funds from the block grant.
5) Require states to establish a grievance procedure to qualify for a high performance bonus	Not addressed. HHS acknowledges they could state in the preamble their intention to do so in the HBP rule. HHS has not determined its policy views on this matter.
6) Reference existing DOL and EEOC guidance on worker protections (on applicability of FLSA and Title VII)	Reference added; DOL has suggested language to make reference more explicit.
7) Exempt individuals from penalties for failure to work or comply with individual responsibility plans by granting "good cause" if the person does not comply due to an employer's violation of employment standards	Change not made. HHS explains in preamble that it has chosen not to regulate "good cause" criteria and that states have substantial experience in this area and that it is not clear, given section 417 of act, that HHS has the authority to regulate good cause.
8) Require states to report data on how many recipients are sanctioned but do not have the number of hours they must work reduced, how much their benefits are reduced, how much they receive in benefits after they are sanctioned, and the number of hours they have to work for those benefits	Under the rule HHS will collect this data, but the discussion does not link it to the worker protection issues and the ability to track how many sanctioned cases are required to work for less than the minimum wage (the statute allows that by saying states are not required to reduce the number of hours worked in the event of a sanction that reduces benefits).

Comment	Proposed Final Rule
9) Allow good faith efforts to comply with employment laws as a reasonable cause exception for a state that has failed the work participation rate. Require states to have an system to monitor work programs for violations of employment law in order to qualify for penalty relief.	Change not made. HHS argued in preamble that 1) states should not be rewarded for complying with the law; 2) other agencies with jurisdiction over employment laws should enforce such laws. 3) it would be difficult to get timely and accurate information; 4) it would be difficult to translate this information into a quantifiable standard for use in penalty determinations

In the preamble, see pages 139-150, 224-247 (233-235, 239-240, 242-247 in particular), 400-404; in the rule see page 856-857 (section 260.35), pages (section 261A) and pages 910-911 (section 261G).

These comments were submitted in detail by AFSCME; the AFL-CIO submitted a shorter letter reiterating the same points. In addition to the issues described above, the unions encouraged HHS to: 1) narrow the definition of assistance by excluding compensation for work performed; 2) provide maximum penalties on states that do not have a process for families to demonstrate they have not been able to obtain child care and thus the work requirements should not apply; 3) remove the provisions denying penalty relief for states that have diverted families to separate state programs that achieves the effect of avoiding the work participation rates; 4) make the 15 percent cap on administrative expenses should apply equally to government and contracted out costs; and 5) make changes to the domestic violence provisions like those proposed by other advocates (extend beyond 6 months, stop the clock).

TABLE II-1. CHARACTERISTICS OF LUMP SUM PAYMENT PROGRAMS (n=23)[1]

State	Date in effect	How often can apply for lump sum	Maximum Amount for 3-person family	Maximum payment formula[10]	Duration of ineligibility for TANF	Repayment terms if applying during period of ineligibility[14]	Count towards lifetime limit
Alaska[1]	7/98	Once-a-year	$860	2 months	3 months	entire amount must be repaid and method of repayment is prorated	
Arkansas	7/97	no stated limit	$612	3 months	100 days	cannot reapply//entire amount must be repaid and method of repayment prorated[16]	
California[2]	1/98				equivalent to TANF aid months[11]	entire amount must be repaid; repayment is prorated or counted against the limit	✓[17]
Colorado[3]	7/97			3 months			
Florida	11/97	one time only	$606	2 months	3 months	entire amount must be repaid upfront	
Idaho	7/97	one time only	$828	3 months	2 for 1[12]	cannot apply for TANF during period of ineligibility	✓[18]
Iowa[3]	10/97[5]				equivalent to twice TANF aid months[12]	no repayment	
Kentucky[3]	2/97, 8/97	once a year	$1500[7]		12 months	no repayment but can reapply	
Maine[4]	8/97	one time only	not stated	not stated	3 months	entire amount must be repaid and method of repayment is prorated	
Maryland	10/97	no stated limit	$1164[8]	3 months[8]	equivalent to TANF aid months[11]	cannot apply for TANF during period of ineligibility	
Minnesota	1/98	once every three years	$3052[9]	4 months	equivalent to TANF aid months[11]	cannot apply for TANF during period of ineligibility	
Montana	2/96	one time only	$1350	3 months	equivalent to twice TANF aid months[12]	cannot apply for TANF during period of ineligibility	
Nevada[1]	10/98	no stated limit	$1000[8]	3 months	equivalent to TANF aid months[11]	cannot apply for TANF during period of ineligibility	✓[18]
North Carolina	3/97	once a year	$816	3 months	none specified[13]	entire amount must be repaid and method of repayment is prorated[13]	
Ohio[20]	10/97						
Rhode Island[1]		one time only	$1662	3 months	equivalent to twice TANF aid months[11]	cannot apply for TANF during period of ineligibility	
South Dakota	9/97	no stated limit	$860	2 months	3 months	entire amount must be repaid and method of repayment is prorated	
Texas[3]	11/96[6]	one time only	$1000	flat amount	12 months	cannot apply for TANF during period of ineligibility with exceptions for children[15]	
Utah	1/93	every 4 months	$1278	3 months	3 months	entire amount must be repaid and method of repayment is prorated	✓[18]
Virginia	7/95	one time only	$1416	4 months	equivalent to 1.33 TANF aid months[11]	cannot apply for TANF during period of ineligibility	
Washington	11/97	once a year	$1638	3 months	12 months	amount of repayment is prorated and method of repayment is prorated	
West Virginia	1/97-1/98	one time only	$759	3 months	3 months	cannot apply for TANF during period of ineligibility	✓[18]
Wisconsin[19]	9/97	no stated limit	$1600	depends on need	not applicable	entire amount must be repaid[19]	

Footnotes to Table II-1

[1] Although Alaska, Nevada and Rhode Island have not yet implemented their diversion lump sum program, we include them in this table because they have a detailed plan which will be implemented. Rhode Island does not have an implementation date at this time.
[2] Blank entries for the California, Colorado, and Iowa indicate that the scope and nature of the terms are determined at the county level with varying levels of guidance from the states. For example, Iowa sets the period of ineligibility for TANF assistance at 2:1, i.e., two months of ineligibility for each equivalent TANF aid month represented by the lump sum amount.
[3] A blank entry for the Kentucky indicates that case workers have discretion over the scope and nature of the terms.
[4] Although Maine does not consider its diversion program to be lump sum, we have classified Maine's program as a lump sum payment programs because its program matches our definition of diversion and the elements of a lump sum payment program in other states.
[5] Texas offers a fixed amount of$1000. The lump sum is not a function of monthly TANF benefits.
[6] The lump sum payment diversion program is implemented on less than a statewide basis in two states: Iowa, and Texas. Iowa currently operates its lump sum diversion program in three counties and is planning to expand to additional counties for state fiscal year 1999; and Texas currently operates the program in one county but plans to expand the program to 15 counties in April 1998 and go statewide in August 1998.
[7] Kentucky offers a maximum amount of$1500. The lump sum is not a function of monthly TANF benefits.
[8] In special circumstances the lump sum amount can exceed $1000 in Nevada with administrative approval. In Maryland, diversion recipients with compelling circumstances can receive up to 12 month's worth of assistance with administrative approval.
[9] Minnesota is the only state in which the lump sum amount includes the cash value of the food stamps so the actual cash amount an applicant will receive is $763/month and not the monthly maximum TANF cash assistance amount of $532. Diverted families apply for Food Stamps and the diversion lump sum payment is not counted as income or resources in the Food Stamp application. All other states offer lump sum equal to monthly cash assistance an applicant would get under TANF based on family size.
[10] For Maximum Payment Formula, the number of months refer to a multiple of the monthly benefits an applicant would get under TANF based on family size.
[11] In California, Maryland, Minnesota, and Nevada, if an individual takes a lump sum cash payment the period she must wait to reapply for TANF is equivalent to the number of TANF aid months represented by the lump sum amount. In Virginia, the period of ineligibility is 1.33 times the equivalent number of TANF aid months represented by the lump sum amount.
[12] In Idaho, Iowa, Montana, and Rhode Island, if an individual takes a lump sum cash payment, the period of ineligibility is two time the equivalent number of TANF aid months represented by the lump sum amount. No other states double the period of ineligibility based on the value of the lump sum payment.
[13] North Carolina does not have a specific period of ineligibility for recipients of lump sum payments. While the current program provides for repayment, proposed revisions to North Carolina's TANF plan, which are about to be approved by the legislature, provide that the lump sum payments do not have to be repaid.
[14] Repayment terms describes the amount diverted families must repay and the method of repayment. Pro-rated amount indicates that families who receive diversion payments equivalent to 3 months may only have to payback 2 months of it. A pro-rated method of repayment indicates that there is a percentage withhold.
[15] Texas makes some exceptions with regard to children. For example, if families break up in the interim and the children for some reason are living with the grandmother, then the grandmother can apply for TANF cash assistance on behalf of the children.
[16] In Arkansas, lump sum assistance is treated like a loan and the repayment requirement applies to all diversion recipients, regardless of whether they reapply for TANF assistance. While the applicant agrees to forego TANF assistance for 100 days upon receipt of lump sum payment, this period of ineligibility has no bearing on the payback requirement. If the repayment is not deducted from future TANF assistance, the terms of repayment are determined between the caseworker and the recipient. By contrast, in most states repayment is associated with reapplying for TANF during the period of ineligibility.
[17] In California, there may be a cost of accepting diversion. The month in which the lump sum payment is made/received counts toward the 60-month time limit even though the diverted individual has complied with the duration of ineligibility. In contrast, most states count the amount towards the time limit terms only when families come back during the period of ineligibility.
[18] Idaho, Nevada, Utah, and West Virginia impose an automatic cost for accepting diversion. Lump sum recipients will have their lump sum counted towards toward the lifetime limit even though they comply with the duration of ineligibility. Nevada and West Virginia translate the lump sum amount into the equivalent number of TANF assistance months and apply these months against the recipients' lifetime TANF limit. For each episode of diversion assistance, Utah counts one month against the diversion recipient's lifetime TANF limit. Idaho is particularly unique in that the individual has two months for every equivalent TANF month counted toward the lifetime limit.
[19] Although Wisconsin officials did not identify the state's Job Access Loan as a lump sum payment program, the major components of the job access loan program are very similar to components of lump sum payment programs. Job access loans are lump sum payments made available to TANF applicants, as well as TANF recipients, to help them avoid receiving TANF benefits by obtaining or maintaining employment. Although this lump sum payment is expressly a loan that must be paid back, several states essentially require full repayment of lump sum payments through the operation of "penalties."
[20] In Ohio, all 88 counties have substantial flexibility in designing and implementing their lump sum payment programs. The state does provide the counties with a model framework for developing their diversion programs - the Ohio model is known as the Prevention, Retention, and Contingency program (PRC). For example, the parameters include a maximum lump sum payment of $1800, limited eligibility to families earning 150 percent of poverty rate or less, and that PRC is a one-time grant. Counties have the flexibility to use PRC funds to create non-lump sum payment programs. For example, one county has used this money to purchase vans to transport clients to their jobs.

POLICY ISSUES IN TANF RULE (2/11)

Note: Text in [ ] denotes unresolved issue

The passback is an integrated position where all parts fit together, and we reserve on other areas depending on HHS' response on these issues; we also await the language reflecting all the clarifications we discussed.

HHS Initial Position in Draft Final Rule	Tentative Passback	HHS OK	HHS NO
I. General Tone Indicates, in certain places where changes were made from the NPRM, that legal authority in NPRM was questionable; uses this to bolster reason for change.	HHS has made changes based on new information, and retains the legal authority to regulate in the same manner as the NPRM if other evidence demonstrates the need to do so. HHS will carefully monitor data to determine whether future regulatory changes are warranted based on the evidence.		
II. Waivers			
A. No longer denies penalty relief and penalty reduction to states that continue waivers inconsistent with TANF and no longer requires states to abandon waiver program as part of corrective compliance	Agree.		
B. Expands the definition of inconsistent waiver that can be continued under TANF to include the entire range of work rules (exemptions, activities, hours, and who counts in the numerator and denominator of the work rate) or time limit provisions that existed in a state under the waiver if they have waived one or more technical provisions related to work or time limits under prior law.	Agree.		

HHS Initial Position in Draft Final Rule	Tentative Passback	HHS OK	HHS NO
III. Child Only			
A. Deletes the provisions requiring states to report annually on cases excluded from work rate and time limit calculations	Ensure that sufficient information is collected from States to track whether States are converting cases into child-only to avoid work requirements; if key information was dropped from the child-only report in the NPRM (including whether case was previously child-only), we're generally interested in adding back in; specifically, we would like to see a data element added to Appendix A that asks if a child-only case was previously (within a reasonable period of time, such as 6 months) a TANF non-child-only case.		
B. Deletes provisions allowing the Secretary to add cases back into a calculation if found to have been excluded to avoid penalties	Agree.		
IV. Domestic Violence			
A. Allow waivers for as long as necessary, while requiring 6-month redeterminations.	Agree.		
B. Expand the reasons for a domestic violence waiver to avoid time limits from "inability to work" to a variety of factors related to the victim's condition.	Agree.		

HHS Initial Position in Draft Final Rule	Tentative Passback	HHS OK	HHS NO
C. Allows the clock to stop when a family has a waiver (rather than NPRM provision which allowed exemption from time limit if individual reached 60th month and was unable to work)	Oppose stopping the clock. Instead expand the policy from the NPRM to allow states to provide assistance past the 60 month time limit for victims of domestic violence where it is in the best interest of the family not to leave assistance at the 60th month. This would include inability to work or to leave assistance due to a current DV situation, but would also recognize previous time spent under a DV waiver that may necessitate a time limit extension even though they may no longer be in the DV situation.		
V. Separate State Programs	[HOLD ON ALL SSP ISSUES FOR NOW]		

HHS Initial Position in Draft Final Rule	**Tentative Passback**	**HHS OK**	**HHS NO**
A. Eliminates proposed link between state decision to establish SSP and eligibility for penalty relief, but maintains plan to monitor state actions through data reporting and other procedures.	[Agree with elimination of direct link to penalty relief, but propose an intermediate strategy that could include the following elements: 1) Indicate in the preamble that HHS will closely monitor trends in SSP data to see whether States are moving groups/classes of families, especially two-parent families, into welfare-like SSPs with the effect of avoiding TANF work rates or diverting child support, and will report on these trends in its annual report to Congress. The Secretary will indicate the extent to which the work participation rates of individual states was affected by diverting families to a welfare-like SSP. In the annual ranking of states required by Section 413(d), the Secretary shall take into account the extent to which states diverted families into welfare-like SSPs with the effect of avoiding TANF work requirements. 2) include in the preamble language (drawn from previous HPB guidance) that in determining a State's high-performance bonus, HHS may adjust the State's performance if there is evidence of diversion (e.g. if state moved more difficult to employ cases to SSP, this would unfairly inflate performance); 3) explicitly add to the regulatory text that patterns of diversion into welfare-like SSPs will be treated as eligibility changes in calculating the CRC; and 4) require that in the CRC report, States indicate the purpose of eligibility changes that have the effect of placing families in SSPs who otherwise would have participated in regular TANF. 5) in notifying a state of it's CRC, the Secretary shall indicate if she detects a pattern of diversion to welfare-like SSPs with the effect of avoiding the TANF work requirements and/or child support requirements. The state would have the opportunity to explain any policy rationale other than avoidance of work requirements or associated penalties.]		

(4)

HHS Initial Position in Draft Final Rule	Tentative Passback	HHS OK	HHS NO
B. Maintains participant-level data reporting in order to qualify for high performance bonus and caseload reduction credit, but not for penalty relief, with reduced number of data elements.	Agreed.		
C. Limits case-level data and aggregate data reporting to SSPs that are "welfare-like", i.e. which provide ongoing payments to the family designed to meet basic needs of the recipients.	Agree with limited reporting but make the definition of "welfare-like" more like the definition of "Assistance"; have already asked HHS to consider explicitly defining these programs based on actual State activities from existing reports, rather than retain the unclear "welfare-like" standard related to "basic needs".		

HHS Initial Position in Draft Final Rule	**Tentative Passback**	**HHS OK**	**HHS NO**
VI. Definition of Assistance			
A. Continues to include in the definition of assistance spending that provides explicit or implicit income support, including child care, transportation, and related work supports. Expressed policy support for excluding them, but indicates they have no legal basis to do so. Continues to include workfare payments and some wage subsidies in assistance, but clarifies that certain payments to employers might be excluded (e.g. under performance based contracts).	Disagree with HHS counsel's position that there is no legal room to define assistance differently. As a policy matter, narrow the definition to include activities traditionally associated with AFDC that has direct and explicit (not implicit) monetary value (e.g., cash assistance and other supports to meet basic needs) and exclude other services generally related to supports for working families (e.g., child care, transportation, certain wage subsidies [and education/training]). Make the definition clear and explicit with regard to what's included and what's excluded! [We're working on some options for a definition but want to begin engaging HHS on this]. [Exclude IDAs as impractical.] [Base legal argument on fact that five primary areas where regulatory definition of "Assistance" should apply are in the areas addressed by this regulation (e.g., data reporting, time limits, work participation, caseload counts, child support assignment), and not on areas where HHS is precluded from regulating (e.g., workplace protections, rainy day funds, disclosure) where a broader definition can and should apply.]		

HHS Initial Position in Draft Final Rule	Tentative Passback	HHS OK	HHS NO
B. Removes time limits on one-time short-term assistance; clarifies that it can be used to prevent a family going on, or returning to, assistance; and makes general distinction that assistance is to meet ongoing or recurring needs.	Add language, to the regulation if legally permissible, to indicate an expectation that recipients of diversion payments (and beneficiaries in general) be told that they remain eligible and should apply for Food Stamps, Medicaid, child care, and other appropriate social services, to maintain strong linkages with these programs. With a narrow definition of "assistance", can provide other supports during period of diversion payments. Propose the following options for HHS' reaction in light of State diversion program information: -- Agree with removal of one-time per year limit -- Impose durational limit on payment amount (e.g., 3-4-6 mos.) -- Limit period of ineligibility to payment period.		
VII. Administrative Costs			
A. Explicitly includes eligibility determination within the definition of administrative costs in the regulatory text.	Agree, but strengthen the preamble discussion that recognizes that States are working on blended service delivery. HHS does not intend to discourage this trend, and cost allocation could be done without undue burden (provide an example).		
B. Exclude from the 15 % administrative cost cap for information technology used in monitoring and tracking, all administrative costs directly charged to the use of the technology for this purpose. Do not exclude indirect administrative costs charged to this technology.	Count in the exclusion all costs associated with the purchase, installation, maintenance, and personnel (such as help) for the information technology; do not count administrative costs not associated with the purchase, installation, maintenance, and personnel for the information technology (this would exclude costs like data entry). Do not address issue of whether costs were directly charged to the grant as admin. Are there any unintended consequences from this approach?		
VIII. Data Collection			

3

HHS Initial Position in Draft Final Rule	Tentative Passback	HHS OK	HHS NO
A. HHS eliminated 30 data elements and made others optional. None of the deleted elements appears critical to understanding program trends. HHS also reduced reporting on SSPs to collect only information on programs that serve "basic needs" (e.g., SSP reports on cash assistance programs would be required but reports on child care programs would not). HHS eliminated separate reports for child only cases and annual program summaries, finding that similar information can be produced by looking across a number of other instruments and the regular TANF reporting is sufficient to monitor trends. Conversely, HHS has expanded somewhat the aggregate financial reports for MOE spending to better track State use of funds.	Agree with general reductions, except as noted above and for financial and annual reporting; for financial and annual reports, given the reduced information (and burden) that will be reported with a narrower definition of "assistance", may need to revisit forms to include more on "non-assistance" services like transportation and child care and to define "family" for these purposes.		
B. The new effective date for this regular reporting would be October 1, 1999, to allow for a transition consistent with the new fiscal year.	Agreed.		
IX. Fiscal Issues	[HOLD FISCAL ISSUES]		
A. MOE Spending Test. HHS would use general reports and audits to determine whether States maintain spending on services for low-income families with children equal to 75 or 80 percent of 1994 spending on AFDC-related programs, and do not supplant previous spending with spending from the TANF grant.	[HHS' strategy is not specific enough. In light of recent reports that raise a concern about supplanting, propose a specific strategy to assess State spending against MOE requirements.] [Delete requirement that States report on total State expenditures for each program claimed as MOE, so that the expenditure data that is reported is limited to the amount claimed as MOE.]		

HHS Initial Position in Draft Final Rule	Tentative Passback	HHS OK	HHS NO
2 B. State EITC Counting as MOE: Allow only refundable portion of EITCs to be counted for MOE.	For States that design tax credits (such as EITCs) that only go to TANF-eligible families and are tied to a TANF purpose, allow entire credit as MOE; require that States report on the total amount used for MOE and be able to document the family-specific amounts as an audit requirement.		
X. Caseload Reduction Credit			
A. States do not have the option to use the two-parent or all-parent rate in determining their credit.	Provide states with the flexibility to use either rate for credit purposes		
B. Do not include in the rule or the preamble the methodology for determining the credit, including the way HHS expects States to account for changes in eligibility.	Provide this chart for our review and add it to the preamble, and believe this would be clearest if made an appendix.		
1 **XI. Recipient and Worker Protections**	[HOLD FOR NOW]		
A. Include is preamble and regulation specific references to applicable worker protection laws	[Agreed, with DOL edits.]		

SSP Steps
2/12/99

Agree with elimination of direct link to penalty relief, but propose an intermediate strategy that could include the following elements:

1) Indicate in the preamble that HHS will closely monitor trends in SSP data to see whether States are moving groups/classes of families, especially two-parent families, into welfare-like SSPs with the effect of avoiding TANF work rates or diverting child support, and will report on these trends in its annual report to Congress. The Secretary will indicate the extent to which the work participation rates of individual states was affected by diverting families to a welfare-like SSP. In the annual ranking of states required by Section 413(d), the Secretary shall take into account the extent to which states diverted families into welfare-like SSPs with the effect of avoiding the TANF work requirements.

2) include in the preamble language (drawn from previous HPB guidance) that in determining a State's high-performance bonus, HHS may adjust the State's performance if there is evidence of diversion (e.g. if state moved more difficult to employ cases to SSP, this would unfairly inflate performance);

3) explicitly add to the regulatory text that patterns of diversion into welfare-like SSPs will be treated as eligibility changes in calculating the caseload reduction credit; and

4) require that in the CRC report, States indicate the purpose of eligibility changes that have the effect of placing families in SSPs who otherwise would have participated in regular TANF.

5) in notifying a state of it's CRC, the Secretary shall indicate if she detects a pattern of diversion to welfare-like SSPs with the effect of avoiding the TANF work requirements and/or child support requirements. The state would have the opportunity to explain any policy rationale other than avoidance of work requirements or associated penalties.

Maintain two links with penalty relief:
6) in determining work participation rate penalty reduction based on the degree of non-compliance, the Secretary could consider the extent to which a state has diverted families into a welfare-like SSP with the effect of avoiding the all family or two-parent work rate.

7) deny child support penalty reduction based on substantial compliance if the Secretary detects a significant pattern of diversion to a SSP to avoid federal child support collections.

Separate State Program During FY '98

1. Arizona — Separate State Programs (MOE) refers to expenditures reported on the Child Care Financial report ACF-696 for the period ending 9/30/98. These are expenditures the State expended on behalf of TANF eligibles in the CCDF program that can count toward the TANF MOE. Child Care MOE expenditures of $10,032,836. ✓

new

2. California — Cash Assistance - Expenditures related to TANF eligible recipients in the Migrant Seasonal Worker Food Program administered by the California Department of Community Services and Development. The Department calculated 70 percent of program expenditures associated with the TANF eligible population. Expenditures of $1,400,000 reported.

   Work Activities - Expenditures related to eligible recipients in programs administered by the California Department of Education. The Department calculated 100 percent of program expenditures in the category to be associated with the TANF eligible population. Expenditures of $2,204,090 reported.

   Child Care – Expenditures reported towards the CCDF MOE on the ACF-696 report by California for fiscal year 1998. These expenditures are consistent with former IV-A program activities eligible in FFY 1994. The Department calculated 23.4 percent of program expendit5ures to be associated with the TANF population. Expenditures of $117,192,038 reported.

   "teen parent"

   Other Expenditures - Expenditures related to TANF eligible recipients in Community Challenge Grant Program administered by the Department of Health Services. The department calculated 7.7 percent of program expenditures to be associated with the TANF eligible population. Expenditures of $388,950 reported. CO ?

3. Florida — Cash Assistance and work requirements for two parent families. The State reported $25,895,615 in Cash Assistance and $4,031,583 in Other Expenditures.

4. Georgia — Expenditures comprise of the following:

Child Support pass through	$16,659,514 ?
Adoptions by two-parent families	$8,047,860
Unreimbursed child protective services (targeted case management for children at risk of abuse or out of home placement)	$46,414,530
Energy benefits	$791,781

   State reports total expenditures of $71,913,685. not 2 parent families

5. Hawaii — Cash assistance for non-qualified aliens and two parent families. State reports expenditures of $46,194,948 for Cash Assistance. — what about welfare?

6. Illinois — Separate State Program provides cash assistance and emergency assistance to pregnant women. State reports $32,882,635 for Cash

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	Assistance, $5,479,695 for Administration and $135,661 for Systems Costs.
7. Indiana	Operation of a Healthy Families Program. State reports Other Expenditures of $11,730,962.
8. Iowa	State reports expenditures of $256,674 for Work Activities and $7,945,436 for Child Care.
9. Maine	Maine reports expenditures of $10,917,164 for Cash Assistance and $5,167,485 for Other Expenditures in Separate State Programs. State operates a State General Assistance Program and an Emergency Assistance Program. State also reports an educational program for Parents of Scholars.
10. Maryland	State reports expenditures of $4,488,324 in Cash assistance for two parent families.
11. Rhode Island	State reports expenditures of $5,161,011 in Other Expenditures. State operates a Citizenship Initiative, State funded Food Stamp Program, FIP replacement checks, Weatherization and Emergency Housing.
12. Tennessee	State reports expenditures of $187,810 in Cash Assistance Separate State Program to assist certain categories of aliens who are ineligible under TANF but had been eligible under the former AFDC program.
13. Washington	State reports expenditures of $2,325,920 for Cash Assistance, $476,402 for Administration, $156,087 for Systems, and $1,089,731 in Other Expenditures. State operates a Cash and Food Assistance Program for non-qualified aliens and pregnant women.
14. Wisconsin	State reports expenditures of $20,202,682 for Cash Assistance, $409,981 for Work Activities, $80,255 Administration, $358,740 Systems Costs, and $339,298 in Other Expenditures. Expenditures cover Cash and Work Activities, Administrative and Systems Costs for qualified aliens, interim assistance for SSI applicants and a Children First program. The Children First program promotes financial and emotional responsibilities of non-custodial parents. Also includes Tribal Child Care and EITC programs.
15. Wyoming	State reports expenditures of $1,553,781 for Child Care.

EITC

Background

HHS would allow only the portion of a State's earned income tax credit program that is "refundable" — meaning that portion in excess of tax liability and thus paid as cash to the TANF-eligible family — to count as MOE. States argue that this creates perverse incentives against tax credits, which may be more efficient ways to provide relief for poor families. In other words, the State could either collect $500 from a family in taxes and pay out $400 in cash from the welfare program; or reduce the family's tax liability by $400, which would have the same net effect on both the family and the State Treasury and would not require the additional administrative steps involved in paying out the $400.

States argue that this will ~~also~~ only CBPP be inequitable to States that have chosen the more administratively efficient option. Advocates, on the other hand, support HHS' draft policy as consistent with the statute, which describes "expenditures" as those items eligible for MOE; in addition, HHS and advocates are concerned that it would be difficult both to verify the amount of the tax credit used for MOE for TANF families, and to prevent expansion to other forms of tax credits that are not related to the purposes of the TANF program, like property tax relief.

Analysis

HHS' draft policy is consistent with the letter of the statute, which speaks of "expenditures" for MOE, but the actual effect of the two kinds of tax credits is identical — in both cases in the example above, the family is $400 better off and the State has sacrificed $400, although in the tax credit the State saves administrative costs involved in writing an additional check. As welfare rolls decline and States look for more avenues to spend MOE funds, it seems illogical to require them to create more bureaucracy (providing more cash assistance) in order to claim as MOE the same net dollars that it could not claim without that bureaucracy (via a tax credit). In addition, the Administration supports tax credit programs to aid the disadvantaged like State EITCs; this would encourage their growth.

As to the concern that this could extend to credits unrelated to the purposes of TANF, such as general tax relief, States could be required to demonstrate that their credits were designed specifically to meet a TANF purpose for TANF-eligible families (like the Virginia EITC); this would be subject to HHS' approval. As to the concern that this would be difficult to track, HHS could require that the State document the amount of the credit spent for TANF eligible families if States choose to claim such expenditures. Given the potential for a significant reduction in MOE that could lead to both penalties and a reduction in the succeeding year's grant, States would likely not claim the MOE unless they were sure they could identify the credit as assisting only TANF-eligible families for a TANF purpose, and could document the amount provided.

Recommendation: For States that design tax credits (such as EITCs) that only go to TANF eligible families and are tied to a TANF purpose, allow entire credit EITC as MOE; require that States report on the total amount used for MOE and be able to document the family-specific amounts as as audit requirement. Treat the non-refundable part of the EITC the same way as the refundable part is treated in terms of whether it is considered "assistance".

an agreement entered into with the grantees after good-faith negotiations; and

(C) is urged to include the following outcome measures in the plan developed under subparagraph (A):

(i) Placements in unsubsidized employment, and placements in unsubsidized employment that last for at least 6 months.

(ii) Placements in the private and public sectors.

(iii) Earnings of individuals who obtain employment.

(iv) Average expenditures per placement.

(2) REPORTS TO THE CONGRESS.—

(A) IN GENERAL.—Subject to subparagraphs (B) and (C), the Secretary, in consultation with the Secretary of Labor and the Secretary of Housing and Urban Development, shall submit to the Congress reports on the projects funded under section 403(a)(5) and 412(a)(3) and on the evaluations of the projects.

(B) INTERIM REPORT.—Not later than January 1, 1999, the Secretary shall submit an interim report on the matter described in subparagraph (A).

(C) FINAL REPORT.—Not later than January 1, 2001, (or at a later date, if the Secretary informs the Committees of the Congress with jurisdiction over the subject matter of the report) the Secretary shall submit a final report on the matter described in subparagraph (A).

SEC. 414. [42 U.S.C. 614] STUDY BY THE CENSUS BUREAU.

(a) IN GENERAL.—The Bureau of the Census shall continue to collect data on the 1992 and 1993 panels of the Survey of Income and Program Participation as necessary to obtain such information as will enable interested persons to evaluate the impact of the amendments made by title I of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 on a random national sample of recipients of assistance under State programs funded under this part and (as appropriate) other low-income families, and in doing so, shall pay particular attention to the issues of out-of-wedlock birth, welfare dependency, the beginning and end of welfare spells, and the causes of repeat welfare spells, and shall obtain information about the status of children participating in such panels.

(b) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated $10,000,000 for each of fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002 for payment to the Bureau of the Census to carry out subsection (a).

SEC. 415. [42 U.S.C. 615] WAIVERS.

(a) CONTINUATION OF WAIVERS.—

(1) WAIVERS IN EFFECT ON DATE OF ENACTMENT OF WELFARE REFORM.—

(A) IN GENERAL.—Except as provided in subparagraph (B), if any waiver granted to a State under section 1115 of this Act or otherwise which relates to the provision of assistance under a State plan under this part (as in effect on

September 30, 1996) is in effect as of the date of the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, the amendments made by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (other than by section 103(c) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996) shall not apply with respect to the State before the expiration (determined without regard to any extensions) of the waiver to the extent such amendments are inconsistent with the waiver.

(B) FINANCING LIMITATION.—Notwithstanding any other provision of law, beginning with fiscal year 1996, a State operating under a waiver described in subparagraph (A) shall be entitled to payment under section 403 for the fiscal year, in lieu of any other payment provided for in the waiver.

(2) WAIVERS GRANTED SUBSEQUENTLY.—

(A) IN GENERAL.—Except as provided in subparagraph (B), if any waiver granted to a State under section 1115 of this Act or otherwise which relates to the provision of assistance under a State plan under this part (as in effect on September 30, 1996) is submitted to the Secretary before the date of the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 and approved by the Secretary on or before July 1, 1997, and the State demonstrates to the satisfaction of the Secretary that the waiver will not result in Federal expenditures under title IV of this Act (as in effect without regard to the amendments made by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996) that are greater than would occur in the absence of the waiver, the amendments made by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (other than by section 103(c) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996) shall not apply with respect to the State before the expiration (determined without regard to any extensions) of the waiver to the extent the amendments made by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 are inconsistent with the waiver.

(B) NO EFFECT ON NEW WORK REQUIREMENTS.—Notwithstanding subparagraph (A), a waiver granted under section 1115 or otherwise which relates to the provision of assistance under a State program funded under this part (as in effect on September 30, 1996) shall not affect the applicability of section 407 to the State.

(b) STATE OPTION TO TERMINATE WAIVER.—

(1) IN GENERAL.—A State may terminate a waiver described in subsection (a) before the expiration of the waiver.

(2) REPORT.—A State which terminates a waiver under paragraph (1) shall submit a report to the Secretary summarizing the waiver and any available information concerning the result or effect of the waiver.

(3) HOLD HARMLESS PROVISION.—

(A) IN GENERAL.—Notwithstanding any other provision of law, a State that, not later than the date described in subparagraph (B) of this paragraph, submits a written request to terminate a waiver described in subsection (a) shall be held harmless for accrued cost neutrality liabilities incurred under the waiver.

(B) DATE DESCRIBED.—The date described in this subparagraph is 90 days following the adjournment of the first regular session of the State legislature that begins after the date of the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

(c) SECRETARIAL ENCOURAGEMENT OF CURRENT WAIVERS.—The Secretary shall encourage any State operating a waiver described in subsection (a) to continue the waiver and to evaluate, using random sampling and other characteristics of accepted scientific evaluations, the result or effect of the waiver.

(d) CONTINUATION OF INDIVIDUAL WAIVERS.—A State may elect to continue 1 or more individual waivers described in sub-section (a).

SEC. 416. [42 U.S.C. 616] ADMINISTRATION.

The programs under this part and part D shall be administered by an Assistant Secretary for Family Support within the Department of Health and Human Services, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be in addition to any other Assistant Secretary of Health and Human Services provided for by law, and the Secretary shall reduce the Federal workforce within the Department of Health and Human Services by an amount equal to the sum of 75 percent of the full-time equivalent positions at such Department that relate to any direct spending program, or any program funded through discretionary spending, that has been converted into a block grant program under the Personal Responsibility and Work Opportunity Act of 1996 and the amendments made by such Act, and by an amount equal to 75 percent of that portion of the total full-time equivalent departmental management positions at such Department that bears the same relationship to the amount appropriated for any direct spending program, or any program funded through discretionary spending, that has been converted into a block grant program under the Personal Responsibility and Work Opportunity Act of 1996 and the amendments made by such Act, as such amount relates to the total amount appropriated for use by such Department, and, notwithstanding any other provision of law, the Secretary shall take such actions as may be necessary, including reductions in force actions, consistent with sections 3502 and 3595 of title 5, United States Code, to reduce the full-time equivalent positions within the Department of Health and Human Services by 245 full-time equivalent positions related to the program converted into a block grant under the amendments made by section 103 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, and by 60 full-time equivalent managerial positions in the Department.

SEC. 417. [42 U.S.C. 617] LIMITATION ON FEDERAL AUTHORITY.

No officer or employee of the Federal Government may regulate the conduct of States under this part or enforce any provision of this part, except to the extent expressly provided in this part.

SEC. 418. [42 U.S.C. 618] FUNDING FOR CHILD CARE.

(a) GENERAL CHILD CARE ENTITLEMENT.—

(1) GENERAL ENTITLEMENT.—Subject to the amount appropriated under paragraph (3), each State shall, for the purpose of providing child care assistance, be entitled to payments under a grant under this subsection for a fiscal year in an amount equal to the greater of—

(A) the total amount required to be paid to the State under section 403 for fiscal year 1994 or 1995 (whichever is greater) with respect to expenditures for child care under subsections (g) and (i) of section 402 (as in effect before October 1, 1995); or

(B) the average of the total amounts required to be paid to the State for fiscal years 1992 through 1994 under the subsections referred to in subparagraph (A).

(2) REMAINDER.—

(A) GRANTS.—The Secretary shall use any amounts appropriated for a fiscal year under paragraph (3), and remaining after the reservation described in paragraph (4) and after grants are awarded under paragraph (1), to make grants to States under this paragraph.

(B) ALLOTMENTS TO STATES.—The total amount available for payments to States under this paragraph, as determined under subparagraph (A), shall be allotted among the States based on the formula used for determining the amount of Federal payments to each State under section 403(n) (as in effect before October 1, 1995).

(C)[1] FEDERAL MATCHING OF STATE EXPENDITURES EXCEEDING HISTORICAL EXPENDITURES.—The Secretary shall pay to each eligible State for a fiscal year an amount equal to the lesser of the State's allotment under subparagraph (B) or the Federal medical assistance percentage for the State for the fiscal year (as defined in section 1905(b), as such section was in effect on September 30, 1995) of so much of the State's expenditures for child care in that fiscal year as exceed the total amount of expenditures by the State (including expenditures from amounts made available from Federal funds) in fiscal year 1994 or 1995

[1] Subparagraph (C) is amended to read as shown above by section 5601(a)(2)(B) of Public Law 105–33 (111 Stat. 645). Section 5603(b) of such Act provides this amendment shall take effect on October 1, 1997. Subparagraph (C) prior to the amendment made by section 5601(a)(2)(B) reads as follows:

(C) MATCHING REQUIREMENT.—The Secretary shall pay to each eligible State in a fiscal year an amount, under a grant under subparagraph (A), equal to the Federal medical assistance percentage for such State for fiscal year 1996 (as defined in section 1905(b)) of so much of the expenditures by the State for child care in such year as exceed the State set-aside for such State under paragraph (1)(A) for such year and the amount of State expenditures in fiscal year 1994 or 1995 (whichever is greater) that equal the non-Federal share for the programs described in subparagraph (A) of paragraph (1).

PART 274—OTHER ACCOUNTABILITY PROVISIONS

Authority: 31 U.S.C. 7501 *et seq.*; 42 U.S.C. 609, 654, 1302, 1308, and 1337.

Subpart A—What Specific Rules Apply for Other Program Penalties?

§ 274.0 What definitions apply to this part?

The general TANF definitions at § 270.30 of this chapter apply to this part.

§ 274.1 What restrictions apply to the length of time Federal TANF assistance may be provided?

(a)(1) Subject to the exceptions in this section, no State may use any of its Federal TANF funds to provide assistance (as defined in § 270.30 of this chapter) to a family that includes an adult who has received assistance for a total of five years (60 cumulative months, whether or not consecutive).

(2) Assistance provided under section 403(a)(5) of the Act (WTW) is not subject to the time limit in paragraph (a)(1) of this section.

(3) States may define "a family that includes an adult," but may not exclude families from their definition solely for the purpose of avoiding penalties under § 274.2.

(i) States shall report to us annually on the number of families excluded because of the State's definition and the circumstances underlying each exclusion.

(ii) Where we find that a State has excluded families for the purpose of avoiding a penalty for the five-year time limit, we shall include those families in the calculation under paragraph (c) of this section in determining whether a State has complied with time-limit extension rules and is subject to the penalty described in § 274.2.

(b) States must not count towards the five-year limit:

(1) Any month of receipt of assistance by an individual when she was a minor who was not the head-of-household or married to the head-of-household;

(2) Any month in which an adult lived in Indian country (as defined in section 1151 of title 18, United States Code) or Native Alaskan Village and at least 50 percent of the adults were not employed; and

(3) Non-cash assistance provided under section 403(a)(5) of the Act (WTW).

(c) States have the option to extend assistance from Federal TANF funds beyond the five-year limit for up to 20 percent of their cases. This provision requires computation of an average monthly percentage for each fiscal year, with the numerator for each month equal to the number of families that includes an adult receiving assistance beyond the five-year limit and the denominator equal to the average monthly number of families that includes an adult receiving assistance during the fiscal year or the immediately preceding fiscal year, whichever the State elects. States are permitted to extend assistance to a family only on the basis of:

(1) Hardship, as defined by the State; or

(2) The fact that the family includes someone who has been battered, or subject to extreme cruelty based on the fact that the individual has been subjected to:

(i) Physical acts that resulted in, or threatened to result in, physical injury to the individual;

(ii) Sexual abuse;

(iii) Sexual activity involving a dependent child;

(iv) Being forced as the caretaker relative of a dependent child to engage in non-consensual sexual acts or activities;

(v) Threats of, or attempts at, physical or sexual abuse;

(vi) Mental abuse; or

(vii) Neglect or deprivation of medical care.

(d) If a State opts to extend assistance to part of its caseload as permitted under paragraph (c) of this section, it only determines whether or not the extension applies to a specific family once an adult in the family has received 60 cumulative months of assistance.

(e) If the five-year limit is inconsistent with a State's waiver granted under section 1115 of the Act, which was submitted before August 22, 1996, and was approved by July 1, 1997, the State need not comply with the inconsistent provisions of the five-year limit until the waiver expires.

(1) The five-year limit would be inconsistent with the State's waiver:

(i) If the State has an approved waiver that provides for terminating cash assistance to individuals or families because of the receipt of assistance for a period of time, specified by the approved waiver; and

(ii) The State would have to change its waiver policy in order to comply with the five-year limit.

(2)(i) Generally, under an approved waiver, a State will count, toward the five-year limit, all months for which the adult subject to a State waiver time limit receives assistance with Federal TANF funds, just as it would if it did not have approved waiver.

(2) The State need not count, toward the five-year limit, any months for which an adult receives *assistance* with Federal TANF funds while the adult is exempt from the State's time limit under the terms of the State's approved waiver.

(3) The State may continue to provide assistance with Federal TANF funds for more than 60 cumulative months, without a numerical limit, to families provided extensions to the time limit, under the provisions of the terms and conditions of its approved waiver, as long as the State's waiver authority has not expired.

(4) The five-year limit would also be inconsistent with a State's waiver to the extent that the State needs to maintain prior law policies for control group or experimental treatment cases in order to continue an experimental research design for the purpose of completing an impact evaluation of the waiver policies.

(5) The additional requirements at § 272.8 of this chapter apply to the use of continuing waivers with alternative time-limit requirements in the calculation of the time limit penalty.

§ 274.2 What happens if a State does not comply with the five-year limit?

If we determine that a State has not complied with the requirements of § 274.1, we will reduce the SFAG payable to the State for the immediately succeeding fiscal year by five percent of the adjusted SFAG unless the State demonstrates to our satisfaction that it had reasonable cause or we approve a corrective compliance plan.

§ 274.3 How can a State avoid a penalty for failure to comply with the five-year limit?

(a) We will not impose the penalty if the State demonstrates to our satisfaction that it had reasonable cause for failing to meet the five-year limit or it completes a corrective compliance plan pursuant to §§ 272.5 and 272.6 of this chapter.

(b)(1) In addition, we will determine a State has reasonable cause if it demonstrates that it exceeded the 20 percent limitation on exceptions to the time limit because of good cause waivers provided to victims of domestic violence.

(2)(i) To demonstrate reasonable cause under paragraph (b)(1) of this section, a State must provide evidence that, when individuals with active good cause waivers and their families are excluded from the calculation, the percentage of families receiving federally-funded assistance for more than 60 months did not exceed 20 percent of the total.

(ii) To qualify for exclusion, such families must have good cause domestic violence waivers that:

(A) Reflect the State's assessment that an individual in the family was, at the time the waiver was granted, temporarily unable to work because of domestic violence;

(B) Were in effect after the family had received a hardship exemption from the limit on receiving federally-funded assistance for 60 or more months; and

(C) Were granted appropriately, in accordance with the criteria specified at § 270.30 of this chapter.

(iii) If a State fails to meet the criteria specified for "good cause domestic violence waivers" at § 270.30 of this chapter or any of the other conditions in paragraph (b)(2)(ii) of this section, the Secretary will not grant reasonable cause under paragraph (b)(1) of this section.

§ 274.10 Must States do computer matching of data records under IEVS to verify recipient information?

(a) States must meet the requirements of IEVS pursuant to section 1137 of the Act and request the following information from the Internal Revenue Service (IRS), the State Wage Information Collections Agencies (SWICA), the Social Security Administration (SSA), and the Immigration and Naturalization Service (INS):

(1) IRS unearned income;

(2) SWICA employer quarterly reports of income and unemployment insurance benefit payments;

(3) IRS earned income maintained by SSA; and

(4) Immigration status information maintained by the INS. (States may request a waiver of this match under the authority of 42 U.S.C. 1320–1327, note.)

(b) The requirements at §§ 205.51 through 205.62 of this chapter also apply to the TANF IEVS requirement.

§ 274.11 How much is the penalty for not participating in IEVS?

If we determine that the State has not complied with the requirements of § 274.10, we will reduce the SFAG payable for the immediately succeeding fiscal year by two percent of the adjusted SFAG unless the State demonstrates to our satisfaction that it had reasonable cause or we approve a corrective compliance plan pursuant to §§ 272.5 and 272.6 of this chapter.

§ 274.20 What happens if a State sanctions a single parent of a child under six who cannot get needed child care?

(a) If we determine that a State has not complied with the requirements of § 271.15 of this chapter, we will reduce the SFAG payable to the State by no more than five percent for the immediately succeeding fiscal year unless the State demonstrates to our satisfaction that it had reasonable cause or we approve a corrective action plan pursuant to §§ 272.5 and 272.6 of this chapter.

(b) We will impose the maximum penalty if:

(1) The State does not have a statewide process in place that enables families to demonstrate that they have been unable to obtain child care; or

(2) There is a pattern of substantiated complaints from parents or organizations verifying that a State has reduced or terminated assistance in violation of this requirement.

(c) We will impose a reduced penalty if the State demonstrates that the violations were isolated or that they affected a minimal number of families.

§ 274.30 What procedures exist to ensure cooperation with the child support enforcement requirements?

(a) The State (the IV–A agency) must refer all appropriate individuals in the family of a child, for whom paternity has not been established or for whom a child support order needs to be established, modified or enforced, to the child support enforcement agency (the IV–D agency). Those individuals must cooperate in establishing paternity and in establishing, modifying, or enforcing a support order with respect to the child.

(b) If the IV–D agency determines that an individual is not cooperating, and the individual does not qualify for a good cause or other exception established by the State in accordance with section 454(29) of the Act, then the IV–D agency must notify the IV–A agency promptly.

(c) The IV–A agency must then take appropriate action by:

(1) Deducting from the assistance that would otherwise be provided to the family of the individual an amount equal to not less than 25 percent of the amount of such assistance; or

(2) Denying the family any *assistance* under the program.

§ 274.31 What happens if a State does not comply with the IV–D sanction requirement?

(a)(1) If we find, for a fiscal year, that the State IV–A agency did not enforce the penalties against recipients required under § 274.30(c), we will reduce the SFAG payable for the next fiscal year by one percent of the adjusted SFAG.

(2) Upon a finding for a second fiscal year, we will reduce the SFAG by two percent of the adjusted SFAG for the following year.

Proposed Final Rule

or

(2) For any specific inconsistency, the date upon which the State discontinued the applicable waiver policy.

(e) The State must submit the Governor's certification specified in §260.73.

(f) The policies do not have the effect of delaying the work or time-limit penalties at §§261.50, 261.54, and 264.1 of this chapter or the data collection requirements at part 265 of this chapter.

§260.73 How do existing welfare reform waivers affect the participation rates and work rules?

(a) If a State is implementing a work participation component under a waiver, in accordance with this subpart, the provisions of section 407 of the Act will not apply in determining if a penalty should be imposed, to the extent that the provision is inconsistent with the waiver.

(b) For the purpose of determining if the State's demonstration has a work participation component, the waiver list for the demonstration must include one or more specific provisions that directly correspond to the work policies in section 407 of the Act (i.e., change allowable JOBS activities, exemptions from JOBS participation, hours of required JOBS participation, or sanctions for non-compliance with JOBS participation).

(c) Corresponding to the inconsistencies certified by the Governor:

(1) We will calculate the State's work participation rates, by:

(i) Excluding cases exempted from participation under the demonstration component and, if applicable, experimental and control cases not otherwise exempted, in calculating the rate;

(ii) Defining work activities as defined in the demonstration component in determining the numerator; and

(iii) Including cases meeting the required number of hours of participation in work activities in accordance with demonstration component policy, in determining the numerator.

(2) We will determine whether a State is taking appropriate sanctions when an individual refuses to work based on the State's certified waiver policies.

(d) We will use the data submitted by States pursuant to §265.3 of this chapter to calculate and make public a State's work participation rates under both the TANF requirements and the State's alternative waiver requirements.

<u>§260.74 How do existing welfare reform waivers affect the application of the Federal time-limit provisions?</u>

(a)(1) If a State is implementing a time-limit component under a waiver, in accordance with this subpart, the provisions of section 408(a)(7) of the Act will not apply in determining if a penalty should be imposed, to the extent that they are inconsistent with the waiver.

(2) For the purpose of determining if the State's demonstration has a time-limit component, the waiver list for the demonstration must include provisions that directly correspond to the time-limit policies enumerated in section 408(a)(7) of the Act (i.e., address which individuals or families are subject to, or exempt from, terminations of assistance based solely on the passage of time or who qualifies for extensions to the time limit).

(b)(1) Generally, under an approved waiver, except as provided in paragraph (b)(3) of this section, a State will count, toward the Federal five-year limit, all months for which the adult head-of-household or spouse of the head-of-household subject to the State time limit receives assistance with Federal TANF funds, just as it would if it did not have an approved waiver.

(2) The State need not count, toward the Federal five-year limit, any months for which an adult head-of-household or spouse of the head-of-household receives assistance with Federal TANF funds while that individual is exempt from the State's time limit under the State's approved waiver.

(3) Where a State has continued a time limit under waivers that only terminates assistance for adults, the State need not count, toward the Federal five-year limit, any months for which an adult subject to the State time limit receives assistance with Federal TANF funds.

(4) The State may continue to provide assistance with Federal TANF funds for more than 60 months, without a numerical limit, to families provided extensions to the State time limit, under the provisions of the terms and conditions of the approved waiver.

(c) Corresponding to the inconsistencies certified by the Governor, we will calculate the State's time-limit exceptions by:

(1) Excluding, from the determination of the number of months of Federal assistance received by a family:

(i) Any month in which the adult(s) were exempt from the State's time limit under the terms of an approved waiver or any months in which the children received assistance under a waiver that only terminated assistance to adults; and

(ii) If applicable, experimental and control group cases not otherwise exempted; and

(2) Applying the State's waiver policies with respect to the availability of extensions to the time limit.

<u>§260.75 If a State is claiming a waiver inconsistency for</u>

TANF Rule Follow-Up
2/9/99

Waivers

- 10 states (AZ, CT, DE, IN, NE, OR, SC, TN, TX, VA) have time limit waivers that extend beyond the date when the family would otherwise reach the federal 5-year limit. HHS estimates the population covered in these states' waivers represents about 13% of the national caseload.

- HHS estimates that as of January 2000, 26 states, representing 32% of the caseload, will still have some kind of waiver inconsistency (time limits or work requirements).

- How does clock work for waiver time limit exemptions and extensions?

  Exemptions: the clock does not begin for individuals who are exempt under a state's waiver time limit until the time limit expires. Note that many of these exemptions are of a time-limited nature, i.e. based on the age of child or a disability.

  Extensions: the state can continue to provide assistance past 60 months for individuals who are granted extensions under a state time limit waiver, but the clock continues to tick.

  The only change from the NPRM is to address 3 states who had adult-only waivers. Under the NPRM, the state and federal clock ran concurrently for adult only time limit waiver states. HHS received many comments indicating that this in effect violated the wavier by applying a time limit to the entire case. The final rule stops the clock on the entire case until the waiver expires (consistent with treatment of other time limit waivers).

  If someone moves from a state with no waiver to a state with a time limit waiver under which they would be exempt, the months received in the first state stay on the clock and the clock is then stopped in the second state until the waiver expires or the person is no longer exempt.

- Statutory basis for time limit exemption policy is Sec 415(a)(1) which provides broad authority for treatment of waivers. Since exemptions and extensions are both components of some states' waiver programs, HHS believes the policy covers them.

  NPRM Section 274.1(e)(2)(ii) specifically addressed time limit waivers, as does proposed final rule Section 260.74.

- Sanction inconsistencies: most waivers related to sanctions were in the direction of

TANF, i.e. they had tougher waiver policies than JOBS. Four states have sanction waivers that could create inconsistencies (CA, CT, MI and VA).

- Are states who modify their policies still considered to be continuing their waivers? States can modify their waiver to make it more consistent with TANF and still continue the waiver, but cannot go in the other direction. For example, MA can modify it's waiver to require parents with younger children to go to work. They cannot change the time frame of the original waiver. In their waiver certifications, they must explain how they are deviating from the work requirements and time limits (so this is where changes from the original waiver would be highlighted).

	Proposed Change from NPRM	
	I. Waivers	
	A. No longer denies penalty relief and penalty reduction to states that continue waivers inconsistent with TANF and no longer requires state to abandon waiver program as part of corrective compliance	
	B. Expands the definition of inconsistent waiver that can be continued under TANF to include the entire range of work rules (exemptions, activities, hours, and who counts in the numerator and denominator of the work rate) or time limit provisions that existed in a state under the waiver if they have waived one or more technical provisions related to work or time limits under prior law	
	II. Child Only	
N	A. Deletes the provisions requiring states to report annually on cases excluded from work rate and time limit calculations	
Y	B. Deletes provision allowing the Secretary to add cases back into a calculation if found to have been excluded to avoid penalties	
	III. Domestic Violence	
Y	A. Allow waivers for as long as necessary, while requiring 6-month redeterminations	
N	B. Allows the clock to stop when a family has a waiver (rather than NPRM provision which allowed exemption from time limit if individual reached 60th month and was unable to work)	
	IV. Separate State Programs	
?	A. Eliminates proposed link between state decision to establish SSP and eligibility for penalty relief, but maintains plan to monitor state actions through data reporting and other procedures.	
Y	B. Maintains participant-level data reporting in order to qualify for high performance bonus and caseload reduction credit, but not for penalty relief, with reduced number of data elements.	
Y	C. Limits case-level data and aggregate data reporting to SSPs that are "welfare-like", i.e. which provide ongoing payments to the family designed to meet basic needs of the recipients.	

Reporting Data

Apply All-parent to 2-parent

Proposed Change from NPRM	
V. Definition of Assistance	
A. Continues to include in the definition of assistance spending that provides explicit or implicit income support, including child care, transportation, and related work supports. Expressed policy support for excluding them, but indicates they have no legal basis to do so. Continues to include workfare payments and some wage subsidies in assistance, but clarifies that certain payments to employers might be excluded (e.g. under performance based contracts).	
B. Removes time limits on one-time short-term assistance; clarifies that it can be used to prevent a family going on, or returning to, assistance; and makes general distinction that assistance is to meet ongoing or recurring needs.	

Waivers

Background
States that had waivers before TANF may continue to operate under their waivers to the extent they are inconsistent with TANF. The statute also encourages continuation of state waivers. HHS has no specific authority to regulate waivers; rather, their authority hinges on their authority to regulate three penalty provisions: work requirements, individual sanctions for failure to work, and exceeding time limit.

CA
NY

Thirty-five states continue to have waivers in effect, of which 5 will expire before the final rule takes effect in October 1999, and an additional 5 will expire in FY 2000. HHS estimates that if every eligible state claimed a waiver inconsistency, this would cover about 32% of the nationwide caseload. However, not every state will -- while a total of 13 states claimed a waiver inconsistency for the all family rate, 11 met the rate without the waiver (CT, IN, MA, MO, NH, OR, SC, SD, TN, UT, VA). Of the 12 states claiming waiver inconsistencies for the two-parent rate, 4 met the rate without the waiver (CT, MO, NH, SC), 6 met the rate with the waiver (IN, MA, MT, OR, TN, and UT), and 2 failed even with the waiver (TX, VA). While the participation targets will increase over time, states will also benefit more from the caseload reduction credit, so it is not necessarily the case that more states will claim inconsistencies over time.

NPRM
1) Waivers states: lost reasonable cause for work participation or time limit penalties, must consider modifying waiver policy as part of corrective action, and lost eligibility for certain penalty reductions.

2) Recognized waiver inconsistencies related to specific waiver provisions for work activities and hours, but not exemptions (i.e. who is in the denominator), and individuals participating in a waiver evaluation.

3) HHS will continue to publish work participation rates and time-limit exception rates achieved under both the waivers and regular TANF rules.

4) Governor must certify waiver inconsistencies & provide additional information about waivers.

5) Time limit waivers were limited to those which resulted in closing a case or terminating benefits (did not recognize inconsistencies for time limits which triggered work requirements).

HHS received strong state, congressional, and other organization opposition to waiver provisions on the grounds that the NPRM violated the Congressional intent to allow and encourage states to continue waivers. Shaw emphasized that most states are not using waivers to evade work requirements and recommends that "we let the waivers run their course", noting that if states do use their waivers to avoid the work requirements or time limits, they are likely to experience a serious jolt when the waiver ends and they may find themselves a magnet for recipients from other states with more aggressive reforms.

Proposed Final Rule

1) No longer denies penalty relief and penalty reduction to states that continue waivers inconsistent with TANF, and no longer requires states to abandon their waivers as part of corrective compliance. NPRM approach was based on waiver states having an unfair advantage over other states, but in light of the comments, HHS is concerned they don't have defensible legal basis for the approach.

2) Clarifies and somewhat expands definition of inconsistent waiver that can be continued under TANF. Removes reliance on the purpose of the waiver and instead includes the entire range of work rules (exemptions, activities, hours, and who counts in the numerator and denominator of the work rate) or time limit provisions that existed in a state under the waiver if they have waived one or more technical provisions related to work or time limits under prior law. Time limit waivers are limited to those which reduce or terminate assistance -- waivers which require work after a certain period of time do not count. States may also claim waiver inconsistencies related to the sanctions on individuals who fail to work. Final rule also clarifies that states can't expand waivers beyond approved geographic limits or population groups and cannot stop and resume a waiver. ?

3) Maintains intent to publish work participation rates under waivers and regular rules, but not time limits (data is not available to compute these). ?

4) Governor must, by July 1, 1999, certify continuation of work and time limit waivers, which inconsistencies it is claiming, and describe alternative work provisions.

VA → 2 yrs rule - benefits

Child-Only Cases

Background
Child-only cases have risen as a percentage of the total welfare caseload from 9.6% in 1988 to 23% in 1997. Most child-only cases fall into one of four categories:

- no parent in household
- sanctioned parent
- SSI recipient parent
- undocumented alien parent.

Though less than half (40%) of all child-only cases have no parent in the household, no-parent households have witnessed the largest percentage increase over the last decade of all child-only categories. With states strengthening work requirements in their TANF programs, we may see increases in SSI recipient and sanctioned parent "child-only" households as more recent data become available. In 1997, of all cases with a parent in the household some 38% and 15%, respectively, consisted of SSI recipient and sanctioned parent households. During the period from FY 1996 to the last quarter of FY1997, decline in the number of child-only cases has generally kept pace with the overall welfare caseload decline.

There are three key ways in which child-only TANF cases are treated different than other cases under current law:

- they are not subject to work requirements;
- they are not subject to the Federal 5-year time limit;
- they are excluded in calculating (e.g., the denominator) a State's annual work participation rate.

Given these differences, there is added concern that TANF parents may increasingly relinquish guardianship of children to other caretaker relatives.

NPRM
While the proposed rule allowed states to develop their own definition of "family," it included also the proviso that states could not create definitions that excluded adults from cases -- thereby creating child-only cases -- solely for the purpose of avoiding enforcement of Federal requirements and penalties for failure to meet annual work participation rates. To monitor this restriction, HHS proposed that states report annually on the number of cases excluded from penalty calculations, and the reasons for each exclusion. In addition, the Secretary would have authority to add cases back into the calculation if found to have been excluded for the purpose of avoiding penalties.

Final Rule
HHS has deleted the provisions requiring states to report annually on cases excluded from work rate and time limit calculations, and allowing the Secretary to add cases back into a calculation if found to have been excluded to avoid penalties. Instead, HHS proposes to use the regular TANF data collection system to evaluate the nature of child-only cases and to monitor changes.

Domestic Violence

Background
Many studies have identified a high prevalence of domestic violence amongst welfare recipients. PRWORA contains language allowing states to elect the Family Violence Option (FVO) within their TANF state plans. This option provides for identification and screening of domestic violence victims, referral to services, and waivers of program requirements for good cause. Though a number of states have elected the FVO, there is little data on how many domestic violence victims have received "good cause" waivers. There were lengthy discussions during the NPRM process over the FVO issue, and over the Murray/Wellstone amendment which, if passed, would have affected the treatment of domestic violence victims under TANF.

NPRM
Under the NPRM, states electing the FVO could be eligible for "reasonable cause" penalty relief for failure to meet the work participation rates or for exceeding the limit on exceptions to the five-year limit if caused by program waivers granted under this provision. To be considered for a "reasonable cause" exception, a "good cause domestic violence waiver" would need to incorporate three components: (1) individualized responses and service strategies, consistent with the needs of the individual victims; (2) waivers of program requirements that were temporary in nature (not to exceed 6 months); and (3) in lieu of program requirements, alternative services for victims, consistent with the individualized safety and service plans.

In addition, to be considered in determining reasonable cause for exceeding the time-limit exceptions, such waivers had to be in effect after an individual had received assistance for 60 months, and the individual needed to be temporarily unable to work.

Comments
HHS received a number of comments on the FVO provisions in the NPRM. While generally satisfied with the framework presented, most commenters raised certain objections:

- a service plan is inappropriate and could put victims at added risk (victims receiving waivers should be exempt from work requirements);
- a 6-month limit on the waiver is inappropriate, especially given that the statute says as long as necessary;
- allowing time limit waivers only for victims who have already hit the 5-year limit (hardship exemptions) and who are unable to work is inappropriate (the time limit should stop for victims with good cause waivers).

Commenters also raised the general concern that the NPRM did not assure, or even address, the issue of confidentiality for victims.

Final Rule
The final rule makes two key changes to the NPRM provisions:

- it allows waivers for as long as necessary, while requiring 6-month redeterminations;
- it removes the link between time-limit waivers and ability to work, and allows the clock to stop when a family has a waiver.

Separate State Programs

Background
Law allows states to meet MOE requirement by spending their own funds on: cash assistance (including child support collections), child care, certain educational activities, associated administrative costs, and anything else reasonably calculated to accomplish purposes of the law.

State funds spent in a SSP (rather than under TANF program) are not subject to key TANF requirements including: work participation, child support, time limit, and reporting.

There is little evidence to date that states are using SSPs to avoid work and no evidence they are using SSPs to avoid child support (see attached information).

NPRM
Proposed 4 steps to prevent states from using SSPs to avoid work requirements or divert child support collections:

1. If HHS detected significant pattern of diversion to SSP that had the effect of avoiding either the work rates or diverting child support, deny reasonable cause for certain penalties as follows:

	If Avoid Work	*If Divert Child Support*
Then Lose Penalty Relief for:	Work Participation Rate	Work Participation Rate
	Time Limit	Time Limit
	Individual Work Sanction	Individual Work Sanction
	Child Care	Child Support Cooperation

2. If HHS detected significant pattern of diversion to SSP that had the effect of avoiding either the work rates or diverting child support, deny penalty reduction for making substantial progress unless state ends the diversion.

3. Deny work participation rate penalty reduction unless state proves it has not diverted cases to SSP for purpose of avoiding work requirements.

4. Require data reporting on all families in SSP in order to get: high performance bonus, caseload reduction credit, or work participation rate penalty reduction.

Widespread comments (including Shaw) universally opposed the NPRM. They objected to tone of mistrust, limits on state flexibility, chilling effect on state innovations to serve vulnerable groups and working families, punishment disproportional to offense, and argued that NPRM was contrary to statute and congressional intent. While Shaw is sympathetic to the NPRM's threat to deny penalty relief when there is a significant pattern of diverting families to SSPs in order to evade TANF goals, he questions how the Department can prove intent. In the absence of such proof, he recommends erring on the side of state flexibility and closely monitoring state actions. He supports the need for some amount of case level data in order to monitor what states are doing and suggests collecting full case level data on some types of SSPs (such as a separate two parent program), with less detailed data on other types of programs (such as subsidies for private employment or an EIC-like program). (This is what HHS has tried to do in final rule in their distinction for "TANF-like" programs.)

Proposed Final Rule

Eliminates proposed link between state decision to establish SSP and eligibility for penalty relief (see NPRM steps #1, 2 and 3 above), but maintains plan to monitor state actions through data reporting and other procedures.

Maintains participant-level data reporting in order to qualify for high performance bonus and caseload reduction credit, but not for penalty relief, with reduced number of data elements. Limits case-level data and aggregate data reporting to SSPs that are "welfare-like", i.e. which provide ongoing payments to the family designed to meet basic needs of the recipients. Maintains quarterly financial reporting on state spending for SSPs (amount and category) and annual reporting on description of SSPs (purpose, work activities, expenditures, number served, eligibility criteria).

The Emergency TANF data reports, in effect until the final rule is effective, do not provide participant-level information on SSPs, so we do not currently have information on the number or characteristics of families served in SSPs. However, TANF financial reports provide information on how much states are spending, and on what types of programs, as shown on the chart below.

stop clock

Information on State Spending for Separate State Programs

2pp → imm → EA/IV-e

In FY 1997, 15 states reported MOE spending for SSPs. Four states spent more than 20% of their MOE funds in SSPs (Hawaii, Illinois, Colorado, and Iowa), 4 states spent between 10 and 20%, and the remaining 7 states spent less than 6%.

In FY 1998, 14 states reported MOE spending for SSPs. While final data is still being compiled, the most recent FY 1998 financial report (3rd quarter) show only $189 million, or 3 percent of total state MOE spending, is for SSPs. The majority of SSP spending is for cash and work based assistance for families that states have chosen to remove from TANF (two-parent families) or who are not eligible for federal TANF funding (certain immigrants). Those states who have removed two-parent families from TANF generally have similar work requirements under their SSP. Final FY 98 financial reports are still being compiled.

FY 98 SSP Expenditures Through 3rd Quarter FY 1998

	# of states	Total Expen-ditures	% of SSP Expen-ditures	Comments
Cash & Work Based Assistance	6	$112 M	59%	Mostly 2-parent families (FL, MD, HI), non-qualified immigrants (HI, WA, WI), pregnant women (IL, WA), state GA/EA (ME). Georgia also reports $71M SSP on 4th Q report (HHS seeking info). VA reported in error on 3rd Q-- does not have SSP.
Work Activities	3	$7 M	4%	IL (reported in error on this line -- will be corrected), IA, WI (non-custodial parent program)
Child Care	4	$16 M	9%	AZ, CO, IA, WY
Admini-stration	3	$3 M	2%	Costs associated with operating SSPs (IL, WA, WI)
Systems	3	$0.6 M	< 1%	Costs associated with SSPs (IL, WA, WI)
Transitional Services	0	N.A.		
Other	7	$50M	26%	CO, FL, IN (Healthy Families), ME (higher ed), RI (citizenship), TN (non-qualified aliens), WA (?),
TOTAL	14	$189 M	100%	3% of total State MOE spending

Time limit
2pp work rqmt → single parents

$\boxed{\text{Work Rqmt}}$

Definition of Assistance

Background

The definition of assistance is one of the key policy issues in the TANF rule. It has major implications for what kinds of services states will provide to needy families, the nature and level of spending of federal TANF funds and state MOE funds, and whether these expenditures will be subject to TANF requirements including time limits, work participation, child support assignment and data reporting. The term "assistance" is used throughout the statute but is not defined.

In January 1997, HHS released guidance explaining that assistance encompassed most forms of support, but excluded (1) services that had no direct monetary value and did not involve explicit or implicit income support and (2) one-time short-term assistance. In 1998, the Child Support Incentives Act amended TANF to reflect enactment of the Access to Jobs transportation program in TEA-21 including a "rule of interpretation" stating that the provision of Access to Jobs transportation benefits (where TANF funds are used as a match) to an individual who is not otherwise receiving TANF assistance would not be considered assistance.

NPRM

Tried to clarify the 1/97 guidance by explicitly including child care and transportation in definition of assistance (see chart). In doing so, it was widely perceived to narrow the definition. NPRM also defined short-term, time-limited assistance (see chart).

A wide range of commenters asked us to narrow the definition of assistance, i.e. expand the types of benefits and services that would not count as assistance. Comments focused on three main issues: 1) the narrow definition of one-time, short-term assistance thwarts state diversion programs and does not reflect the dynamic nature of the caseload; 2) child care, transportation, and work supports should not be assistance (not subject to time limits or child support assignment); and 3) wage subsidies and workfare should not be assistance -- wage subsidies do not have direct monetary value and workfare is compensation for work (not subject to time limits or child support assignment).

NGA and APHSA proposed a narrower definition that CLASP believes is legally permissible (see chart).

Proposed Final Rule

Continues to include child care, transportation, and related work supports in definition of assistance. Expressed policy support for excluding them, but indicates they have no legal basis to do so. Continues to include workfare payments and some wage subsidies in assistance, but clarifies that certain payments to employers might be excluded (e.g. under performance based contracts). Removes time limits on one-time short-term assistance; clarifies that it can be used to prevent a family going on, or returning to, assistance; and makes general distinction that assistance is to meet ongoing or recurring needs.

1/29/99

Definition of Assistance

Jan 97 Guidance	NPRM	Proposed Final	NGA/APHSA Proposal
Every form of support provided to families under TANF except for the following:	Every form of support provided to families under TANF (including child care, work subsidies, and allowances to meet living expenses) except:	Every form of support provided to families under TANF (including child care, work subsidies, and allowances to meet living expenses) except:	Every form of support provided to families under TANF except:
1) services that have no direct monetary value to an individual family and that do not involve implicit or explicit income support (such as counseling, case management, peer support and employment services that do not involve subsidies or other forms of income support); and	1) services that have no direct monetary value to an individual family and that do not involve implicit or explicit income support (such as counseling, case management, peer support and employment services that do not involve subsidies or other forms of income support[1]); and	1) services that have no direct monetary value to an individual family and that do not involve implicit or explicit income support (such as counseling, case management, peer support and employment services that do not involve subsidies or other forms of income suppor)t; and	1) state earned income tax credits, child care, transportation subsidies or benefits for working families that are not directed at their basic needs.
2) one-time, short-term assistance (e.g. automobile repair to retain employment and avoid welfare receipt and appliance repair to maintain living arrangements).	2) one-time, short-term assistance (i.e., assistance paid within a 30 day period, no more than once in any 12-month period, to meet needs that do not extend beyond a 90-day period, such as automobile repair to retain employment and avoid welfare receipt and appliance repair to maintain living arrangements.)	2) short-term benefits designed to deal with a specific crisis situation or episode of need and prevent a family from going on, or returning to, assistance rather than to meet ongoing or recurring needs -- such as payments for automobile or appliance repair.	
		3) Transportation benefits provided under an Access to Jobs or Reverse Commute project, pursuant to section 404 (k) of the Act, to an individual who is not otherwise receiving assistance.	

1/29/99

[1] Preamble clarifies that: asistance includes child care, work subsidies, and allowances that cover living expenses for individuals in education or training such as a) payments/vouchers for direct child care services, and value of direct child care services provided under contract/similar arrangement. b) payments employers to help cover the cost of employment or OJT. Assistance excludes child care services such as information & referral or counseling, short-term/ad hoc child care.