Welfare Time Limits

State Policies, Implementation, and Effects on Families

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Overview

Few features of the 1990s welfare reforms have generated as much attention and controversy as time limits on benefit receipt. Time limits first emerged at the state level and subsequently became a central feature of federal welfare policy in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), which imposed a 60-month time limit on federally funded assistance for most families.

To inform discussions about the reauthorization of PRWORA, the U.S. Department of Health and Human Services contracted with the Manpower Demonstration Research Corporation (MDRC) to conduct a comprehensive review of what is known about time limits. The project included a survey of state welfare agencies (conducted for MDRC by The Lewin Group), site visits to examine the implementation of time limits, and a review of research on time limits.

Key Findings

- **States have developed widely varying approaches to time limits**. States have broad flexibility in designing time-limit policies, in large part because the federal time limit does not apply to state-funded benefits. Currently, 40 states have time limits that can result in the termination of families' welfare benefits; 17 of those states have limits of fewer than 60 months. However, nearly half the national welfare caseload is in states that either have no time limit (2 states) or a time limit that reduces or modifies benefits when the limit is reached (8 states and the District of Columbia).

- **All states allow exceptions to time limits, but the specific policies and their implementation vary.** All states allow exemptions (which stop the time-limit clock), extensions, or both. Exemptions are most common for "child only" cases (which account for about one-third of all welfare cases nationwide and are not subject to time limits in any state) and for recipients with medical problems. In many states, recipients who comply with work requirements but are unable to find jobs can receive extensions, although states define and assess compliance in different ways. As a result, some states routinely grant extensions to recipients reaching time limits, while others close most of these cases.

- **Nationally, about 231,000 families have reached a time limit; at least 93,000 families have had their welfare case closed due to a time limit, and another 38,000 have had their benefits reduced.** Most of the case closures have been in a few states with time limits of fewer than 60 months. As of December 2001, families had begun reaching the federal time limit in fewer than half the states, and relatively few families had reached the 60-month limit in those states; most recipients do not remain on welfare for 60 consecutive months.

- **The circumstances of families who left welfare due to time limits are diverse and depend on state policies.** In some states, most recipients whose cases have been closed due to time limits were already working while on welfare; in other states, time-limit leavers are more heterogeneous. Most studies find that time-limit leavers are struggling financially, but they are not consistently experiencing more or fewer hardships than families who left welfare for other reasons. Many time-limit leavers continue to receive Food Stamps and other assistance.

Though a simple idea, time limits raise a host of complex issues in practice. Many experts believe that time limits have played a key role in reshaping welfare, but the knowledge base about this key policy change is still thin. Few families have reached the federal time limit, and it is too early to draw conclusions about how states will respond as more families reach limits or how families will fare without benefits over the long-term, in varying economic conditions.

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Glossary

Child-only families: TANF families in which only the children, and not the adults, are included in the assistance unit.

Commingled funds: Expenditures of state funds that are made within the TANF program and are commingled with federal funds. These expenditures may count toward both the state's maintenance-of-effort (MOE) and its Contingency Fund MOE. Commingled funds are subject to the federal TANF rules.

Exemption: A circumstance under which a month of assistance does not count toward a family's time limit.

Extension: A circumstance under which aid may be continued even though a family has reached their time limit.

Federal time limit: A lifetime limit of 60 months of federal TANF assistance.

Lifetime time limit: A time limit that permanently terminates or reduces a family's grant.

Non-TANF assistance: Assistance that is funded not with federal TANF dollars but with state MOE funds provided through a separate state program. Individuals in such programs are not subject to the federal time limits, child support assignment rules, or work participation requirements.

Periodic time limit: A time limit that terminates or reduces benefits for a fixed period of time, after which regular assistance can again be provided. For example, a state may limit benefits to 24 months in a 60-month period. A periodic time limit is different from a full-family sanction, which terminates benefits to families who fail to comply with program rules.

Reduction time limit: A time limit that results in the reduction of a family's welfare benefits, usually by removing the adult from the grant calculation.

Replacement time limit: A time limit that results in the replacement of a family's cash assistance benefits with assistance of another type (for example, vouchers).

Segregated state funds: State funds that are expended within the TANF program and are segregated from (not commingled with) federal funds. Such expenditures count for both TANF MOE and Contingency Fund MOE purposes. They are subject to some TANF requirements, but not the 60-month time limit.

Separate state program: A state program that uses MOE funds without any TANF funds. Expenditures on such separate programs can help states meet the MOE requirement, but the basic TANF requirements — federal time limits, child support assignment rules, and work participation requirements — do not apply.

State MOE funds: Expenditures of state funds that count toward the maintenance-of-effort requirement. Under the basic MOE requirement, a state must spend 80 percent of FY 1994 spending (75 percent if it meets work participation requirements) on qualified state expenditures to eligible families.

State waivers: Waivers received under the former AFDC program that authorized the states to test a variety of welfare reform strategies. To the extent that the TANF time limit is inconsistent with a state's waiver time limit, the state may be allowed to follow its waiver policy rather than the TANF policy until the expiration of the waiver.

TANF assistance: Cash payments, vouchers, and other forms of benefits that are paid for with TANF funds and are designed to meet a family's ongoing basic needs (for food, clothing, shelter, utilities, household goods, personal care items, and general incidental expenses), including supportive services such as transportation and child care provided to families who are not employed. Some TANF requirements — the assignment of a recipient's child support to the state, work participation, and data collection on recipient families — apply when federal TANF or state MOE funds pay for "assistance" provided under the TANF program. Other TANF requirements — including the 60-month time limit and restrictions on teenage parenthood — apply only when federal or commingled funds are used for "assistance."

TANF nonassistance: Services and benefits that are paid for with TANF funds but do not count as assistance (that is, services and benefits that are not required to be terminated under the time limit). These include work subsidies, nonrecurring short-term benefits lasting no more than four months, supportive services such as child care provided to families who are employed, refundable Earned Income Credits (EICs), contributions to Individual Development Accounts, services that do not provide basic income support (such as case management, job retention, job advancement, and other employment-related services), and certain transportation benefits to individuals not otherwise receiving assistance.

Termination time limit: A time limit that results in the cancellation of a family's entire welfare grant.

Work requirement time limit: A time limit that triggers a work requirement, rather than the cancellation or reduction of assistance.

Executive Summary

Few features of the 1990s welfare reforms have generated as much attention and controversy as time limits on benefit receipt. Time limits first emerged in state welfare reform programs operated under federal waivers before 1996, and then they became a central feature of federal welfare policy in the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA).

This report provides a comprehensive summary of what has been learned to date about time limits: about state policies, their implementation, the effects of time limits on employment and welfare receipt, and the circumstances of families whose welfare cases have been closed because they reached a time limit. The report is designed to serve as a resource as Congress considers reauthorization of PRWORA.

This study was conceived and funded by the U.S. Department of Health and Human Services (HHS) and was conducted under contract by the Manpower Demonstration Research Corporation (MDRC) and The Lewin Group. HHS funded three activities: (1) a survey of state welfare administrators to obtain information on states' time-limit policies and experiences to date; (2) site visits to five states to examine the implementation of time limits; and (3) a synthesis of research on time limits conducted to date. The report describes the findings from all three study components.

Key Findings

A central theme that emerges from all the study components is that time limits are far more complex than they seem. This complexity is evident in the states' diverse policy choices, the way time limits are implemented at the local level, and the difficulties in interpreting data and studies about time limits.

States' Policies and Early Experiences

The survey of states provides comprehensive, up-to-date data on the states' time-limit policies and their experiences with time limits. Key findings include:

- **Responding to the broad flexibility allowed under the federal welfare law, states have developed widely varying approaches to time limits.**

PRWORA prohibits states from using federal Temporary Assistance for Needy Families (TANF) block grant funds to provide assistance to most families for more than 60 months, but it allows states broad flexibility in designing time-limit policies. States can impose a 60-

month time limit, a shorter time limit, or no time limit. They can exempt certain categories of recipients from their time limits or can grant extensions to families who reach the limit. Such flexibility exists in large part because time limits do not apply to assistance that is paid for with state funds and because states are allowed to extend assistance to up to 20 percent of their caseload beyond the federal limit. In reality, the federal time limit is not a limit on individual families but, rather, a fiscal constraint that shapes state policy choices.

As of early 2002, most states had time limits that result in termination of families' welfare benefits: 23 states had a 60-month termination time limit, and 17 states had a shorter termination time limit. In addition, 8 states and the District of Columbia had a time limit that reduces benefits or changes the form of benefits after the limit is reached, and 2 states had no time limit. Because the latter two categories include large states like California, Michigan, and New York, they comprise nearly half of the national welfare caseload.

- **All states provide exemptions or extensions from their time limits for certain groups of families, but the policies differ dramatically from state to state.**

The 60-month time limit on federal assistance applies nationwide, but not all families on welfare are subject to the limit. The survey of states found that about 55 percent of all families currently on welfare are subject to the federal 60-month time limit. Of those not subject to the federal limit, most are "child-only" cases, which now account for about one-third of the national welfare caseload. (In such cases, children are living with a parent or other relative who is not included in the welfare grant.) Most of the other families not subject to the federal time limit live in states that implemented their own time limits before 1996 and received waivers allowing them to delay implementation of the federal limit.

In addition, most states exempt certain categories of families from their state time limit even though the families are subject to the federal time limit. (There are also some families who are exempt from the federal limit but subject to state limits.) The most common exemptions are for recipients who are incapacitated or are victims of domestic violence. Finally, most states allow for time-limit extensions, usually because the family faces a particular hardship or because the parent was unable to find work despite diligent efforts. The states will have to use their own funds to pay for families' benefits if they receive more than 60 months of federally funded assistance and exceed the 20 percent cap discussed earlier.

- **Nationally, about 231,000 families have reached either the federal time limit or a shorter state time limit. At least 93,000 families have had their case closed at a time limit, and approximately 38,000 have had their benefits reduced. Most of the case closures occurred in a few states with time limits of fewer than 60 months.**

The federal 60-month clock began "ticking" when each state implemented its TANF program — sometime between September 1996 and July 1997. As of December 2001, families had reached the 60-month federal time limit in 22 states. The overall number of families who had reached the federal limit in these states — about 54,000 — represents a very small fraction of the families who could potentially have reached the limit. In addition, more than 80 percent were in New York State, where most families who receive 60 months of federally funded benefits can move to a state and locally funded program that provides the same benefits but only partly in cash. As a result, only around 8,000 families nationwide have had their case closed because of the 60-month time limit and are not receiving other assistance.

Most states have found that a very small proportion of recipients reach the time limit after 60 months of continuous benefit receipt. There are several reasons for this pattern. Even before the recent reforms, most people who received welfare did not remain on the rolls continuously for long periods. The strong economy, expanded financial supports for low-income working families, and enhanced state welfare-to-work programs increased the number of families who exited welfare in the 1990s. In addition, some states have shorter state time limits and/or have imposed large numbers of sanctions that closed the cases of recipients who were deemed noncompliant with work requirements (or they have removed the adult from the grant, creating a child-only case). Finally, as noted earlier, some families are exempt from the federal limit.

A larger number of families — about 176,000 — have reached state time limits of fewer than 60 months. Once again, however, states have found that few recipients reach even short time limits after continuous benefit receipt. State-to-state differences in definitions and data availability make it difficult to get an accurate count of the families whose cases have been closed because of these limits, but the number appears to be at least 85,000, with most of the total in five states (Connecticut, Louisiana, Massachusetts, Ohio, and Virginia). In several of the states with shorter time limits, a large proportion of the recipients whose cases were closed were already employed (that is, were mixing work and welfare) before they reached the time limits. Also, many states allow families whose cases are closed to return to welfare under certain conditions. Finally, approximately 38,000 families — in Arizona, Indiana, and Texas — have had their benefits reduced because they reached state time limits.

The Implementation of Time Limits

The implementation of time limits is far more complex than many might assume. The complexity arises because states are seeking to identify and protect particularly vulnerable families without diluting the overall message that welfare is temporary. The states' time-limit practices are as diverse as their policy choices: Even time-limit policies that look similar on paper may be implemented quite differently across states or even across welfare offices within states. Key findings from the survey and field visits include:

- **In an effort to send a clear message to recipients, welfare staff tend to ignore or gloss over the complexities of their state's time-limit policies.**

Many states' time-limit policies are complicated. For example, rather than imposing lifetime limits, many states limit recipients to a specific number of months of benefits within a longer calendar period (for example, 24 months in a 60-month period). These policies are intended to help recipients, but welfare staff, eager to persuade recipients to take time limits seriously, often ignore the nuances. Similarly, while benefit extensions are possible in most states, staff seldom mention extension policies until recipients are close to the time limit; workers do not want to risk diluting the message by giving recipients the impression that the time limit is not firm. Of course, once people begin reaching a time limit, the grapevine takes over, and recipients will form their views based on what actually happens.

- **The time-limit message can be complicated by earned income disregards and other state welfare policies.**

Many believe that welfare staff should urge recipients to leave welfare quickly in order to save, or "bank," their months of assistance for future emergencies. However, this message can be a hard sell because many recipients feel that they have few alternatives in the short term. The banking message is also complicated by the presences of expanded earned income disregards and other policies that allow people to continue receiving partial welfare benefits after they go to work (such policies have been implemented in most states). Because these supplemental welfare benefits almost always count toward time limits, staff must choose whether to urge working recipients to leave welfare quickly — essentially ignoring the disregards — or to stay on assistance to benefit from the disregards. Approaches vary depending on the generosity of the disregards, the individual recipient's situation (for example, whether she is close to reaching the time limit and whether she receives regular child support payments), and the policy preferences of state and local administrators.

- **Almost all states allow exemptions or extensions for recipients with serious medical problems, but the processes for identifying these recipients and verifying their condition vary; some critics believe that recipients who should be exempted often fall through the cracks.**

States have long faced the challenge of identifying recipients who are temporarily unable to work, but time limits raise the stakes. Most states ask recipients to report health problems that might lead to an exemption from work requirements or time limits, but fear, stigma, or lack of knowledge may prevent recipients from discussing mental health problems, substance abuse, domestic violence, and other issues. Also, once a recipient reports a problem, some states have developed elaborate review processes to ensure consistency and prevent abuse. But the same conditions that make work difficult may also hinder some from navigating the review process. Finally, given certain types of health problems, decisions about whether someone is able to work are far from clear-cut.

Despite these challenges, states believe that they identify most recipients facing serious barriers to employment; client advocates argue that more proactive assessment efforts are needed, noting, for example, that post-time-limit outreach programs targeted to families whose cases are closed sometimes find former recipients who should have qualified for an exemption.

- **Many states grant time-limit extensions to recipients who are unable to find jobs despite diligent efforts, but there are key differences in how compliance is assessed and defined and in how case closures are categorized.**

In assessing a recipient's level of compliance with work-related requirements, some states examine the individual's entire case history, but many focus primarily on the individual's current willingness to comply. In many states, recipients approaching the time limit are targeted for intensive monitoring and services.

Some states use clear-cut definitions of compliance, while others use more subjective criteria that are open to interpretation by individual workers. When definitions are not clear-cut, decisions about time-limit extensions tend to be subject to review, in an effort to ensure that cases are handled consistently.

Overall, some states grant extensions to most of the recipients who reach time limits without jobs, while others grant few extensions. However, states use different definitions and collect different types of data, making direct comparisons difficult. For example, when a recipient's case is closed for noncompliance with program rules around the time she or he reaches the time limit, or during an extension, some states might categorize this as a time-limit exit, while others might characterize it as a sanction. Also, in some states, recipients whose cases are closed because of time limits can easily return to welfare if they agree to comply; in other states, there are few opportunities to return. It is important to note that most of the experience with time limits to date pertains to state time limits of fewer than 60 months. There are no restrictions on using federal funds to assist families who are granted extensions to these short time limits; thus, states may respond differently when families reach the federal 60-month limit.

Effects of Time Limits on Employment and Welfare Receipt

Time limits are not designed simply to reduce long-term welfare receipt but also to change the behavior of current or potential welfare recipients — to encourage them to get jobs or seek other income sources instead of welfare. For example, the existence of a time limit might encourage recipients to leave welfare faster, before reaching the limit, in order to bank some of their months, or it might discourage *potential* recipients from applying for benefits. And, of course, individuals who have their welfare benefits canceled might try harder to find or keep jobs. The pattern of these effects may determine how time limits affect the income and material well-being of families.

Because time limits have almost always been implemented as part of a package of other welfare reforms, it is very difficult to isolate their effects. Nevertheless, the available data suggest several tentative conclusions:

- **There is some evidence that time limits can cause welfare recipients to find jobs and leave welfare more quickly, even before reaching the limit; however, the magnitude of this effect is not clear.**

Several state welfare reform initiatives that included time limits were started under waivers before 1996 and were evaluated using a rigorous, random assignment research design; that is, families were assigned, by chance, to a program group subject to the welfare reform (including the time limit) or to a control group subject to the previous welfare policies, and both groups were then followed over time to determine what difference the reforms made. Results from the early phases of these studies, before anyone reached the time limits, provide evidence about the "anticipatory" effects of time limits (although the study designs did not allow researchers to measure whether time limits affect welfare applications).

The studies consistently found that program group members were more likely to work than control group members, even before anyone reached the time limits. However, it is impossible to say whether these effects were driven by the time limits, because the programs also included other features that promoted employment (such as enhanced earned income disregards and expanded work requirements and services).

In contrast, most of the studies found that program group members were no more likely to leave welfare in the period before people began reaching the time limits. At first glance, this suggests that no "banking" was going on, but the pattern is probably attributable to expanded earned income disregards and similar policies that made it easier for program group members to continue receiving benefits after going to work. It is possible that the time limits encouraged some people to leave welfare sooner while the work incentives encouraged people to stay on welfare longer, with the overall result being a wash.

A series of econometric "caseload" studies used data on state policies, caseloads, and economic conditions to try to isolate the effects of welfare reform. A few of the studies sought to tease out the effects of individual reform components, including time limits. Most of these studies concluded that both welfare reform and the strong economy contributed to the decline in welfare caseloads. Although some studies did not find evidence that time limits per se affected the caseload, one study using individual-level national survey data estimated that time limits may have been responsible for a substantial proportion of the welfare caseload decline, with the strongest effects being seen for families with very young children. These declines must have been anticipatory effects, because few families had reached a time limit when the analysis was conducted.

- **It does not appear that the cancellation of welfare benefits at a time limit induces many recipients to go to work.**

Two of the random assignment studies followed program and control group members for four years — well beyond the point when families began reaching the states' time limits. (The studies examined Connecticut's statewide Jobs First program, with a 21-month time limit, and a Florida pilot program, the Family Transition Program [FTP], with 24- and 36-month time limits.) In neither case did the program's effects on employment grow substantially when people began reaching the time limit and having their benefits canceled, suggesting that few people were induced to work by benefit termination. In Connecticut, most of the people whose cases were closed at the time limit were already working, but that was not the case in Florida's FTP.

This pattern of effects appears to be consistent with the results of a series of follow-up studies, discussed below, which found that employment rates among people whose benefits were canceled at time limits did not change much over time.

- **Two welfare reform initiatives with time limits have been rigorously tested, and neither produced consistent effects on family income or material hardship in the period after families began reaching the limits; but it is difficult to isolate the effects on families whose benefits were terminated.**

Neither Connecticut's Jobs First program nor Florida's FTP generated consistent overall effects on family income or material well-being in the post-time-limit period, although there is evidence that small groups of families may have lost income as a result of the programs. These results do not mean that program group members lost no income when their benefits were cut off but, rather, that the program group, on average, had about the same income as the control group. In addition, the programs had few effects on fertility, on marital status, or on the well-being of elementary-school-age children.

In both programs, only a fraction of program group members actually reached the time limits (most left welfare before reaching the limits), but it is difficult to determine the direct effects on these families because there is no way to know which members of the control group should serve as the appropriate benchmark.

The Circumstances of Families After Time Limits

Some of the key questions about time limits concern how families fare after their benefits are terminated. Are they working? Are they receiving other forms of public assistance? Do they experience severe hardships such as homelessness or hunger?

Although it is too early to offer definitive answers, eight state and federally funded post-time-limit studies provide a wealth of data. The studies have the same limitation as other studies of welfare leavers, however: Data on the post-welfare circumstances of families do not necessarily provide evidence about the effects of welfare reform. In addition, none of the post-time-limit studies provide direct evidence on the federal 60-month limit; they were all conducted in states with limits of fewer than 60 months. Finally, all of the studies were conducted during periods of low unemployment. Keeping these limitations in mind, key findings include:

- **Most studies found that individuals who lost benefits because of time limits were more likely to have large families and to live in public or subsidized housing, compared with people who left welfare for reasons other than time limits.**

Several studies also found that time-limit leavers were more likely to lack a high school diploma and to be African-American. These characteristics overlap, however, and it is not clear which are independently associated with reaching a time limit or with having one's benefits canceled.

- **The post-exit employment rates of time-limit leavers vary widely across states, ranging from less than 50 percent to more than 80 percent.**

Most of the variation in employment rates after leaving welfare is attributable to state policies that shape who reaches the time limit or who is eligible for a time-limit extension. For example, some states impose large numbers of full-family sanctions, so that most of the people who reach the time limit are either employed or complying with program rules. Similarly, in states with relatively high welfare grant levels and generous earnings disregards, many people are mixing work and welfare when they reach the time limit. Some states grant extensions to most recipients who are not employed when they reach the time limit, while other states are quite likely to close such cases.

As a consequence of these disparities, employment rates in some states are lower for time-limit leavers than for other leavers, and rates in other states are higher for time-limit leavers. For the most part, however, post-exit employment rates are similar to pre-exit employment rates. In other words, although the overall rates can hide dynamic employment patterns, there is little evidence that large numbers of people responded to the termination of their benefits by going to work.

- **Large proportions of time-limit leavers continue to receive Food Stamps, Medicaid, and other assistance after exit.**

There is wide variation in Food Stamp receipt across states, largely tracking the differences in employment rates (that is, the rates of Food Stamp receipt are lowest in states where most time-limit leavers are working and thus less likely to be eligible). However, time-limit leavers are generally more likely than other welfare leavers to receive Food Stamps, even in states where their post-exit employment rate is higher.

- **In most states where studies were conducted, time-limit leavers reported lower income and more material hardships after leaving welfare than before, but time-limit leavers did not consistently report fewer or more hardships than people who left welfare for other reasons.**

In all states, some time-limit leavers reported that their post-welfare income or standard of living was higher than when they received welfare, whereas others reported being worse off. Although the percentages vary, a greater proportion of respondents in most states said that they were worse off than better off. In general, employed respondents reported higher household income than nonworking respondents.

Homelessness has been rare among time-limit leavers, but levels of food insecurity and other hardships (such as utility shutoffs) have been high. Again, however, there is not a clear association between levels of hardship and employment status, and there are few clear patterns of hardships across states or categories of leavers.

Conclusions and Implications

Given the exceptional diversity in both policies and implementation practices affecting time limits, the practical meaning of "time limit" differs from state to state — and from welfare office to welfare office within some states. Also, because time limits interact in complex ways with earned income disregards, sanctions, and other state policies, it is critical to consider the full set of policies before characterizing a state's overall approach to welfare reform or assessing data on key outcomes, such as the employment rate of individuals who left welfare because of time limits.

Moreover, the story of time limits is still unfolding. Very few families have reached the federal 60-month time limit, and it is too early to draw any broad conclusions about how states will respond as more families reach the limits, about how families will fare without benefits over the long term, and about whether the 20 percent hardship exemption in federal law will be adequate over time. There will be many opportunities to obtain additional data over the next two or three years, as a larger number of families reach time limits under varying economic conditions.

Chapter 1

Introduction

Time limits on benefit receipt are among the most dramatic and controversial changes characterizing welfare reform in the 1990s, and they may figure prominently in discussions about the reauthorization of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996.

This report provides a comprehensive summary of what has been learned to date about time limits: about state policies, about the implementation of time limits, and about the effects of time limits on families. It is designed to serve as a resource for policymakers, administrators, advocates, journalists, researchers, and other interested parties at the federal, state, and local levels. The report was produced for the U.S. Department of Health and Human Services (HHS) by the Manpower Demonstration Research Corporation (MDRC) and The Lewin Group.

The Evolution of Time Limits Before 1996

Welfare has always been time-limited in the sense that adults could never receive Aid to Families with Dependent Children (AFDC) benefits after they no longer had any dependent children. The notion of placing a time limit on benefits for families with children was not widely discussed until 1992, when presidential candidate Bill Clinton promised to "end welfare as we know it" by placing a two-year time limit on AFDC benefits and providing subsidized jobs, if necessary, to recipients whose benefits ended.

In 1993 and 1994, HHS began granting waivers of AFDC rules that allowed states to impose time limits on benefit receipt.[1] Many of these early time-limit policies did not apply statewide, and various categories of recipients were exempted from the limits. In addition, many of the waiver programs did not include time limits that resulted in cancellation of a family's entire AFDC grant (that is, *termination time limits*).[2] In fact, most of the waivers granted before October 1994 included *work requirement time limits:* Recipients who reached the limit were required to work and were allowed to continue receiving benefits if they cooperated. (In many

[1]In January 1994, Florida received waivers to operate the Family Transition Program (FTP), a pilot project that included time limits of 24 months (in any 60-month period) or 36 months (in any 72-month period), depending on clients' characteristics. Some of the waivers that were granted earlier included provisions that might be described as time limits. For example, under a waiver granted to Iowa in October 1993, recipients were required to develop a self-sufficiency plan that included an individually based time frame for achieving self-sufficiency.

[2]The glossary at the front of the report includes definitions of key terms related to time limits.

of these programs, the state provided subsidized jobs or work experience slots to recipients who were unable to find unsubsidized jobs.)[3] Other states imposed *reduction time limits* in which only a portion of the family's grant (usually the adult portion) was eliminated at the time limit. Over time, the generally accepted meaning of the term "time limit" evolved toward termination and reduction time limits.[4]

By August 1996, a total of 15 states had received waivers authorizing a termination time limit, and four others had been granted waivers for a reduction time limit.[5] Many of the early reduction and termination time limits were not *lifetime limits* but, rather, *periodic time limits* that allowed a certain number of months of benefit receipt within a longer calendar period (for example, 24 months of receipt in any 60-month period) or required people who reached the time limit to remain off welfare for a specified period of time, but not permanently.

Finally, in approving waivers with termination time limits, HHS followed the principle that families who "play by the rules" should not be penalized for circumstances beyond their control. Thus, states were required to provide benefit extensions or other continuing assistance to recipients who "substantially met all program requirements, made a good faith effort to find a job, yet could not find a job."[6]

Time Limits Under the 1996 Welfare Reform Law

PRWORA made time limits a central feature of federal welfare policy. The law abolished the Aid to Families with Dependent Children (AFDC) program and created the Temporary Assistance for Needy Families (TANF) block grant. Under the law, states are prohibited from using federal TANF funds to provide assistance to families with an adult recipient for more than 60 cumulative months. (The time limit does not affect eligibility for other public assistance programs, such as Food Stamps and Medicaid.) The "clock" started when each state implemented the TANF program (between September 1996 and July 1997).

Although the five-year time-limit provision is well known, several key elements of the policy are not as widely understood:

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[3]Greenberg, Savner, and Swartz, 1996.

[4]Chapter 2 introduces one other type of time limit — a *replacement* time limit, in which families who reach the limit have their cash assistance benefits replaced by another form of assistance (for example, vouchers).

[5]U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, 1997.

[6]U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, 1997.

- Welfare cases with an adult accrue months toward the federal time limit as long as they are receiving assistance that is funded with federal TANF dollars. However, the time limit does not apply to "child-only cases" in which no adult is included in the welfare grant; such cases now account for around one-third of the national welfare caseload.[7]

- States can provide federally funded TANF assistance beyond 60 months to up to 20 percent of the state caseload, based on hardship. For example, if a state's average monthly caseload is 50,000, it could use federal TANF funds to provide assistance to as many as 10,000 families who are beyond the 60-month point.[8]

- The 60-month time limit applies only to payments or services that meet the definition of "assistance" — generally, cash or noncash payments (for example, vouchers) designed to meet a family's ongoing basic needs for food, clothing, shelter, and household expenses. Many other types of services (for example, child care subsidies for working families) are not considered assistance.[9]

- States are not required to impose time limits on assistance provided with state "maintenance-of-effort" (MOE) funds.[10] Such funds may be used in a separate state program that is not part of the TANF program or may be segregated as state funds within the TANF program. Thus, states can stop the federal time-limit clock by paying for a family's benefits with state funds, or they can use state funds to assist families who pass the federal limit and exceed the 20 percent cap.

[7]In about one-half of child-only cases, the children are living with a relative who is not part of the welfare case. In others, the parent may be living with the children but is ineligible for welfare because he or she receives Supplemental Security Income (SSI), is a noncitizen who is not eligible for benefits, or is excluded for some other reason. In addition to child-only cases, the law excludes months during which a parent or pregnant woman received assistance as a child, provided that she was not the head of household or married to the head of household, and months of assistance received by an adult living on an Indian reservation or in an Alaskan native village with high unemployment.

[8]States can use either the current year's caseload or the previous year's caseload as the base in calculating the 20 percent. Also, the base includes child-only cases, even though such cases are not subject to the time limit. Thus, in all states, the percentage of cases with an adult that will be permitted to receive assistance beyond 60 months is greater than 20 percent. See Falk et al., 2001.

[9]"Assistance" was defined in regulations issued by HHS, which became effective in late 1999.

[10]Under PRWORA, states are required to spend at least 75 percent (80 percent, in some cases) of what they spent on AFDC and related programs in 1994.

- Fifteen states received waivers to delay implementation of the federal time-limit requirements for at least some families. The federal time clock did not start before September 2001 in three of the states, and certain categories of recipients were exempted from the federal limit in the others.[11]

The fact that the federal limit does not apply to state MOE funds gives states broad flexibility in designing time-limit provisions. States can establish a 60-month time limit, a shorter time limit, or no time limit at all. They can designate certain categories of families as *exempt* from their state time limit (while an exemption applies, months of benefit receipt do not count toward the time limit), or they can allow benefit *extensions* to families who reach the limits.

In reality, the federal time limit is not a limit on benefit receipt for individual families; rather, it is a funding constraint that shapes state policy decisions. If a recipient's welfare case was closed because she accumulated 60 months of federally funded benefits, the case was not closed because the family reached the federal time limit but, rather, because the state chose to impose a time limit that follows the federal limit. Chapter 2 describes state time-limit policies and how they use federal and state funds.

Other Welfare Reform Policies That Interact with Time Limits

Other provisions of state welfare reform efforts can interact with time limits in complex ways. Key examples, discussed below, are earned income disregards, work requirements, and sanctioning policies.

Earned Income Disregards

During the 1990s, most states expanded earned income disregards or other policies that allow welfare recipients to keep all or part of their grant when they go to work. These policies provide a work incentive and raise the income of parents working in low-wage or part-time jobs. Although the maximum monthly welfare grant for a family of three is below $500 in most states, Appendix Table A.1 shows that recipients in 26 states can earn more than $900 per

[11]States were permitted to continue waivers that were granted before PRWORA passed, and, if the terms of the waivers were inconsistent with TANF provisions, the waiver provisions were allowed to take precedence. For example, several states exempted certain categories of families from their waiver time limits. If such a state elected to continue its waiver program, such families were exempt from the federal time limit until the waiver expired. Fifteen states claimed waiver inconsistencies related to time limits; many of these waivers have already expired, and most of the others will expire by 2003.

month and continue to qualify for at least some benefits. (A recipient working 35 hours per week for $6 per hour would earn about $900 per month).[12]

Because of these policies, recipients who find jobs are more likely to be eligible to stay on welfare today than in the past. But any month in which a recipient receives even a partial grant counts toward the federal time limit (and most state time limits). Although both time limits and earnings disregards are designed to encourage work, the interaction between these two policies can complicate the "message" that caseworkers need to transmit to recipients (see Chapter 4). Expanded disregards can also shape the size and characteristics of the group of recipients who reach time limits. For example, in states with generous disregards, recipients who are employed (mixing work and welfare) may account for a large proportion of those who reach the time limit.

Work Requirements

All states require welfare recipients to work or participate in activities to prepare for work. In most states, however, certain categories of recipients — for example, recipients with medical problems or those with very young children — are temporarily excused from these requirements. In a number of states, the exemption rules for work requirements and time limits do not match. Thus, for example, there may be recipients who are excused from work-related mandates but whose time-limit clocks are running.[13]

In the 1990s, most states redesigned their welfare-to-work programs to emphasize rapid job-finding, as opposed to education and training activities. However, some states have continued to encourage or allow education and training as a work activity, at least for certain categories of recipients. The presence of a time limit — particularly a short limit — can determine which types of activities are possible or advisable.

Sanctions

Another prominent feature of the 1990s welfare reforms is "full-family sanctions" — penalties that close a recipient's entire welfare case if she or he fails, without good cause, to cooperate with work (or other) requirements. Under AFDC, sanctions involved reducing, rather than eliminating, the grant. Almost half the states received waivers prior to August 1996 allowing them to impose full-family sanctions; PRWORA requires states to terminate or reduce benefits pro rata in response to noncompliance, but the amount and duration of the sanctions are not

[12]Disregards are temporary in some states; the $900 refers to the earnings eligibility limit in the fifth month of employment.

[13]Very few categories of cases are exempt from the federal time limit, but many states exempt additional groups from their state time limits.

otherwise specified. According to a survey conducted for this project (discussed below), 36 states use full-family sanctions, and at least 14 of them impose full-family sanctions on the first instance of noncompliance (see Appendix Table A.1).[14]

The presence of full-family sanctions can dramatically shape the size and characteristics of the group of families who reach time limits. There is wide variation in the implementation of sanctions, even in states where full-family sanctions are possible. However, in theory, if full-family sanctions are imposed aggressively, the only families who reach time limits will be those who cooperate with requirements but are unable to find jobs and those who are working enough to satisfy requirements but are earning too little to lose eligibility for benefits.

As discussed in later chapters, full-family sanctions can complicate the task of measuring how many families have their cases closed because of time limits. In many states, time-limit extensions are available to recipients who cooperate with program requirements but cannot find jobs. Individuals who are deemed noncompliant are denied extensions, but, depending on the precise timing of the noncompliance, it is not always clear whether the reason for the case closure was the time limit or a sanction. Similarly, some individuals are granted extensions and then later fail to comply with program rules and have their case closed (or are denied a second or third extension). Some states might consider this closure attributable to the time limit, while others might define it as a sanction.

Key Questions About Time Limits

Time limits have generated great controversy. Critics argue that many adults on welfare have very low skills, significant health problems, or other issues that limit their ability to support their families without welfare for extended periods. Thus, they argue, time limits may cause harm to vulnerable families. Proponents argue that time limits are necessary to send a firm signal — to both recipients and the welfare bureaucracy — that welfare is transitional and temporary. They contend that most recipients have the capacity to survive without assistance and that states can make exceptions for those who do not.

Key questions addressed in this report include:

- What are states' current time-limit policies? How many and what kinds of families are reaching time limits?

[14]Appendix Table A.1 identifies 14 states that impose full-family sanctions on the first instance of noncompliance (referred to as "immediate" full-family sanctions). Four other states — Kentucky, Michigan, Pennsylvania, and Wisconsin — also might have been placed in this category because they use immediate full-family sanctions under certain circumstances.

- How do time limits affect patterns of employment, welfare receipt, income, and other outcomes among current and potential welfare recipients?

- How are states implementing time limits? What messages are they sending to recipients about time limits? Are they granting many exemptions and extensions? What processes are used to determine which families qualify for these exceptions?

- How are families faring after time limits? Are they better or worse off than when they received welfare? How do these families compare with other families who left welfare "voluntarily"?

It is too early to draw final conclusions about time limits. The federal 60-month time limit has taken effect only in some states, and relatively few families in those states have reached the federal limit. Moreover, most families reaching shorter state time limits have done so during a period of exceptionally strong economic growth. Nevertheless, as discussions about the reauthorization of PRWORA begin, it is critical to take stock of what we know about time limits today.

About the Project and This Report

This project includes three components to obtain a diverse set of information about time limits:

- **Survey.** A survey of state welfare administrators was conducted to obtain up-to-date information about time-limit policies, the use of state and federal funds, and the states' experiences with time limits to date. The survey was distributed to all 50 states and the District of Columbia. After states responded, they were contacted by phone to clarify the meaning of the data they provided.[15] The survey was designed by HHS staff with assistance from MDRC and The Lewin Group, and it was administered and analyzed by The Lewin Group.

- **Site visits.** MDRC staff conducted site visits to five states (Georgia, Louisiana, Massachusetts, New York, and South Carolina) to obtain information on the day-to-day implementation of time limits. Each visit included discussions with senior welfare administrators and with line staff in two local welfare of-

[15]All states and the District of Columbia responded to the survey, although several states were unable to provide all of the information the survey requested. The tables in Appendix A indicate when specific data were not available.

fices. The five states were selected because they have had substantial experiences with time limits (four of them have limits of fewer than 60 months) and because they have not been the subject of a detailed study of time-limit implementation.

- **Literature review.** MDRC reviewed, summarized, and synthesized the results of all major studies of time limits that have been conducted to date. This includes formal evaluations of welfare reform programs that included time limits, surveys of individuals whose cases were closed because of time limits, and other kinds of studies.

The report describes the results and findings from all three study components and is organized as follows:

- Chapters 2 and 3 report on the results of the survey of states. Chapter 2 focuses on state policies, and Chapter 3 focuses on states' experiences with time limits to date.

- Chapter 4 discusses key issues involved in implementing time limits. The discussion draws from studies of time-limit implementation conducted as part of other research projects and from the site visits conducted as part of this project.

- Chapter 5 summarizes and synthesizes the available evidence on how time limits affect employment, welfare receipt, income, and other outcomes.

- Chapter 6 summarizes and synthesizes data on how families are faring after reaching time limits and having their benefits canceled. It draws primarily on eight state or federally funded follow-up studies targeting time-limit leavers.

- The appendices provide further information on the material covered in the chapters. Appendix A contains detailed results from the survey. Appendix B describes the site visits and includes a brief profile of each state discussed in Chapter 4. Appendix C includes information on the state and federally funded surveys that are discussed in Chapter 6. Appendix D lists research reports and other sources of information about time limits.

Chapter 2
What Are the States' Time-Limit Policies?

As outlined in Chapter 1, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 provides states with a number of options to consider in designing their time-limit policies. While it mandates that states cannot use federal Temporary Assistance for Needy Families (TANF) funds to provide more than five years of assistance to families except under certain circumstances, it allows states to establish shorter time limits. It also allows states to provide assistance using federal funds to families beyond five years for up to 20 percent of the TANF caseload as well as allows states to use state-only maintenance-of-effort (MOE) dollars to provide assistance to more families. In addition to variations in the length of their time limits, states have made different decisions regarding the exemption and extension criteria, the financial structure for providing assistance, the process that takes place when families approach the time limit, and the consequences for families when they reach the time limit.

This chapter reflects the policies that were in place in early 2002, when the survey was administered. At that time, welfare recipients had reached time limits in about 35 states but had not yet reached a time limit in 15 states and the District of Columbia. Some states in which few, if any, individuals had reached their limits had not fully developed their time-limit policies at the time the survey was administered. In addition, as states gain more experience, they may confront unforeseen challenges with their present policies. Although this chapter provides useful information on the types of policies being implemented now, the policies in many states are subject to change in the coming year as substantial numbers of individuals reach time limits.

Key Findings

The survey revealed several key findings:

- Responding to the broad flexibility allowed under the federal welfare law, states have developed widely varying approaches to time limits. A large proportion of the TANF caseload is subject to less stringent time-limit policies because such policies are in place in several very large states.
- All states provide exemptions or extensions from their time limits for certain groups of families, but the policies differ dramatically from state to state.
- More than half the states have chosen to pay benefits to certain groups of families using only state funds, but only about 7 percent of cases nationwide

are funded in this manner. Also, though these cases are not subject to the federal time limit, many of them are subject to state time limits.

Features of Time-Limit Policies

This section discusses two features of each state's time-limit policy: the length of the time limit and the consequences for families who reach the time limit and are not offered an extension.

Figure 2.1 presents the proportions of all TANF cases that are in states with a 60-month time limit, a shorter time limit, or no time limit — divided further by whether the state policy is to terminate cases at the time limit or to continue providing assistance either to all family members or to the children. As this figure shows, only about 30 percent of families receiving assistance live in states that have what some might consider to be the "purest" form of the federal time limit: a 60-month time limit that results in benefit termination. Another 25 percent of TANF families live in states with shorter time limits that result in termination.

About 38 percent of the families live in states that impose a 60-month time limit but provide at least some assistance after families have reached that limit. Large portions of these families live in New York (which allows those who reach the time limit to transition to a state and locally funded safety net program) and in California (which will remove the adult from the assistance unit but continues to provide assistance for the children's needs). About 4 percent of the families live in states that have shorter reduction time limits that do not result in case closure. Finally, 4 percent of all TANF families live in the two states — Michigan and Vermont — that have no time limit on benefits.

Table 2.1 lists the states according to the categories shown in the figure. Given the many variations of time-limit policies, a state's category may not be readily apparent. For example, Texas is listed as a 60-month termination time limit state, even though the state also has shorter reduction time limits. The state is included in this category because it represents the more severe consequence and because a small portion of the caseload faces just the 60-month time limit.[1] While Hawaii provides an employment subsidy to families who have reached the limit and are working 20 hours per week, it is not included in the reduction or replacement category because there are restrictions on who is eligible. On the other hand, New York provides

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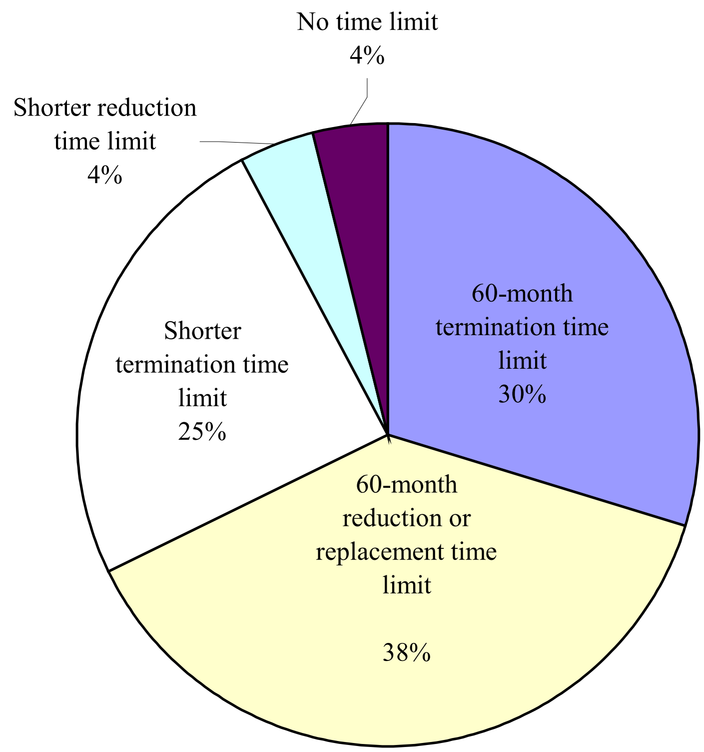
[1]The state estimated that about 105 counties (out of 254) have no access to the employment and training program administered by the Local Workforce Development Board. Recipients in these counties are not subject to the shorter time limit, but they are subject to the 60-month termination time limit. These counties are located in rural areas and together account for less than 10 percent of the TANF caseload.

Welfare Time Limits

Figure 2.1

Proportions of TANF Assistance Cases, by Type of Time Limit



NOTE: A state is categorized according to its shortest termination time limit. If it had no termination limit, it is categorized by its shortest reduction time limit.

safety net assistance to families who apply and are financially eligible. This state is included in the reduction or replacement category because the vast majority of families who were eligible for the TANF program are eligible for the safety net program, which provides the same level of benefits, but only partly in cash.

Whereas Figure 2.1 shows that 30 percent of all families live in states with a 60-month termination time limit, Table 2.1 shows that almost half the states have adopted this policy. The difference can be explained by the fact that this category excludes the two states with the largest TANF caseloads (California and New York), which together comprise 32 percent of the caseload.

Table 2.1

States Categorized by Type of Time Limit

Type of Time Limit	States
60-month termination time limit (23 states)	Alabama, Alaska, Colorado, Hawaii, Illinois, Iowa, Kansas, Kentucky, Minnesota, Mississippi, Missouri, Montana, New Hampshire, New Jersey, New Mexico, North Dakota, Oklahoma, Pennsylvania, South Dakota, Texas, West Virginia, Wisconsin, Wyoming
Shorter termination time limit (17 states)	Arkansas, Connecticut, Delaware, Florida, Georgia, Idaho, Louisiana, Massachusetts, Nebraska, Nevada, North Carolina, Ohio, Oregon,[a] South Carolina, Tennessee, Utah, Virginia
60-month reduction or replacement time limit (7 states)	California, District of Columbia, Maine, Maryland, New York, Rhode Island, Washington
Shorter reduction time limit (2 states)	Arizona,[b] Indiana
No time limit (2 states)	Michigan, Vermont

NOTES: [a]In Oregon, families accrue few months toward its 24-month time limit because of the state's time-limit policy, which does not count toward the time limit any month in which the client cooperates with work requirements. After four months of noncooperation, the case closes due to a full-family sanction. Thus, families who cycle between cooperation and noncooperation might eventually reach the time limit and be terminated, but would have received more than 24 months of assistance.

[b]In Arizona, the adult is ineligible for TANF after 24 months, although he or she becomes eligible again after three years of ineligibility.

Exemption and Extension Criteria

For families meeting established criteria, states may decide not to count a month of assistance toward the state time limit. This is sometimes referred to as "stopping the clock." And once families have reached the time limit, states may choose to extend benefits for those meeting other criteria. Whether the state chooses to immediately exempt a family in a particular circumstance or prefers that they instead "run out the clock" before receiving an extension reflects, in part, the state's philosophy regarding state obligations and the responsibilities of welfare recipients. It is important to note that every state offers at least some type of exemption or extension.

Exemption Policies

As mentioned in Chapter 1, PRWORA outlines several groups of families who are exempted from the *federal* time limit. These include families in which the adult is not in the assistance unit (child-only cases), families living on an Indian reservation or in an Alaska native village experiencing high unemployment, families excluded under a state waiver policy, and families assisted exclusively by state MOE funds.

In addition to these exemption criteria for the federal time limit, most states exempt other groups of families from their *state* time limits. For these families, unless their assistance is paid for with state MOE funds exclusively, the federal clock continues to run. Under such disparate policies, families in some states are operating under separate federal and state clocks with different accumulations of months toward their limits. Thirty-four states exempt at least some families with adults from their state time limit. Figure 2.2 shows how many states offer exemptions to families who meet the most common criteria. (Appendix Table A.3 lists the exemption criteria for each state.)

The most common state exemption policy is to exempt families in which the parent is disabled (shown in combination with "caring for disabled family member"). About half the states stop the state clock for this reason, although some have placed conditions on the exemption. For example, a state may exempt adults with mental health problems but require that they enroll in a treatment program. Of the states that have this exemption, most also exempt families in which the adult is caring for a disabled family member.

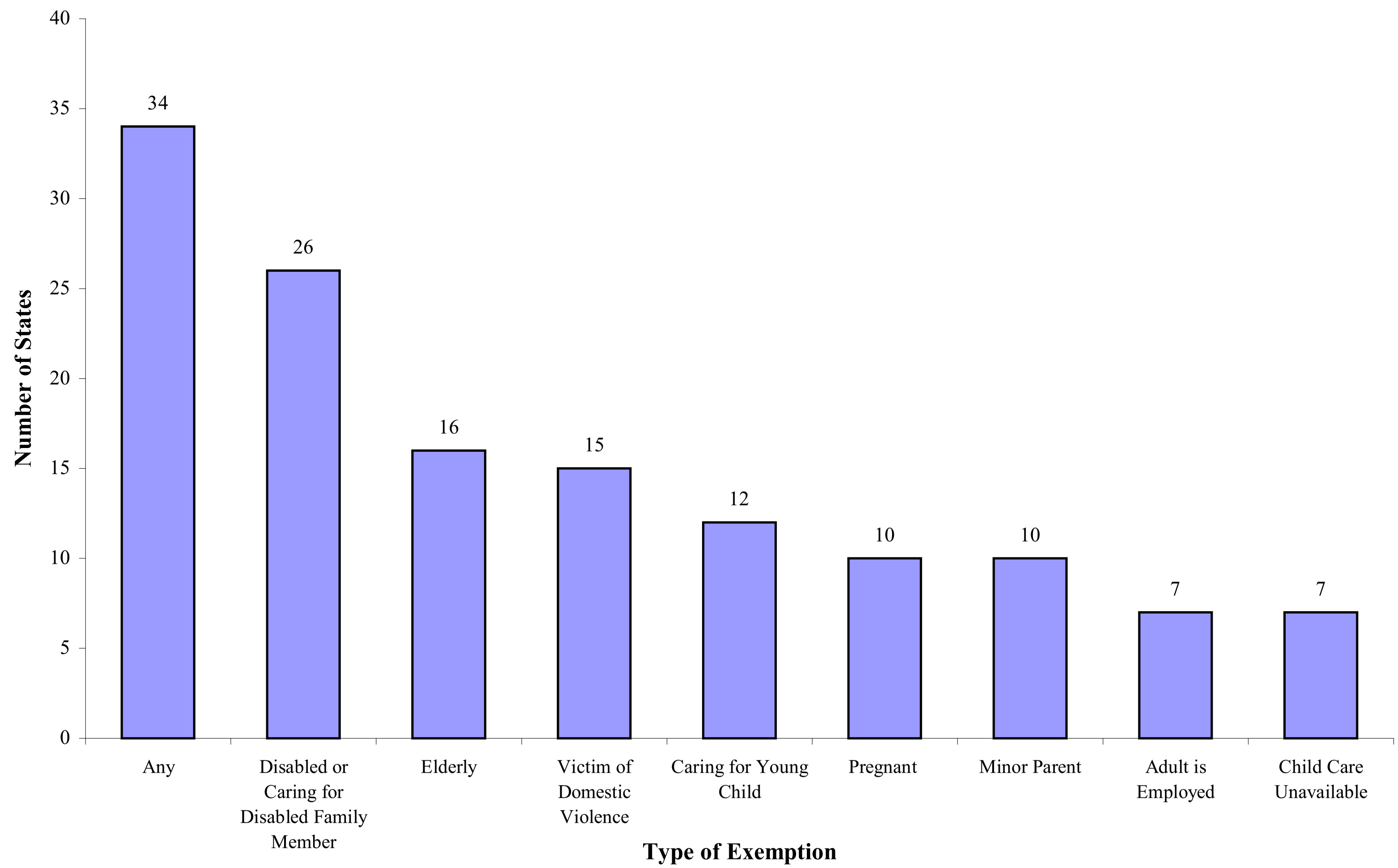
Victims of domestic violence are exempted from time limits in 15 states. It is important to distinguish this state exemption policy, which stops the clock, from the federal extension policy, which allows states to provide federal TANF assistance to victims of domestic violence after they have reached the 60-month federal time limit. In these 15 states, victims of domestic violence will not accumulate months toward their state time limit — although they will continue to accumulate months toward the federal time limit during the exemption period.

Sixteen states exempt families in which the head of the household is elderly. Most states have defined this category to include caretakers who are at least 60 years old, with one state limiting the age to those who are at least 62. This is one of the few exemption criteria that is a permanent condition (because the caretaker will not get any younger). Twelve states exempt families with very young children. The child's maximum age ranges from about 3 months (in Arkansas, Delaware, Ohio, Oregon, and Wisconsin) to 2 years (in Massachusetts; however, Massachusetts limits the age of the child to 3 months if the family cap applied — that is, if the child was born after the family began receiving assistance and no additional cash benefits were provided for the child). When a child "ages out" of this category, the clock will restart.

Welfare Time Limits

Figure 2.2

Common State Exemption Criteria and Number of States Applying Them



Seven states stop the clock when the adult is employed, although they generally place limitations on this exemption. For example, in Illinois and Rhode Island, recipients must work 30 hours per week (in Illinois, two-parent households must work 35 hours per week); and Louisiana exempts recipients only for the first six months they are employed.

Other state exemption criteria cover particular circumstances, such as pregnancy (often limited to the third trimester, when expectant mothers are less likely to find employment); when the head of the household is under age 18 or 19; and when child care is unavailable in the area. Some states exempt individuals who participate in special programs. For example, Hawaii exempts individuals who are AmeriCorps or Vista volunteers, while Maine exempts individuals who participate in the Parents as Scholars program, which allows welfare recipients to participate in postsecondary education.

Extension Policies

Forty-seven states extend benefits to certain families after they have exhausted all months on their state time-limit clock. Such extensions are generally offered for circumstances that are not expected to continue indefinitely, and states may put a time limit on the extensions or, at least, review them periodically to determine whether the circumstances still exist. States offer extensions for a wide range of circumstances. The most common state extension criteria are shown in Figure 2.3. (Appendix Table A.4 lists individual state extension policies.)

As noted earlier, many states exempt families if the caretaker is disabled or caring for a disabled family member. Some of these states also offer extensions for disabilities. Other states offer extensions but not exemptions. In particular, 20 states offer extensions for having a disability, but not exemptions; 16 states (including the District of Columbia) offer exemptions only; and 10 states offer both extensions and exemptions. Five states use the extension period as an opportunity to help clients obtain disability benefits, such as Supplemental Security Income (SSI).

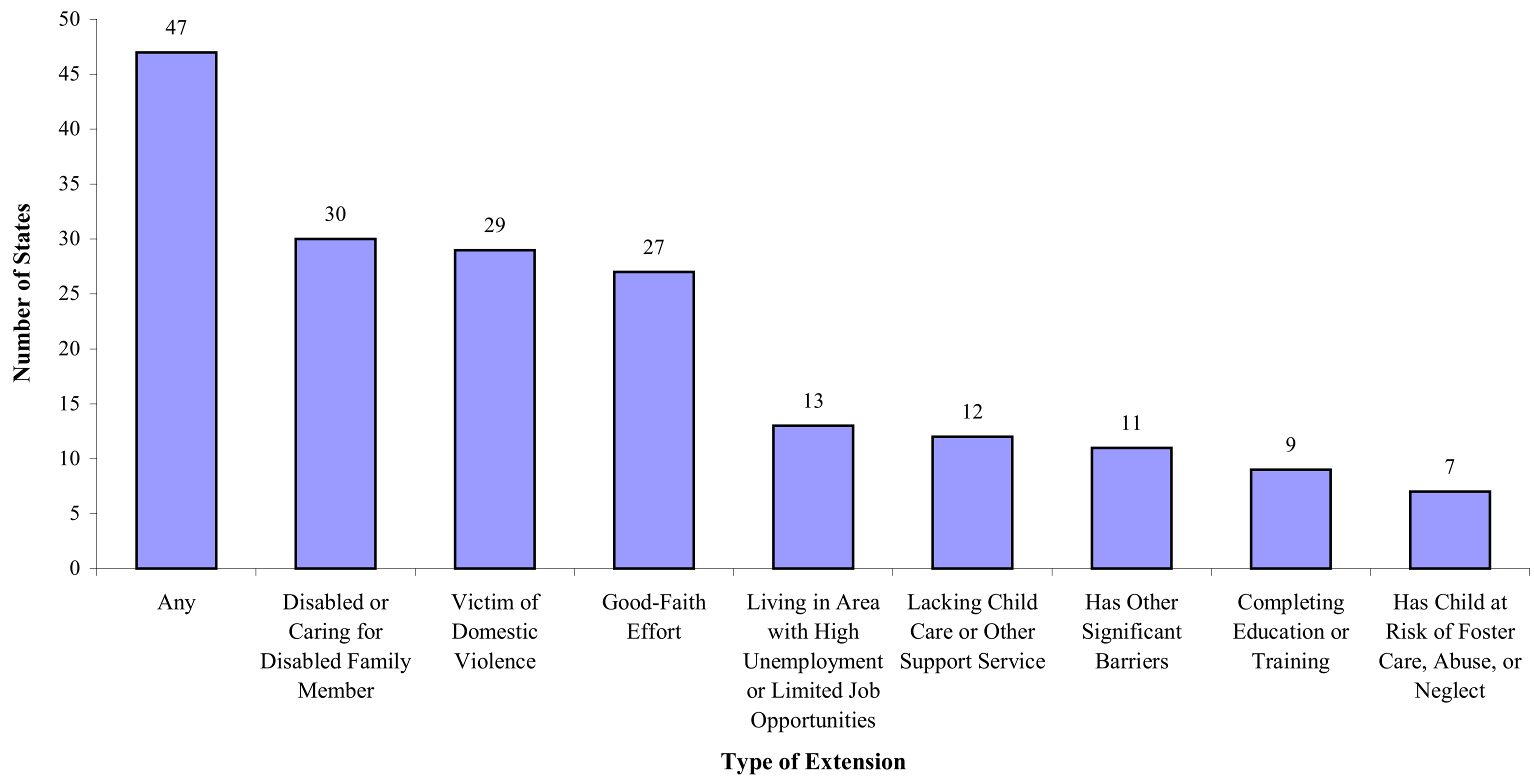
The state policy to extend benefits to domestic violence victims generally parallels the federal exemption, which is based on the family's need for continued assistance when they are reaching the time limit, rather than on prior circumstances. Twenty-nine states list this criterion as a reason for extending benefits. In New York, a family needs to provide medical documentation that the adult is unable to work for up to six months because of the abuse; however, they are not required to provide documentation that the abuse occurred. In Maine, clients must provide "reasonable and verifiable evidence" of domestic abuse.

Twenty-seven states provide extensions to welfare recipients who have made a "good-faith effort" but were still unable to find employment and leave welfare. This criterion is more subjective than others, often requiring that the caseworker make a judgment regarding whether

Welfare Time Limits

Figure 2.3

Common State Extension Criteria and Number of States Applying Them



NOTE: "Other significant barriers" include low literacy levels, substance abuse, and homelessness.

the client was compliant. Some states offer guidelines to determine compliance, generally linking it with the number of times that a client was in sanction status or whether the client is participating in a work activity in the final month of assistance (see Chapter 4).

Thirteen states provide extensions when conditions in the local labor market make it difficult for recipients to find employment, which is generally determined by the local unemployment rate. Twelve states provide extensions to clients who are unable to secure child care or other support services, and eleven states provide extensions for other barriers to employment (often including individuals receiving substance abuse treatment, or, in Missouri and Rhode Island, clients with low literacy levels). Nine states offer extensions to clients who are completing an education or training program, and seven do so if a child is at risk of foster care placement.

Structuring the State's System of Funding Assistance

The final TANF regulations[2] gave states considerable flexibility in terms of how they can structure their TANF programs to meet state goals as well as the requirements established in PRWORA. This section describes what the TANF regulations allow and how states are using this flexibility.

Strategies for Using MOE Funds

The requirements imposed in PRWORA focus on work participation, child support assignments, data collection, and MOE obligations.[3] However, the requirements that apply depend on two factors: the funding source and the type of benefits or services that are provided.

The final TANF regulations outline three ways that states can allocate state MOE dollars. States can (1) *commingle* all or some of their state MOE funds with federal funds, (2) *segregate* all or some of their state MOE funds from federal funds, and (3) create a *separate state program* funded solely with state MOE dollars. As discussed below, different requirements are imposed in each case.

It is also important to consider the type of benefits or services being provided with the funds, because different program requirements apply. Commingled and segregated funds can be used to provide TANF assistance and TANF nonassistance. *TANF assistance* includes cash payments, vouchers, or other forms of benefits designed to meet the family's ongoing needs.

[2]64 Federal Register 17719-17931 (April 12, 1999).

[3]The MOE obligation requires states to spend at least 80 percent of the amount they spent in fiscal year 1994, or incur a penalty. States that meet the work participation requirements need spend only 75 percent of the amount spent in 1994.

TANF nonassistance includes services and benefits that do not provide ongoing basic income support. The most common types of TANF nonassistance are support services such as child care provided to families who are employed, but it also includes work subsidies, nonrecurrent short-term benefits lasting no more than four months, refundable Earned Income Credits (EICs), and other employment-related services and benefits. When assistance is provided from a separate state program, this is referred to as *non-TANF assistance*, and it can include basic income support.

Figure 2.4 outlines the program requirements that apply to each type of assistance within each of the three funding sources. As this exhibit shows, the 60-month federal time limit applies only when federal or commingled funds are used to provide TANF assistance. The work participation, child support assignment, and data collection requirements apply when federal, commingled, and segregated funds provide TANF assistance. None of these requirements applies to TANF nonassistance or to non-TANF assistance; however, all state dollars expended count toward the state MOE requirements.

Thus, a state that wants the federal time limit to apply to all assistance provided to its welfare caseload may opt to commingle all of its state MOE funds with federal funds. Another state may choose to provide segregated funding to some families to stop the federal clock. And a third state may be concerned about meeting its work participation requirements and thus might create a separate state program to take families who meet certain criteria out of the calculation. That state might apply its own time limit to these months, even though the federal clock will not run.

Approaches Taken by States

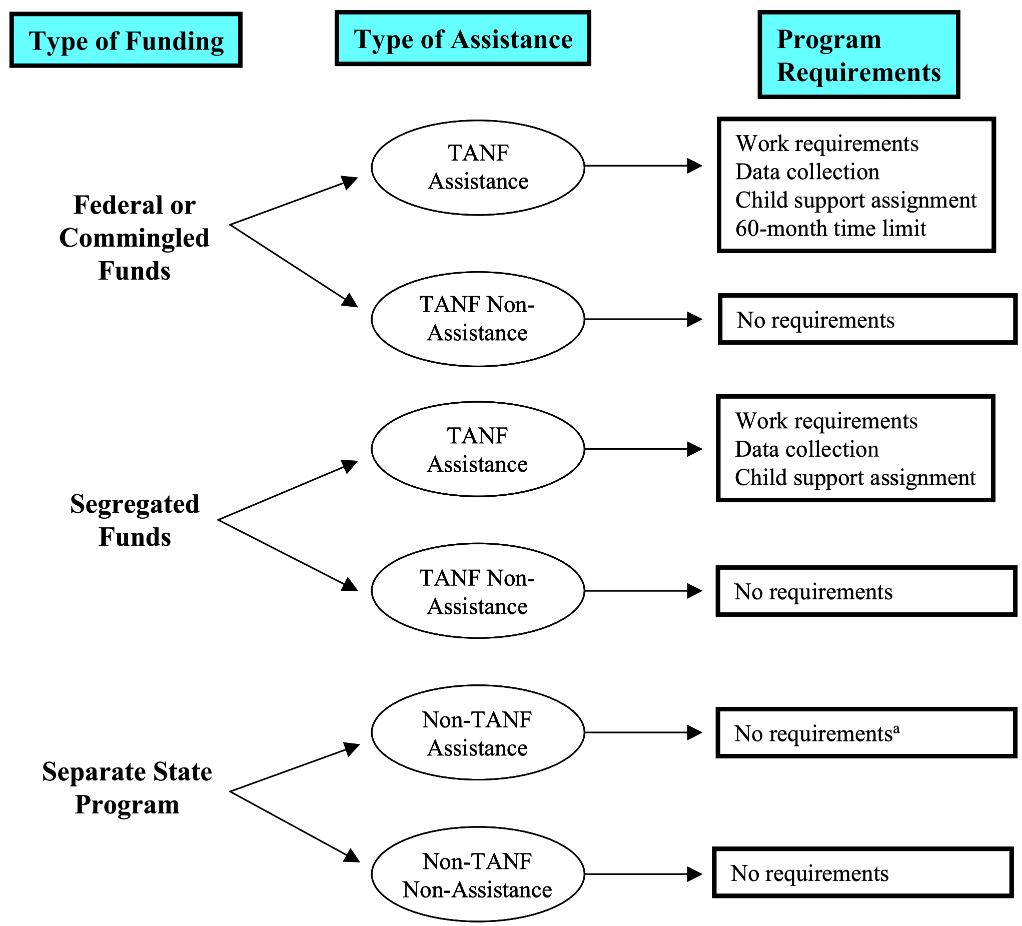
The survey revealed that over half the states (30) are taking advantage of the flexibility offered to them and are implementing a segregated state program, a separate state program, or both. Overall, 12 states have segregated their state TANF funding from federal funding, and 27 states have created separate state programs to provide assistance to some families. Among all states, about 3 percent of all cases are funded with segregated funds and 4 percent are funded under a separate state program.[4]

These states are structuring their TANF programs in a variety of ways, and several of their strategies are worth noting. Figure 2.5 shows the types of families who are being targeted by these segregated and separate funding streams. (Appendix Table A.5 describes individual state programs.)

[4]Among just those states that use segregated programs, about 8 percent of all cases are funded with segregated funds. Among states that have separate state programs, about 7 percent of all cases are funded from these separate state programs.

Figure 2.4

Types of Funding, Assistance, and TANF Requirements

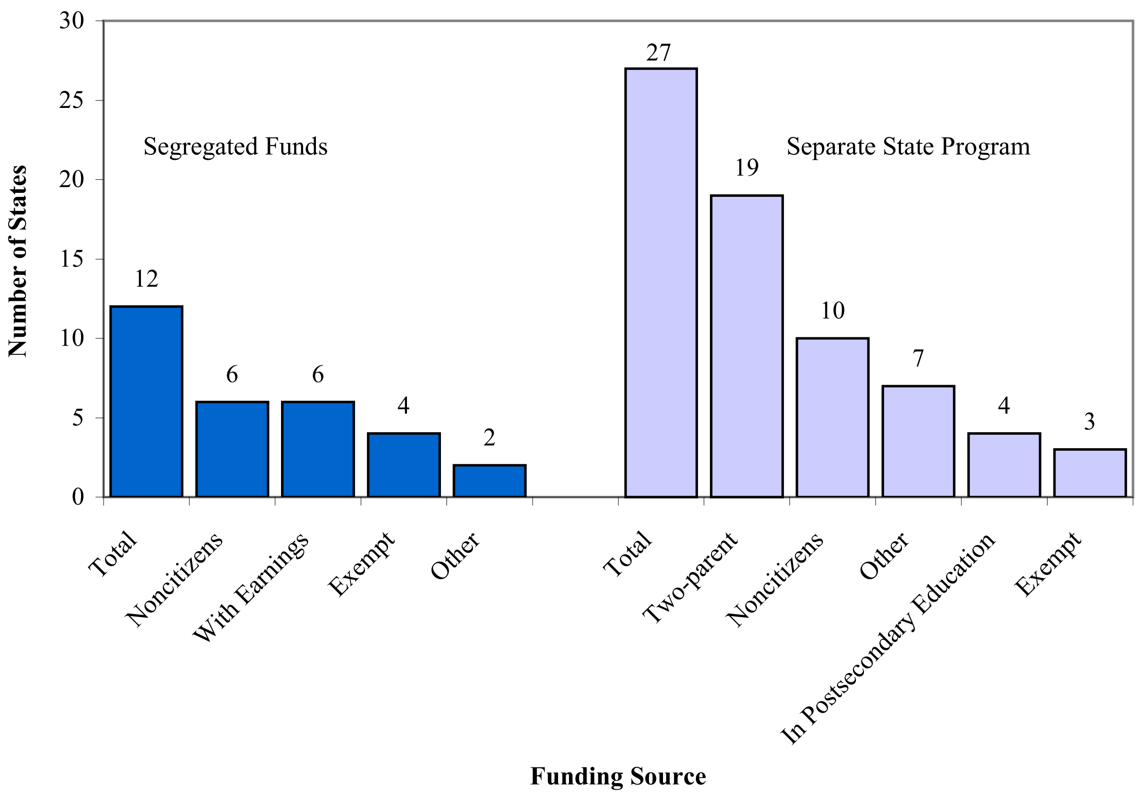


NOTE: [a] If states wish to receive the caseload reduction credit or the high performance credit they are required to collect data on families receiving non-TANF assistance.

Welfare Time Limits

Figure 2.5

Number of States Funding Families with Segregated and Separate State Funds



The following groups have been targeted by some of these programs:

- **Two-parent families.** About 19 states have decided to fund two-parent cases under separate state programs. The high two-parent participation requirement — 90 percent of all two-parent families must be participating in a work-related activity — has been difficult for some states to reach.[5] To avoid a penalty, states can move all two-parent families to a separate state program. Of the states with separate state programs for two-parent families, all contin-

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[5]Eighteen states did not meet the two-parent participation requirement in 1997; seven of these states have since transferred their two-parent cases to a separate state program.

ued to apply a state time limit on the assistance provided. Thus, these two-parent families will reach the state time limit but not the federal time limit.

- **Noncitizens.** Most people who are not citizens of the United States cannot receive assistance with federal TANF funds. Sixteen states have chosen to provide assistance to families with noncitizens, either through segregated funds or separate state programs. Most states have opted to transfer these cases to a separate state program, and most apply a state time limit on these benefits. One challenge for states that continue to provide assistance to noncitizens is dealing with mixed families (sometimes referred to as "blended cases") in which some members are eligible for federal TANF assistance because they are U.S. citizens while other family members are not eligible for TANF, based on their alien status. Some states have opted to use segregated or separate state funds for all families in which any member is a noncitizen, while other states have created subfamily groups in which some individuals are supported with state MOE funds only.

- **Employed cases.** Six states have provided state-funded assistance to individuals with earnings. By funding these families with segregated funds, the state can stop the federal time limit clock but still include them in its work participation calculation. Essentially, this is an incentive to families who are working. In addition, the benefit levels may be relatively low as a result of the family's earned income, and states may not want clients to lose months on the clock for low benefit amounts. Arizona, for example, stops the clock when benefits fall below $100 in any month.[6]

- **Participants in postsecondary education programs.** Four states transfer cases to a separate state program when the head of household is participating in a postsecondary education program. Such participation stops both the federal and the state clocks. These states have created separate programs because the federal TANF regulations do not encourage the use of postsecondary education to satisfy the requirements for work-related activity.

- **Exempt cases.** Seven states have used the tactic of transferring all cases that are exempt to either a segregated or a separate state program, allowing them to stop both the state and the federal clocks. This might simplify the management of individuals' time limits, since the state and federal clocks coincide.

[6]Louisiana exempts families with earned income, but continues to use federal funds.

Approaching the Time Limit

This section describes state policies that target welfare recipients who are approaching the time limit. Chapter 4 provides an in-depth examination of policies and practices in eight states. As welfare recipients accumulate months toward their time limit, welfare agencies use a variety of methods to inform them of the potential cancellation of assistance. The vast majority of states send a letter to clients who are approaching the limit. The letter typically reports how many months of benefits have been exhausted and how many months remain. Some states request that clients contact their case manager to discuss how they might become self-supporting, but they provide little additional information. Other states outline the criteria required to obtain an extension and even prompt clients to begin the application process.

In most states, the case manager conducts an assessment in the last year of assistance, evaluating the family's needs, any barriers to employment, and progress toward completion of a self-sufficiency plan (see Appendix Table A.6). Some activities that stem from this assessment — such as providing job search assistance — are also typically provided to clients on an ongoing basis from the time of application.

In several states, welfare agencies conduct a "staffing," in which a case is presented and reviewed by all staff involved with the client. The following are examples of how a staffing might be conducted:

- In Washington State, a staffing occurs in month 48. The process is led by the case manager and, in addition to the client, may involve the social worker, a supervisor or lead worker, other state agency staff, contractors who have worked with the client, any medical or mental health providers, and translators, as needed. The group reviews the client's current sanction status and history of employment barriers, services, and participation.

- In the District of Columbia, all families approaching the time limit are supposed to receive a home visit to assess their needs before they reach the time limit. Community-based organizations provide this service under contract with the District.

- In Kentucky, all cases are reviewed at month 58 by a "Pro team" comprising staff from Family Support, Protection and Permanency (the Child Welfare division), Employment Services, and Vocational Rehabilitation; occasionally, community members are also included. The team discusses clients' needs and determines options for addressing them.

The Process for Determining the Outcome of Cases Reaching the Time Limit

What happens after a client is assessed varies by state. In 24 states, clients must request an extension and, in some cases, file an application (see Appendix Table A.7). In some states, the case automatically closes at the time limit if the client fails to contact the welfare agency to request continued assistance. For example, Montana sends a notification to clients who are two months shy of reaching the limit, outlining the criteria for receiving an extension and asking those who qualify to request an application. Only the cases of families who formally apply for an extension are reviewed.

Other welfare agencies evaluate every case that has accumulated the maximum number of months, and they make an independent assessment of each client's eligibility for additional assistance based on the information they have collected during the client's time on welfare.

Appendix Table A.7 describes how states decide about extensions. In some states, the decision-making process is quite elaborate and involves multiple staff. For example, Mississippi employs a three-step process: First the caseworker makes a recommendation; then the county director agrees or disagrees with that recommendation; and finally the regional director approves or denies the extension. Similarly, in Florida, contracted case managers make the recommendation for a hardship extension; then supervisors must approve the recommendation; and ultimately the Regional Workforce Board or its designee approves or denies the extension.

Other states rely primarily on case managers to determine who will get an extension. Four states indicated that they determine extensions this way. In another three states, case managers are sometimes responsible for making extension decisions, but this depends on the circumstances of the case or on the county's decision. In Arizona and Washington, the consequence of reaching the time limit and not receiving an extension is a reduction in the benefit level rather than a termination. This is not so different from a sanction, the imposition of which is regularly the responsibility of caseworkers. Other states may believe that their established criteria provide few opportunities to deviate in deciding extensions. The District of Columbia, for example, consults its automated case management information system, which is used by contractors to record clients' participation and compliance in work activities. According to the District, caseworkers have little discretion in assessing whether a client is eligible for an extension; instead, their decisions rely on the information in the automated system.

In several states (including Montana and South Dakota), only a handful of individuals have reached the time limit, and so the state office reviews each case independently and makes an extension decision. This policy may change when more clients begin to reach the time limit and states have developed clear guidelines for granting extensions.

Almost all states provide some opportunity to appeal an extension decision. In most states, the process is similar to appealing an eligibility determination: The client can request a fair hearing. Sometimes that hearing takes place after the client's clock has run out, and benefits are terminated until a decision is reached. In other instances, the hearing takes place prior to termination, and benefits may continue while the case is being reviewed.

Chapter 3

How Many Families Are Reaching Time Limits?

This chapter provides information on how many families had reached a time limit as of December 2001 and on whether they continued to receive assistance after reaching the limit. It first focuses on how many families have reached the federal time limit and then provides information on how many have reached a shorter state time limit. Information presented in this chapter is based on responses to the state survey conducted in early 2002.

Key Findings

- Nationwide, just over half of all families receiving welfare are subject to the federal 60-month time limit. Of the families who are not subject to the federal limit, three-fourths are child-only cases in which no adult is part of the assistance unit.

- By the end of 2001, approximately 231,000 families had reached either a federal or a state time limit. The majority of them had reached a state time limit of fewer than 60 months.

- Only about 54,000 families had reached the federal 60-month time limit by the end of 2001. Of this total, 81 percent were in New York State, which allows families to receive state and locally funded benefits after reaching the federal time limit. Families had begun to reach the federal time limit in less than half the states.

- Approximately 93,000 families have had their benefits canceled because of a time limit, and another 38,000 have had their benefits reduced. The vast majority reached state time limits of fewer than 60 months, and most case closures were concentrated in a few states. Many of the families whose cases have been closed can return to welfare under certain conditions.

Accumulating Months of Federal TANF Assistance

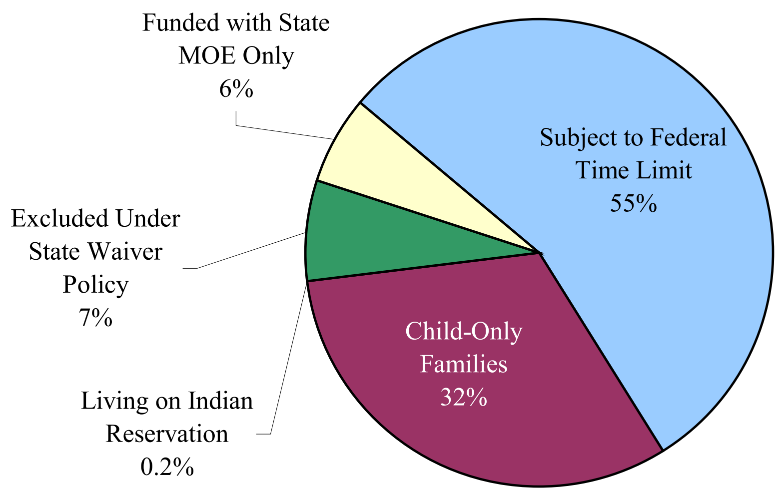
Reasons Why Months May Not Count

As discussed in Chapters 1 and 2, there are four reasons why a family can receive assistance for a given month without it being counted toward the federal time limit: (1) it is a child-only case; (2) the family is living on an Indian reservation that is experiencing an unemployment rate greater than 50 percent; (3) the family is exempt from having months counted under a state waiver policy; or (4) the state is funding the assistance exclusively with state maintenance-of-effort (MOE) funds. Figure 3.1 shows that, nationally, 55 percent of all TANF and non-TANF assistance cases were receiving TANF assistance that counted toward the federal clock in the fall of 2001. Appendix Table A.8 presents the proportions for each state, which vary substantially and range from no cases (in Indiana, where all TANF recipients were exempt because of a state waiver) to 88 percent (in Iowa).[1] In Arizona, only 6 percent (families living in Maricopa County and participating in Arizona Works, a pilot program) had months that counted toward the federal clock due to the state waiver.

Welfare Time Limits

Figure 3.1

Proportions of TANF and Non-TANF Assistance Cases Subject to the Federal Time Limit or Not, September-to-December, 2001.



Nationally, about one-third of all TANF cases were exempt from the federal time limit because they were child-only cases in the fall of 2001; that is, only the children, and not the

[1]Oregon also reported that no cases were subject to the federal time limit because of a state waiver. Oregon's waiver policy is such that only a few months would count toward the state and federal limits. (Compliant families are not subject to either time limit under the waiver and noncompliant families are subject to full-family sanctions.) The state could not provide information on the small number of families whose assistance counted toward the federal clock.

adults, were included in the assistance unit. In some of these cases, there was no parent living with the children, and the caregiver had chosen not to be included in the assistance unit. In other cases, the parent was living with the children but was ineligible for TANF personally, although the children remained eligible. The parent might have been ineligible because she or he was receiving Supplementary Security Income (SSI), was a qualified or unqualified noncitizen, or had been sanctioned for not complying with TANF program requirements.

Seven percent of families were exempt because they were living in a state that was operating under a state waiver. About 6 percent of the families were exempt because their assistance was paid for with state MOE funds exclusively. Some of these cases — primarily the noncitizen and two-parent family cases — were subject to state time-limit policies.

Less than one-half of 1 percent of all TANF families were exempt because they were living on an Indian reservation experiencing high unemployment. These cases were concentrated in three states — Montana, North Dakota, and South Dakota — which exempted between 20 percent and 30 percent of their caseloads for this reason. It is important to note that most states had no system in place to keep track of who met this criterion.

Accumulating Months Over Time

The discussion above focuses on what was happening in a given month. In understanding the effects of time limits, it is also important to examine the extent to which individuals accumulate a substantial number of months of assistance over time. States' TANF programs were certified between September 1996 and July 1997. Therefore, the federal clock began in September 1996 in a handful of states, and the first month in which recipients in any state could have accumulated 60 months under the federal clock was in August 2001. These cases would include only individuals who had received 60 cumulative months, with no break in assistance. By December 2001, families in 22 states had begun to reach the federal time limit.[2]

Table 3.1 shows the number of families nationwide who reached month 60 of assistance in each of the three months, September to November 2001. As this table shows, nearly 4,000 families received 60 months of assistance by September. By October, another 2,000 families had accumulated 60 months. The number jumped dramatically to 46,000 families in November

[2]This does not include five states where a limited number of families reached the federal time limit because they moved from states that had a state plan certified by December 1996 or California and Delaware, which could not supply estimates of the number of families reaching the federal time limit. Families in California began accumulating 60 months of federal assistance by November 2001, but will not reach the state 60-month time limit until January 2003. The state provides assistance to families who reached the federal but not the state time limit using state MOE dollars. Also, several of the states in which no families had reached the federal time limit have shorter state time limits. Thus, families have reached either the federal time limit or a shorter state time limit in 35 states.

2001, largely because New York State had started the clock in December 1996. In November 2001 — the earliest that any recipients could receive 60 months of assistance — about 44,000 New York families had accumulated their 60th month. These families were typically long-term recipients who had been receiving welfare benefits for some time before the clock started.

Although it is difficult to estimate the number of new families who will reach the federal time limit in future months, it is estimated that, in each month in 2002, the number will be in the thousands. In February, families in the District of Columbia and Pennsylvania will begin to accumulate 60 months of assistance, potentially adding 5,000 families to the total between the two jurisdictions. In the summer of 2002, several states with relatively large TANF caseloads, including Minnesota, Missouri, and Washington, will reach the federal time limit.

While the numbers who reached the time limit in the fall of 2001 are significant, the proportion of TANF families who had accumulated 60 months is low relative to the entire TANF caseload (which was over 2 million in March 2001). States noted that welfare has always been a program that offers temporary assistance for most recipients — most of whom cycle on and off or leave welfare due to changes in life circumstances (and thus could not have reached the time limit by the fall of 2001.) Other states indicated that important factors preventing a

Welfare Time Limits

Table 3.1

Number of Families Who Accumulated 50 to 60 Countable Months of Assistance from September to November 2001[a]

Number of Months Accumulated	September 2001	October 2001	November 2001
50	14,705	7,372	6,794
51	10,112	14,748	6,981
52	5,006	10,135	14,095
53	8,059	5,498	9,657
54	6,302	8,516	5,344
55	12,349	7,056	8,336
56	7,163	11,724	6,826
57	12,572	7,297	10,965
58	46,180	11,953	6,965
59	2,182	47,526	11,277
60	3,974	2,113	45,866

NOTE: [a]Several states — California, Delaware, Louisiana, Maine, Nevada, and West Virginia — could not supply this information, so this table underestimates the number who have accumulated months toward the federal time limit.

large proportion of families from reaching the federal time limit were exemptions that stopped the clock for many families (for example, for child-only cases), state waivers, shorter time limits, and full-family sanctions for noncompliance. Several states mentioned that their own strong work programs coupled with a strong economy had helped families leave welfare for employment.

What Happens to Families Who Reach the Federal Time Limit?

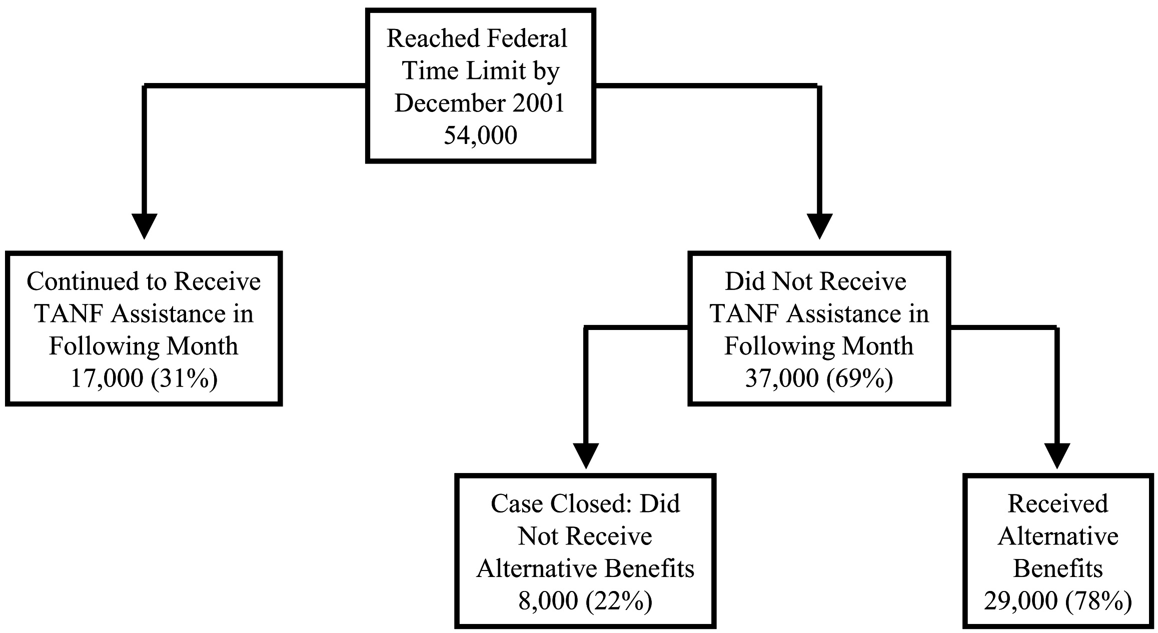
By December 2001, about 54,000 families had reached the federal time limit. Figure 3.2 shows their status in the following month: about 17,000 families (31 percent) continued to receive TANF assistance, while 37,000 families (69 percent) left TANF assistance, although most continued to receive some benefits. Appendix Table A.9 presents similar information for each state.

In some states, families who exit TANF are eligible for non-TANF cash assistance or other benefits designed to provide basic income support. Overall, 78 percent of all families who left after reaching the 60-month federal time limit were receiving some type of alternative benefit in the following month. This relatively high percentage was driven primarily by New York's policy of providing safety net assistance to all cases that have been terminated, apply for assistance, and remain eligible. In addition, Hawaii provides an employment subsidy to about half the families who reach the federal time limit, using state funds. The subsidy is provided for each month that recipients remain employed 20 hours per week, when there is at least one categorically eligible child in the home and the family's gross income does not exceed 185 percent of the standard of need. Families are eligible for this supplement for a maximum of 24 months after month 60. Hawaiian families who have a continuing need for cash assistance at the end of their 60-month time limit may apply for safety net assistance, which includes vouchers for rent and utilities as well as a cash component. At least three other states (Colorado, Connecticut, and Maryland) provide alternative benefits for some families who leave TANF, although either these states could not provide estimates of the number of families receiving these benefits or had no families that reached the federal time limit.

States may also provide TANF nonassistance to families after they have left welfare, typically to provide them with such support services as child care and transportation while they are working. Unfortunately, states were generally unable to provide information on the extent to which support services or job search assistance was provided to individuals who reached the federal time limit.

Figure 3.2

Status of Cases After Reaching the Federal Time Limit[a]



NOTES: [a]Figures do not include California for all months and Alaska, Michigan, and New York for December 2001.

Families Who Continue to Receive TANF Assistance

Close to one-third of all families who reached the 60-month time limit continued to receive TANF assistance in month 61. States were able to provide continued TANF assistance using federal funds because only a small share of their caseload had reached the time limit, so these cases fell almost exclusively within the 20 percent permitted to receive federal assistance beyond 60 months. A very small percentage of families (less than half of 1 percent) received an extension based on domestic violence. Some states noted that because they were not approaching the 20 percent cap, they were not recording domestic violence exemptions and extensions. Regarding this category, one state noted that its system records an extension but does not supply the reason, in order to protect clients' confidentiality.

Child-only TANF cases are exempt from the federal time limit and thus will never reach it. Some states have implemented policies that remove the adults' needs from the grant at or approaching the time limit but continue to provide assistance to the children. They might use state MOE funds or their federal block grant funds for these child-only cases. So far, only half of 1 percent of cases that have accumulated 60 months of TANF assistance are child-only cases. This percentage may grow, however, as families begin to reach the federal time limit. California, the District of Columbia, Rhode Island, and Washington all have plans to remove adults from the assistance unit, although they might transfer these cases to a segregated or separate state program.

States have the option of using segregated funds to pay for TANF assistance after the federal time limit is reached, although only California has exercised this option. Other states may reexamine it and the other options allowed under PRWORA when more families reach the limit and states are at risk of exceeding the 20 percent cap.

What Happens to Families Who Reach a Shorter State Time Limit?

Families on welfare have been reaching time limits of fewer than 60 months since 1996, when some families began reaching shorter limits prescribed under state waivers to the AFDC program. Other states established shorter time limits when they implemented their TANF programs. In all, 20 states have either termination or reduction time limits that are shorter than 60 months.[3] In addition, although Wyoming implemented a 60-month time limit, it counted up to 36 months of assistance that was provided before February 1997; as a result, families in Wyoming began hitting the state's 60-month time limit before the fall of 2001.

In these 21 states, approximately 176,000 families have reached the state time limit.[4] Twelve of the 21 states have "periodic time limits," whereby the family loses benefits for a fixed period of time after which they can begin receiving assistance.[5] For example, in Nevada, families receive assistance for 24 months and then are ineligible for 12 months. In Louisiana and Massachusetts, families are eligible for 24 months in a given 60-month period. Seven states have no periodic time limits, but a lifetime limit that is shorter than 60 months. Of the remaining two states, Connecticut imposes a 21-month time limit, but grants renewable six-month extensions to qualifying families (discussed in more detail in Chapter 4); it imposes a lifetime limit of

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[3]Chapter 2 categorizes 19 states as having a termination or reduction time limit of fewer than 60 months. The total of 20 also includes Texas, which has both a 60-month termination time limit and shorter reduction time limits.

[4]This total does not include the number of families who reached shorter time limits in Delaware and Nevada. These two states could not provide this information.

[5]This does not include Delaware, which had implemented a periodic time limit prior to January 2000 (a 48-month limit after which families were ineligible for 96 months) but currently has a fixed lifetime limit of 36 months.

60 months. Wisconsin imposes a 24-month time limit associated with each of the four program "tiers" (tiers entail different levels of cash assistance services and requirements, depending on the type of service a client needs). Some individuals may move from one tier to another and thus may be eligible for more than 24 months of assistance.

Families Who Leave TANF After Reaching a State Time Limit

Of the roughly 176,000 families who reached a state time limit shorter than 60 months, at least 85,000 families had their TANF cases closed (without receiving an extension), and about 38,000 families had their benefits reduced.[6] These are rough approximations based on inconsistent state reporting. The figures likely underestimate the number of case closures in several states and overestimate the number in a few others. For example, in most states with shorter time limits, the number of case closures was calculated by subtracting the number of extensions granted from the number of cases reaching the time limit. This captures the number of cases closed without an extension, but undercounts total closures because it omits cases that were closed because of the time limit after receiving an extension. A few states were unable to report the number of extensions, so the figures reflect the total number of cases closed because of the time limit. This method results in an overestimate if the case closure figures are not unduplicated (that is, if families who exit because of the time limit, return to welfare, and then exit again because of the time limit are counted twice). This is a common occurrence in some of the states that only provided duplicated counts of case closures.

Families Who Continue to Receive Assistance

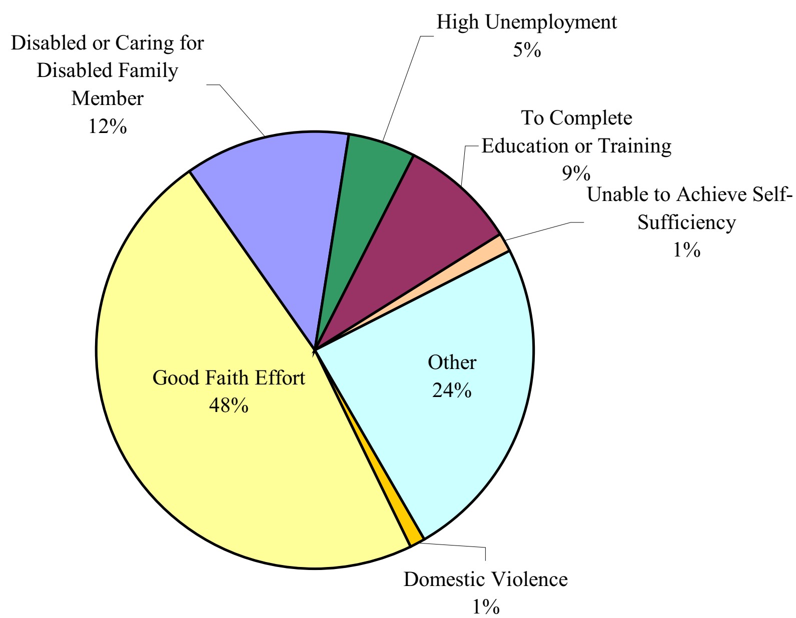
Of the 176,000 families who reached a state time limit shorter than 60 months, at least one-quarter of the families received an extension. As Figure 3.3 shows, nearly half the extensions were provided because the families were making a "good-faith effort," meaning they were complying with program requirements but were unable to find employment that would enable them to become self-sufficient.

Appendix Table A.11 presents extension information by state. As this table shows, the reason for extension varied widely across the states. Making a good-faith effort was the primary reason that Connecticut provided extensions (see Chapter 4). Across the 21 states, about 12 percent of all families who received an extension were disabled or caring for a disabled family member; this was the primary reason why Idaho and Utah granted extensions. Another 5 percent of benefits were extended due to high unemployment, the primary reason for extensions in Texas. Other reasons for extensions include completing an education or training program (9 percent) and being unable to achieve self-sufficiency (1 percent). About three-quarters of all

[6]Data on case closures and terminations were unavailable for Wisconsin.

Figure 3.3

Reasons for Providing Extensions When Families Reached a State Time Limit



extensions granted by Arkansas were provided to protect the child from risk of abuse or neglect (categorized under "other" in Figure 3.3). Ohio's TANF program is county-administered, and counties are allowed some latitude in establishing their own criteria for extensions. Besides the reasons already mentioned, possible criteria include involvement by Child Protective Services, age, homelessness, pregnancy, substance abuse, teenage parenthood, and barriers related to transportation, dependent care, or criminal history.

Reapplying After Being Terminated

Families whose benefits have been terminated because of a state's shorter time limit might be able to return to the welfare rolls under various circumstances. As discussed earlier, several of the shorter time limits are periodic limits that allow families to return to welfare after staying off assistance for a specified period. In many other states, families whose cases are closed because of the time limit can return to welfare if they subsequently meet the criteria for an extension or exemption. For example:

- Connecticut allows families to reapply for assistance if they have income below the payment standard, as long as they had made a good-faith effort to obtain and retain employment while they were on assistance. Even if they had not established good faith, some can return to the rolls if they are experiencing "circumstances beyond their control." These rules apply to a first, second, or third extension. To obtain a fourth or subsequent extension, the family must also be experiencing domestic violence, or be working at least 35 hours per week (fewer than 35 hours if there is a documented medical condition), or be experiencing at least two other barriers to employment.[7]

- In Nebraska, families can reapply for assistance if they experience an "economic crisis." Generally, this means that they have lost their job through no fault of their own.

- In South Carolina, families can reapply for assistance if they meet specific criteria like the following: an adult is determined to be mentally or physically disabled; an adult is providing full-time care for a disabled family member; the parent of the child is a minor under age 18 and has not completed high school; child care or transportation is not reasonably available to permit participation in work requirements; the adult caretaker relative is not the parent of the child and is not included in the assistance unit; an adult member of the assistance unit is providing a home for and caring for a child whom the state has determined to be abandoned and for whom the alternative placement is foster care.

How Many Families Have Lost TANF Benefits Due to Time Limits?

By December 2001, approximately 231,000 families had reached the federal *or* a state time limit (Figure 3.4). Of this total, about 93,000 cases were closed at the time limit, without an extension or safety net benefits, and another 38,000 had their benefits reduced.[8] Nearly 29,000 cases (most of them in New York) had their TANF case closed but were receiving alternative benefits through a state or locally funded program. The remaining 71,000 cases that reached

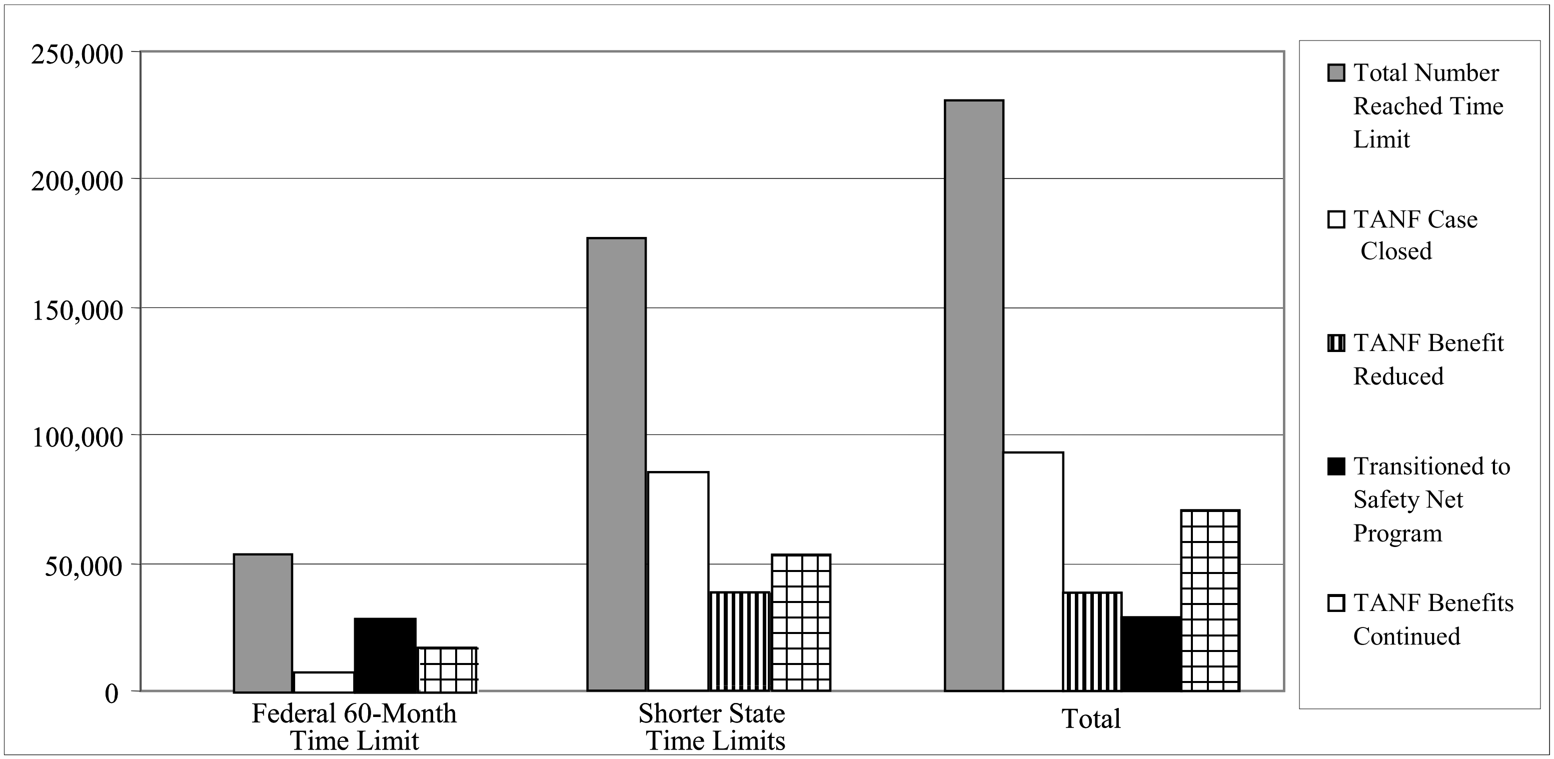
[7]The additional criteria for a fourth or subsequent extension did not take effect until late 2001. Families began reaching Connecticut's time limit in 1997.

[8]These are rough approximations based on inconsistent data reporting. Four states with shorter time limits could not provide an estimate of the number of case closures without an extension; instead, these estimates reflect the number of case closures. Two states had only duplicated counts of the families reaching the shorter time limit and having their cases closed.

Welfare Time Limits

Figure 3.4

Initial Outcomes for Families who Reached a Time Limit by Late 2001



either a state or the federal time limit received assistance in the following month. Some of these families received an extension and were later terminated; some left TANF voluntarily; and others continued to receive assistance.

While national estimates of case closures are important, they do not reveal the diversity that exists across the 50 states and the District of Columbia. National estimates are driven in part by a few states in which large numbers of welfare recipients have reached time limits. In addition, because families in 16 states have not yet reached any time limit (as of January 2002, when the survey was administered), the proportion of cases terminated is likely to change.[9]

Of the 231,000 families who reached any time limit, 19 percent were in New York, 18 percent were in Connecticut, 9 percent were in Louisiana, and 8 percent were in both Indiana and Ohio. Thus, the five states with the most families reaching a time limit account for 62 percent of all cases reaching a time limit, while 64 percent of the cases that reached a shorter state time limit are concentrated in the top five states. Also noteworthy is that, of the 54,000 families who have reached the 60-month time limit, 81 percent are located in New York State.

By considering states where at least 100 families had reached a time limit, it is possible to categorize the states as belonging to one of three groups: (1) states that continue to provide child-only or non-TANF assistance; (2) states that liberally grant extensions to families who have reached the time limit; and (3) states that have terminated the benefits of most families who have reached the time limit.

- **States that continue to provide child-only or non-TANF assistance:** Two states — Arizona and Indiana, both of which have a 24-month time limit — continued to pay reduced benefits to cover the children's needs but not the adults' (in Arizona, the adults become eligible again after three years of ineligibility). Hawaii and New York continued to pay non-TANF assistance to families who reached the time limit, although Hawaii paid a reduced benefit and only to those working 20 hours per week (increasing to 30 hours per week in July 2002). Half of the families in Hawaii were eligible for this benefit. Texas also has a short time limit that resulted in a reduced benefit for the children's needs. However, the state plans to close the TANF case once the family reaches the 60-month time limit.

[9]In this estimate, Alaska, Colorado, Minnesota, and Montana are considered as not having had any families reach a time limit; however, as indicated in Appendix Tables A.9 and A.12, a minimal number of families have reached the federal time limit in these states. This is because they moved into those states from a state that had implemented its TANF program earlier.

- **States that liberally grants extensions:** Several states extended most families' benefits at the time limit. Kansas, Maine, and Mississippi continued providing benefits to virtually all recipients who reached the time limit. Maryland continued to provide assistance to all individuals who were complying with the program requirements. Florida, Georgia, Louisiana, Nebraska, New Hampshire, Oklahoma, and Utah gave extensions to the majority of families who reached the time limit. These families may later have been terminated.

- **States that have terminated most families' benefits:** The time limit resulted in case closures for most families in Arkansas, Connecticut, Iowa, Kentucky, North Carolina, Ohio, South Carolina, Tennessee, Virginia, and West Virginia. Most of these states had provisions that allowed families who later qualified for an extension to apply for benefits, although it is unknown to what extent this occurred.

For several states, only a small number of families have reached the time limit, and the state is still developing policies and processes for determining which families will be granted extensions and what other types of assistance might be available to families whose case closes as a result of the state or federal time limit. In the coming year, it will be important to monitor the experiences of these states and the states where families have yet to reach the time limit.

Chapter 4

The Implementation of Time Limits

Chapters 2 and 3 provide a broad overview of the states' time-limit policies and experiences. This chapter delves more deeply into how time limits are implemented, focusing on eight states where substantial numbers of families have reached limits.

At first glance, the implementation of a time limit might seem straightforward — welfare agencies simply need to count months of benefit receipt and then stop the checks when the limit is reached. Complexities arise because the welfare system, in addition to preparing recipients for self-sufficiency, also continues to serve its original purpose of protecting children from severe destitution. No governor or welfare administrator wants to see large numbers of vulnerable families lose their benefits without jobs or alternative sources of support. Thus, welfare agencies try to minimize the number of families who reach time limits unprepared for self-sufficiency, and they create exceptions (exemptions and extensions) to protect recipients who are unable to achieve it despite diligent efforts.

But how do staff motivate recipients to take action when the deadline may seem far away and when other policies such as earned income disregards may send conflicting messages? How do administrators make consistent, equitable judgments about who is unable to work and who has made a good-faith effort to find a job when these concepts are inherently fuzzy and subjective? And how do agencies strike a balance between implementing reasonable safeguards and weakening the message that welfare is temporary? Clearly, examining implementation at the "street level" is crucial to understanding time limits.

The information presented in this chapter is based on interviews with welfare administrators, supervisors, and line staff in eight states. As discussed in Chapter 1, MDRC conducted limited field research exclusively for this report in five states: Georgia, Louisiana, Massachusetts, New York, and South Carolina. The chapter also draws on separate MDRC studies in Connecticut, Florida, and Ohio.[1] In all eight states, the research focused on particular cities and selected welfare offices in those cities. The findings illustrate the diversity in the implementation of time limits, but they are not necessarily representative of implementation nationwide or even throughout the eight states. Appendix B describes the field research and includes a brief

[1]Specifically, the chapter includes information from the following MDRC studies: The Project on Devolution and Urban Change (Cuyahoga County, Ohio [Cleveland], and Miami, Florida); the Jobs First Evaluation (Manchester and New Haven, Connecticut); and an evaluation of Florida's Family Transition Program (FTP), a pilot program that operated in Escambia County (Pensacola) from 1994 to 1999.

profile of time-limit policies and practices in the eight states. Table 4.1 provides a quick summary of each state's policy.

Welfare Time Limits

Table 4.1

Brief Summary of Time-Limit Policies in the States Discussed in This Chapter

State	Time Limit
Connecticut	21-month limit, with extensions 60-month lifetime limit with few exceptions
Florida	24 months in a 60-month period for most recipients 36 months in a 72-month period for the most disadvantaged 48-month lifetime limit
Georgia	48-month lifetime limit
Louisiana	24 months in a 60-month period 60-month lifetime limit
Massachusetts	24 months in a 60-month period
New York	60-month limit, followed by Safety Net assistance
Ohio	36 months followed by 24 months of ineligibility 60-month lifetime limit
South Carolina	24 months in a 120-month period 60-month lifetime limit

As Table 4.1 makes clear, the chapter mostly pertains to state time limits of fewer than 60 months. New York has a 60-month limit, but limits in the other states range from 21 months (Connecticut) to 48 months (Georgia). This is not surprising, because, as noted in Chapter 3, a large majority of the families who have reached time limits nationwide have reached shorter state time limits. But the focus on shorter time limits in this chapter means that the practices discussed may not reflect the implementation of the federal 60-month limit.

The chapter is organized around the following topics: how the time-limit message is communicated, how exemptions are handled, working with cases approaching the time limit, the extension process, and what happens after the time limit is reached.

Key Findings

Key findings presented in this chapter include:

- The implementation of time-limit policies varies considerably across the eight states, and even from welfare office to welfare office within some of the states.
- In trying to send a clear message, welfare staff present simplified versions of time-limit rules, typically ignoring such complexities as periodic time limits and deemphasizing the possibility that extensions may be granted.
- All eight of the states grant time-limit exemptions or extensions for recipients with medical problems that limit their employability, but the processes for identifying and verifying such problems are quite different from state to state.
- Welfare staff more carefully monitor a case as it begins to approach the time limit. This serves the dual purpose of targeting services to recipients who need them and assessing whether individuals are complying with program rules.
- Most of the eight states grant extensions or exemptions for recipients who comply with program rules but do not have jobs when they reach the time limit. How states determine who has played by the rules varies considerably, although many states base the decision on recipients' current willingness to comply with the program's work requirements rather than on their past history.

Communicating the Time-Limit Message

The architects of welfare reform imposed time limits to create a sense of urgency that would motivate recipients to change their behavior. For time limits to have this effect, recipients must know about the policies and understand the consequences of reaching the time limit. This section discusses how welfare departments inform recipients about time limits and what kind of message they send.

How Welfare Departments Inform Recipients About Time Limits

Welfare agencies inform recipients about the time-limit policy and about each recipient's status (for example, how many months of benefits have been used and how many remain). In all eight states studied, line staff discuss time limits when a parent applies for cash benefits and at various points thereafter.

Staff consistently report that recipients tend not to focus on the time limit while it is still far away, so it is critical to repeat and reinforce the time-limit message. In-person appointments, whether focused on eligibility or employment issues, present an opportunity to drive home the message. Mandated reviews may occur more frequently as recipients get closer to the time limit. In Massachusetts, "transition reviews" are initially scheduled every 6 months but become more frequent as recipients pass the 12-month mark, if they are not working or participating in an employment activity. The reviews focus on the recipient's status vis-à-vis the time limit and her plans for supporting her family after leaving cash assistance. Such reviews are particularly important in Massachusetts, because a large share of the recipients who are subject to the time limit (that is, families with children between ages 2 and 5) do not have a work requirement.

As discussed in Chapter 2, welfare departments also use formal notices and letters to inform recipients how much time they have used and how much they have left. In Ohio and South Carolina, recipients are told how many months of assistance are remaining when they receive each benefit check and through many other notices from the welfare department. In other places, recipients receive status reports when they begin to approach the time limit. For instance, in Georgia, recipients get a system-generated notice at 12 months, 36 months, and every month thereafter as they approach the 48-month limit. In Louisiana, where there is 24-month limit, recipients get an official notice at the 18-month point. In New York, standard letters are sent at 54 and 58 months. Massachusetts officials noted that they rely less on letters because recipients' exemption status can change frequently, making it difficult to ensure that letters are accurate.

Welfare offices also "advertise" time limits and other features of new policies through posters and banners hanging in waiting rooms and in staff offices. "The clock is ticking" is a common sight on welfare office walls and a catch-phrase used by many caseworkers. Images of ticking clocks and hourglasses have become familiar.

There are several challenges to reinforcing the time-limit message. For example, in Connecticut, MDRC's evaluation found that staff informed recipients about the time limit at application and at redetermination appointments but had relatively infrequent contact with clients otherwise. In order to facilitate serving large numbers of people, the state's welfare reform program was designed so that staff and recipients did not necessarily need to interact frequently, which gave staff fewer opportunities to reinforce the time-limit message.

Another challenge arises because, in many states, employment services are delivered through an array of subcontracted service providers or through the workforce development system. It can be difficult for a welfare agency to ensure a strong, consistent message when recipients may interact more regularly with staff from other agencies.

Messages That Staff Convey About the Time Limit

In discussing time limits, staff try to send a clear message that welfare is no longer an entitlement or a long-term option. In some cases, however, the complexity of the policy itself can obscure the message. Conversations with administrators and line staff revealed that, in trying to send clear messages, staff present simplified versions of the time-limit rules, commonly ignoring or glossing over complexities. For example, staff in Massachusetts, Louisiana, and South Carolina largely ignore the periodic nature of their state's time limits, referring to the time limit as being 24 months. In Florida, some recipients can receive 36 months of benefits in a 72-month period, while others can receive only 24 months in a 60-month period.[2] In addition, as noted below, recipients are eligible to "earn back" months on their time-limit clock. Caseworkers in Miami stick to a general message that welfare is limited; they would have to make a manual calculation to figure out how many months of benefits remain for a particular client.

Staff may oversimplify to such a great extent that recipients are not aware of the benefits that they can receive. For example, in Massachusetts, advocacy groups started a publicity campaign to inform recipients and former recipients that 60 months had elapsed since the imposition of the state's time limit (24 months of receipt in a 60-month period) — meaning that recipients' 24-month clocks could be reset to zero.

The interaction between state and federal time limits can also cause confusion. In Connecticut, recipients are informed of their status in relation to three different time-limit counters — the state 21-month limit, the state 60-month limit, and the federal 60-month limit. The three counters may be different because, for example, some recipients are exempt from the state time limits during months in which their federal clock is running. Also, the state 60-month time limit counts months of receipt since October 1996 (when TANF was implemented), while the state 21-month counter began as early as January 1996, when the state's waiver program began.[3] In most of these states, however, the federal time limit was largely invisible to recipients and line staff. Officials in the state central office track months of federally funded benefits, but the shorter state limit is emphasized in interactions with recipients.[4]

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[2]Recipients who qualify for 36 months out of 72 include custodial parents under age 24 who have not completed high school or who have no work experience and recipients who received assistance for at least 36 of the last 60 months.

[3]Both of the state counters have direct relevance to recipients (the state 60-month limit allows fewer exceptions than the 21-month limit). The state decided that recipients should be informed about their status with regard to the federal counter because this information could affect their eligibility for assistance if they move to another state.

[4]In both Massachusetts and South Carolina, months in which a recipient is exempt from the state time limit are also not counted toward the federal time limit. A pre-1996 waiver program still applies in South Carolina, and Massachusetts uses state funds to pay for benefits in months when a recipient is exempt.

Sometimes, simplified language can have unintended side effects. For example, in Atlanta, caseworkers said that they tell recipients, "TANF is a four-year program." Similarly, in Florida's Family Transition Program (FTP), some staff told recipients the date — two or three years in the future — by which time they would need to leave welfare. MDRC found that formulations like these may lead some recipients to adopt the time limit as their personal schedule for leaving welfare, rather than trying hard to leave earlier.[5]

Messages about benefit extensions. Although written materials usually explain all rules about time limits, staff in most of these eight states avoid discussing the possibility of extensions until recipients are very close to the time limit. Many workers believe that talking about extensions will undermine recipients' motivation and sense of urgency. As one Massachusetts caseworker put it, "Talking about extensions would defeat the purpose of the time limit; extensions are supposed to be for emergencies." In Florida's FTP, extensions were discussed so infrequently that many recipients did not know they were possible.

Ultimately, however, messages about extensions will inevitably be shaped by the way that the extension policy is implemented. When a time limit is first imposed and no one has reached it, both staff and recipients are uncertain what will happen (that is, who or how many people will be allowed to continue receiving benefits after they reach the time limit). Many states — perhaps intentionally — do not finalize their procedures for families reaching the time limit until just before the first group reaches it, so staff do not know which rules will apply. During this early period, a message that deemphasizes extensions is credible. In fact, some Connecticut staff reported that they thought it would be unfair to lead recipients to believe that they would receive extensions, because staff themselves did not know whether this would be the case.

After families start reaching the time limit, the grapevine takes over, and staff must adapt their message to the reality. This happened in New Orleans. Staff initially warned that the clock was ticking, but as word spread about the extension policy, they stopped using "the clock" as a threat. Now they try to send the message that "it gets complicated after 24 months," implying that recipients should get off assistance before then. Similarly, in Connecticut, it would not be credible to tell recipients that extensions to the 21-month time limit are rare, because most recipients undoubtedly know that extensions are quite common.

Messages about banking months of eligibility. Many believe that welfare staff should counsel recipients to leave the rolls as quickly as possible to save, or "bank," some of their months of assistance for the future. This message can be difficult to sell, however, because

[5]For example, in the FTP evaluation, MDRC conducted a small-scale survey just after people were randomly assigned to either the program or the control group and asked them how long they expected to stay on welfare. Program group members were quite likely to give a response that matched their time limit, while control group members often predicted they would get off welfare sooner.

many recipients feel that they have few alternatives to welfare in the short term. Expanded earnings disregards further complicate the banking message. To benefit from an expanded disregard, a recipient needs to stay on welfare after finding work. Should staff urge recipients to take advantage of disregards by combining work and welfare? Or should they urge clients to bank their remaining months of eligibility by voluntarily leaving welfare? The approaches taken by staff reflect the particular characteristics of policies in each state.

In Connecticut, the financial incentives to work are unusually generous. Recipients can earn up to the federal poverty level and receive the full grant amount ($543 for family of three). This leads Connecticut staff consistently to recommend that recipients use the disregard. A banking message would not be credible when recipients would have to give up such a large sum of money in order to leave welfare while still eligible. In Louisiana, during the first 24 months — when recipients work and are eligible for a temporary $900 disregard — their time-limit clocks stop. This policy eliminates the dilemma; staff can market the disregard because there is no downside for recipients.

In other states, staff are much more likely to urge recipients to bank months of eligibility in case they face a later emergency — essentially ignoring the disregard. In Charleston, South Carolina, case managers discuss the pros and cons of the disregard but encourage recipients to opt out of welfare whenever they have a job that allows them to support themselves, rather than taking advantage of the disregard. Similarly, Atlanta staff said they tell recipients to save their months in case of an unforeseen problem down the road. Staff appear more likely to emphasize saving months of eligibility when a recipient is working and receiving only minimal TANF benefits (especially if she also receives child support payments regularly) or when the recipient has only a few months left before the time limit. New York City recently instituted a pilot program, discussed below, that gives working recipients bonus payments for closing their welfare cases before reaching the time limit.

Messages about education and training. Policies that emphasize quick entry into the labor market (often called "work-first policies") limit recipients' opportunities to attend education and training programs. Nonetheless, where the option is available, staff must decide whether to encourage recipients to seek short-term training that might help them get better jobs or to try to find a job and leave welfare quickly to stop the time-limit clock. In most states, staff stress the work-first message rather than advising recipients to use their time on welfare to upgrade their skills. This is consistent with the overall philosophy of the states' welfare reforms.

For selected groups, however, some states do advocate training or education, particularly early in the time-limit counter. Caseworkers in Cleveland said that they encourage recipients who lack a high school diploma or General Educational Development (GED) certificate to obtain more education or training before looking for a job. Staff in Massachusetts said that they urge clients who have children between ages 2 and 5 —recipients who are exempt from work requirements but subject to the time limit — to take advantage of the opportunity to further their education. Nevertheless, local advocacy groups continue to question the state's commitment to education and training. Many Massachusetts staff said that they would support a greater emphasis on training and education, since the time limit eliminates the possibility that recipients will stagnate in such programs for long periods. Staff in Florida's FTP placed a fairly heavy emphasis on education and training, particularly during the program's early years; they believed that the time limit magnified the importance of finding well-paying jobs.

Exemptions from Time Limits

As discussed in Chapter 2, many states exempt recipients from time limits when they are disabled, caring for a disabled household member, caring for a young child, pregnant, victims of domestic violence, or qualify for other reasons. While some of these circumstances (for example, pregnancy and a child's age) can be easily identified and validated, complications arise with exemptions for medical issues or other hardships, which are inherently less clear-cut. Are recipients identified as needing an exemption through in-depth assessments or clients' own reports? What review mechanism is in place so that situations are handled consistently across different workers and offices? What is the process for obtaining such as exemption, and how do states balance the need for accurate information with the need to develop a process that is not too burdensome for recipients with serious problems?

Not all states suspend time-limit clocks through exemptions. States with no or few time-limit exemptions, like Georgia and New York, let the clock run for individuals with medical or mental health problems, though these recipients may be exempt from work requirements (these states still need to determine who qualifies for an exemption from work programs). The theory is that, without the possibility of an exemption, every recipient feels pressure to move toward self-sufficiency. These states implement safeguards through their extension policies when recipients reach the time limit.[6]

[6]Exemptions and extensions can have very different implications for a recipient whose status changes. Consider someone who is disabled for 23 months, healthy for 1 month, and then reaches a 24-month time limit. If exemptions for incapacitation were available, she would have 23 months remaining on her clock. If not, she would be at the time limit and, presumably, ineligible for an extension based on incapacitation — although she would likely not have obtained services to help prepare her for self-sufficiency.

Identifying Recipients with Medical Problems

States that allow time-limit exemptions for medical problems that affect employability use different approaches to identify the recipients who are experiencing such problems. In most of the states that were visited, staff routinely review the exemption reasons and ask recipients if any of them apply. For example, at each transition review, Massachusetts caseworkers ask, "Are there health issues including drug or alcohol use that are preventing you from finding a job?" For the most part, however, staff rely on recipients to self-report their problems; most agencies do not proactively assess whether recipients have particular health problems that may prevent them from working.

One might assume that recipients with medical problems would report them, but the reality is more complex. Staff report that stigma, fear, and lack of knowledge make some recipients reluctant to discuss health problems, particularly mental health issues. Similarly, many parents will not report their substance abuse problems for fear of losing their children to the child welfare system. One New Orleans worker who runs a two-week job-readiness training program commented that "a lot of barriers are not readily apparent until you deal with the person day after day."

Welfare staff are usually not trained to recognize such problems, and they typically do not spend much time with each client. A supervisor in Massachusetts noted that "some workers are better than others at getting clients to admit problems." As a result, certain kinds of problems may slip through undetected. Special post-time-limit outreach programs, discussed below, sometimes encounter recipients who should have been exempted but instead had their benefits terminated. Difficulties in identifying recipients with serious barriers to employment have existed as long as states have had work requirements, but the stakes are higher now that people with severe problems risk losing benefits when reaching time limits.

It is difficult to assess the magnitude of this problem, but some client advocates see it as a serious issue. In both Connecticut and Massachusetts, the state TANF agencies have been criticized for not being proactive enough in identifying recipients' barriers to employment, even though about one-half (Connecticut) to three-quarters (Massachusetts) of the welfare caseload are exempt from the time limit.[7] Critics believe that the states should conduct more thorough assessments of recipients' limitations well before they approach the time limit.[8]

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[7]These figures include child-only cases. Among cases with an adult, about a third are exempt in Connecticut, and over half are exempt in Massachusetts.

[8]In a related case, the U.S. Department of Health and Human Services Office for Civil Rights found in 2001 that the Massachusetts TANF agency does not adequately screen welfare recipients for learning disabilities or provide appropriate services for such recipients.

Line staff acknowledge that a small number of recipients may fall through the cracks but contend that they have few options when a recipient is unwilling to reveal a problem or does not follow through with the exemption process. Administrators may be reluctant to devote scarce resources to in-depth assessments that do not necessarily provide reliable information about recipients' functional limitations; they argue that the best way to assess whether problems exist is to see how recipients perform in required work activities.

Some agencies conduct assessments to uncover barriers to employment. For instance, in Cleveland, welfare staff use an hour-long conversation to determine clients' job-readiness and issues concerning housing, medical care, clothing, food, substance abuse, and social support. Elsewhere, recipients are referred to outside agencies for assessment. Although Georgia does not grant exemptions, many cases in Atlanta are referred to the vocational rehabilitation department for a thorough assessment of medical and mental health. New York City administers a substance abuse screening questionnaire to all welfare applicants. If the responses indicate a potential substance abuse problem, the individual is referred for additional evaluation and, if appropriate, to a treatment provider.

The Process for Getting a Medical Exemption

In an effort to prevent the abuse of exemption policies, the states that were studied require various levels of documentation to verify medical disability claims. In South Carolina, a doctor's statement is sufficient. Elsewhere, however, a central review process is required. For instance, Massachusetts and New York contract with outside vendors to review doctors' statements, and recipients may be required to see another doctor before their exemptions are granted. This process, designed to ensure consistency and minimize fraud, can take a long time to complete. In Connecticut, caseworkers can grant some short-term exemptions, but longer-term exemptions must be approved by a centralized medical review team. In New Orleans, one staff person (not a doctor) reviews all requests for medical exemptions in the region.

Critics point out that the same issues that prevent some recipients from working steadily also make it difficult for them to navigate complex, multistep exemption review processes. Again, mental health problems are most likely to present a problem: Many recipients with mental health problems have not been receiving medical care and do not enter the exemption review process with a physician's statement. As a result, they may be required to see a psychologist or other specialist as part of the process. By virtue of their condition, some of these individuals have difficulty keeping appointments, and so their medical exemption may be denied for failing to follow through.

Medical exemptions usually remain valid for a specific length of time. For short-term medical issues, the doctors or the review vendor determine the duration of the exemption. Staff judge some recipients to be so disabled that they will never be employable, and they and may refer such clients to a specialized worker or agency to help them navigate the eligibility process for Supplemental Security Income (SSI).

Working with Cases Approaching the Time Limit

Though time limits are intended to motivate recipients, they also increase the pressure on states to design effective welfare-to-work programs. If more recipients find employment and leave welfare, fewer families risk being cut off at the time limit. Time limits also increase the pressure on the welfare staff who are responsible for preparing clients for the time limits. As a time limit draws near, staff make special efforts to engage recipients in welfare-to-work programs, and they carefully monitor participation. These intensive efforts serve two purposes: They target services to recipients in need, and they also provide evidence about whether recipients are willing (and able) to comply with work-related requirements.

Linkages with Welfare-to-Work Programs

Welfare staff work to link clients with employment services from the time they first come onto welfare, but staff generally renew the pressure when clients get close to the cutoff point. Some localities rely on the same employment service options for new recipients as for those nearing the time limit, while others have established special programs for recipients at risk of reaching the limit. In New York City, cases that reach the 48-month point are transferred to a special unit of staff who handle both eligibility and employment functions in order to ensure that these cases receive focused attention.[9] In Florida's FTP, recipients who were approaching the time limit and were unemployed were referred to special job developers who worked very intensively to help people find jobs. In New Haven, Connecticut, all recipients who reached the 16-month point were offered assistance from social work staff.

Automated computer systems in all states track the months of cash assistance receipt, and staff can quickly access this information. In some places, however, staff commented that the system was not always correct, and so they manually performed a double check for clients nearing the time limit. To focus additional attention on recipients close to the time limit, some administrators generate lists of such cases and then require supervisors or line staff to report on the status of each recipient.

[9]Although recipients are generally not terminated from welfare at New York's time limit, they are shifted to a program that is entirely state- and city-funded; thus, there is a strong fiscal incentive to help recipients exit from welfare before reaching the 60-month point.

According to one office manager, strict reporting requirements for recipients in the months surrounding the time limit take up the majority of her time. Staff confirmed her assessment. The increased workload attributed to time limits drove the redeployment of staff in several welfare offices. Two New Orleans welfare offices recently created a specialized position to handle the work requirement and the time-limit functions without being responsible for eligibility issues. Even staff in these specialized positions expressed frustration with the complexity of the rules — specifically, with the different criteria for exempting cases from time limits as opposed to work requirements.

Sanctions

Increased monitoring may increase the likelihood that sanctions will be imposed on recipients who do not abide by participation mandates. Many states impose full-family sanctions after one or more instances of noncompliance with work requirements. Families cut off because of full-family sanctions stop accumulating months toward the time limit (unless they subsequently return to welfare). Miami has sanctioned large numbers of cases for failing to comply with work requirements, and many more people there have lost benefits as a result of sanctions than because of the time limit. In Atlanta, case managers said that they are more lenient in the early months, more willing to give recipients several chances to comply. Closer to the time limit, however, they become quicker to sanction. In some states, frequent full-family sanctions are a key reason why few families have reached time limits. While much attention has focused on families reaching time limits, sanctions are likely to occur out of the spotlight, as part of the day-to-day operations of the welfare office.[10]

Some states have deemphasized sanctioning. In South Carolina, when a new welfare director took over in 1998, she sought to decrease the state's previously high sanctioning rate by implementing a system of extensive conciliation. Case managers are expected to call clients, revise their employment plan, and make home visits to engage the clients in the program. After taking those steps, case managers must meet with their supervisor and with the county director before imposing a sanction.

The Pre-Time-Limit Review

Chapter 2 notes that most states conduct a formal review of recipients' status just prior to the time limit. One purpose of the review is to make sure that recipients understand that their cash grant will end unless they meet certain criteria or, where necessary, apply for an extension. Staff may also use the review to determine which recipients qualify for an exemption or extension. In Cleveland, recipients are required to attend an extensive and structured review six

[10]See Pavetti and Bloom, 2001.

months before the time limit. A key focus of the interview is to determine whether families have a realistic plan and will have sufficient income after their cash grant ends. At the end of the meeting, recipients write in their own words how they plan to support their family when they reach the time limit. In Massachusetts, a similar purpose is served by the final transition review, which is conducted just before the time limit.

As discussed below, the pre-time-limit review meetings may also be part of the extension process. In Connecticut, recipients who fail to attend an "exit interview" have their case closed at the time limit because they have not requested an extension (the exit interview also serves as a redetermination for Food Stamps and Medicaid). In New Orleans, staff invite recipients to a review meeting two months prior to their time limit, but attendance is not mandatory. Possibly because staff do not meet with every recipient, they do not always determine whether someone reaching the time limit qualifies for an extension. Nonetheless, these recipients continue receiving benefits. Staff must enter a particular code to stop benefits at the time limit. In other states, the computer system automatically stops benefits at the time limit unless an extension code is entered.

Meeting with each recipient as the time limit approaches imposed great burdens on staff when large groups of recipients all reached the time limit concurrently. In Massachusetts, approximately 5,000 recipients reached the time limit at the same time in late 1998. Staff in one office remarked that when the first cohort of recipients reached the time limit, the entire office devoted its resources toward approving or denying extension requests. In retrospect, state officials would have preferred to phase recipients into the time limit more gradually. New York City set up a special centralized process to handle thousands of cases approaching the time limit in December 2001; recipients were required to file a brief application in order to transition to the post-time-limit Safety Net program. Press reports suggested that many recipients fell through the cracks and failed to make the transition; city officials report that about 90 percent of nonexempt cases were converted to the Safety Net program.

Benefit Extensions

Extension decisions exert tremendous influence on the outcomes of time-limit policies. If many people get extensions, it may reduce the effectiveness of time limits in motivating others to get a job and leave the rolls. If extension rules are too stringent, vulnerable families may lose benefits and suffer as a result.

As discussed in Chapter 2, states have quite different approaches to extensions. Among the states discussed in this chapter, Connecticut, Florida, and Georgia grant a relatively large number of extensions, while Ohio closes most cases that reach the time limit. South Carolina and Massachusetts initially denied most extension requests, but both states report that they are now much more likely to grant extensions. Louisiana closes many cases because of the time limit — often because the recipient fails to comply with work requirements after reaching month 24 — but it appears that many of these families subsequently return to welfare.

The extension review processes are also quite different. Some states, including Connecticut and Massachusetts, require recipients to formally request an extension. In others, each case is automatically considered to see if it qualifies. South Carolina now grants an extension to all recipients who are deemed to be compliant with the program just before reaching the time limit.

Recipients Who Are Working When They Reach the Time Limit

Some states have found that a large proportion of the recipients who reach their time limits are employed and benefiting from expanded earnings disregards. States differ in their approaches to these recipients. Connecticut's generous disregard allows recipients to earn up to the federal poverty level without any corresponding decrease in cash grants. When recipients reach the time limit, if their income is equal to or greater than the cash grant amount, they are ineligible for an extension. Massachusetts initially used this approach, contending that the expanded disregard should not apply after the 24-month point. However, a court ruled that the disregard must be applied after the time limit, so that recipients cannot be denied an extension based on their earnings. Now, recipients working full time are automatically granted an extension. Those working part time, however, must also participate in a job search program to demonstrate that they are seeking full-time employment, and they are much less likely to receive an extension.

New York City is testing an innovative approach for employed recipients. The welfare agency has created a bonus program targeted to individuals who are working at least 20 hours per week (and have been for four months) and receiving cash assistance. Recipients who voluntarily close their TANF case receive a monthly cash payment of $200 for one year. Recipients benefit both because the bonus is likely to exceed their TANF grant and because they save their remaining months of eligibility. From the state and city perspective, the bonus is considered "nonassistance" and does not count against the federal time limit. Although open to any recipient who meets the criteria, the bonus program is actively "sold" to employed recipients approaching the 60-month time limit.

Florida rewards recipients who find employment by allowing them to "earn back" one month of benefits for each month of unsubsidized employment (up to 12 months). Over time, this has been expanded to include public sector or subsidized employment. In practice, however, this policy has been difficult to administer, mainly because the state's welfare computer system is not set up to account for the credit, so that recipients' clocks must be manually adjusted.

Recipients Who Comply with Program Requirements

In some ways, the extension decision is more important when a recipient is not employed upon reaching the time limit. As discussed in previous chapters, many states make an allowance for recipients who make a good-faith effort to comply with program mandates or to seek and retain employment but are unsuccessful.

States define "good faith" or "compliance" in various ways. Connecticut considers a recipient's past conduct and has a clear definition of compliance. Those who have fewer than two employment services-related sanctions and who have not quit a job without good cause in the prior six months are deemed compliant. Connecticut also allows clients who have been sanctioned twice to restore their eligibility for an extension by complying with a special Individual Performance Contract. In practice, almost all recipients who reach the time limit without a job are deemed to have made a good-faith effort and are granted at least one 6-month extension. Essentially, they are given the benefit of the doubt, even if their participation was not closely monitored during the prior months. Florida's FTP also assessed compliance based on past performance, but there was no explicit definition of compliance; in that case, almost everyone who reached the time limit without a job was deemed noncompliant and had his or her benefits terminated.

Other states, such as Georgia and Louisiana, emphasize current or future willingness to comply as a condition for granting extensions. In these states, recipients willing to participate in an employment services program are granted extensions. One Atlanta office manager commented that staff put a lot of effort into not closing cases. Recipients are given an opportunity to comply and enroll.

The Massachusetts extension policy calls for caseworkers to consider the recipient's work history and participation record and whether the recipient has cooperated with the department's rules and regulations. Policymakers hoped that this approach would keep recipients motivated, because no one was assured of getting an extension. When a recipient requests an extension, the caseworker prepares an extensive review of the recipient's case history. But staff report that, in practice, what matters most in the extension decision is the recipient's willingness to attend a structured job search program at the end of the time limit. One manager remarked that, to get an extension, "all that matters is what they are doing now." Staff express surprise that many recipients do not request extensions. Some speculate that such recipients may not want to attend the structured job search program because they do not believe it will help them; staff also believe that clients who do not request extensions usually have unreported income or family supports.

New York has a 60-month time limit on cash benefits, but compliant individuals can continue receiving benefits beyond this point through the state's Safety Net assistance program;

Safety Net benefits are paid only partly in cash. In order to transition to the Safety Net, recipients must complete an application for the program prior to month 59 of benefits.

New York does not have full-family sanctions, so sanctioned cases still receive partial grants. New York City's process for transferring these noncompliant cases to the Safety Net program attempts to force them to comply: All sanctioned recipients citywide are scheduled for an appointment at the central headquarters of the fraud division in Brooklyn (the appointment can be rescheduled if the recipient is unable to attend at the scheduled time). Recipients who show up for the appointment encounter a lengthy, multistep process that begins with an interview with a fraud investigator that focuses on how the recipient is supporting herself on reduced benefits. The next step is an interview with a substance abuse counselor to determine whether substance abuse is a hidden reason for noncompliance; if so, the recipient is referred for treatment. Lastly, if the recipient agrees to comply with work requirements, she is seen by a caseworker to receive her work assignment and file a Safety Net application.

A substantial number of recipients do not attend the appointment at all, which makes them ineligible for the Safety Net. Initially, recipients were offered subsidized jobs at the end of this process, and those who refused the jobs were not allowed to move to the Safety Net program. The city eventually exhausted all the subsidized jobs, so now recipients must cooperate with a job placement vendor in order to make the transition.

Supervisors and staff in most of the states acknowledge that there is subjectivity involved in the extension decision process and that different workers may interpret the same information differently. This is particularly true when terms like "compliance" and "good-faith effort" are not specifically defined in policy. Because the consequences of denying an extension are so serious, some states have developed review processes to try to ensure that the decisions are appropriate and consistent. In New Orleans, case managers can extend benefits for some reasons on their own, but issues such as "job factors are unfavorable" require supervisory approval. In Massachusetts, line staff make recommendations regarding extensions, which are subject to review by office directors, who actually authorize extensions. Initially, office directors' decisions were then reviewed by administrators in the regional and central offices. This extensive review process was established to ensure uniformity. Over time, administrators came to feel more confident that cases were being handled consistently, and they eventually eliminated the regional and central office reviews. Florida's FTP, which never defined "compliance," used an unusual Review Panel of volunteers from the community to review decisions about benefit termination, although, in practice, the panel generally followed the recommendations of staff.[11]

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[11]A recent report on the Wisconsin Works (W-2) program documents that when extensions are granted on a case-by-case basis, as they are in Wisconsin, this can take considerable amount of time by

(continued)

In contrast, in Connecticut, where "good-faith effort" is more clearly defined, caseworkers can generally make the extension decision without extensive review.

Other Extensions

In addition to granting extensions based on personal factors, some states have policies that allow extensions based on general conditions such as the availability of jobs or child care slots. To date, these criteria have not been widely used, even though the site visits were conducted during an economic downturn. New Orleans staff did say that occasionally recipients have received extensions because "factors relating to job availability are unfavorable as determined by the case manager's evaluation of the individual." For example, a person facing an insurmountable language barrier might gain an extension on this basis.

After the Time Limit

States that grant many extensions have developed special procedures and policies for recipients in extensions. Several states have also developed special outreach programs for recipients whose benefits are terminated because of time limits.

What Happens During an Extension

Individuals usually receive extensions on the condition that they comply with employment-related requirements. Extensions are usually granted for a finite period — usually a few months — but typically may be renewed. Staff in many offices say that they do not conciliate with recipients in an extension; if clients fail to cooperate, they are cut off. In these instances, it may be difficult to determine whether cases are closed because of noncompliance with the work requirement or because of the time limit. For example, in Connecticut, a recipient whose case is closed for noncompliance during an extension is not considered to have been closed due to the time limit. However, if someone is denied an extension for the same reason, it is considered a time-limit closure. One manager in New Orleans noted that the data system includes separate case closure codes for noncompliance and time limits, but said that either code is appropriate for many clients.

In some cases, welfare offices enjoy considerable latitude in enforcing extension conditions. For example, one office in New Orleans sends letters highlighting one way to maintain benefits. Recipients must make 20 job contacts each month. The letter provides a month-by-month schedule for completing the contacts. In contrast, staff in another office do not "adver-

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staff. Extension requests receive considerable review at many levels. This in-depth review process has been possible because few people have applied for extensions (Gooden and Doolittle, 2001).

tise" the independent job search route to an extension, preferring to assign recipients to an employment-related work activity.

Recipients can sometimes get more than one extension. In South Carolina, two counties have very different approaches to multiple extensions. In one county, recipients were generally restricted to one 3-month extension; in another, recipients typically received a 6- or 12-month extension upon reaching the time limit, and they often received additional extensions after that. Where generous extension policies are in effect, staff often felt that they lost credibility with recipients because, as noted by one case manager in New Orleans, when welfare reform began, they had said to them, "You need to do this [get a job] or you'll be out of luck," but "now [clients] see there are no teeth in that threat."

What Happens When Cases Are Closed

Return to welfare. It is sometimes possible for individuals to return to welfare after their cases are closed at a time limit. Sometimes, if they seek reinstatement quickly and are willing to comply, staff simply reinstate their benefits. If more time elapses, they must return through the intake unit, complete a new application, and show that they qualify for an extension. In New Orleans, handing in evidence of 20 job contacts during the application period allows benefits to be reinstated. Several staff commented that there are recipients who cycle through the system, complying long enough to get a few months of benefits before they are caught out of compliance again.

In Atlanta, a few individuals who had used up their 48 months of benefits and had been working returned to assistance because they lost their jobs. One administrator thought that these individuals could receive benefits under the "incomplete workplan" extension criterion if they entered an employment program. State officials thought otherwise and are not allowing these individuals to return to the rolls.

Connecticut's policy explicitly states that recipients can apply for extensions at any time — upon reaching the time limit or after being cut off. Thus, a recipient who is denied an extension because her income is above the welfare payment standard and who then experiences an involuntary drop in income several months later can apply for an extension at that point. However, MDRC's evaluation found that few of the recipients who were denied extensions ever returned to the rolls; a survey found that relatively few of them were aware that they could receive benefits again in the future.

Eligibility for other benefits. Although staff say that families who are cut off of cash assistance because of time limits usually continue to receive Food Stamps and Medicaid, practices differ from state to state. In Massachusetts, Medicaid continues and Food Stamps continue for at least one month, and then recipients must be recertified. Often, if former recipients become employed, they can apply for transitional services. In Cleveland, staff try to make sure that families continue to get Food Stamps and Medicaid by explicitly telling recipients about the availability of those benefits during the pre-time-limit review meeting. In Connecticut, recipients who were reporting earnings at the time of case closure are automatically moved to the transitional Medicaid category.

As discussed in Chapter 6, several studies have found that individuals who leave welfare because of time limits are more likely than other leavers to continue receiving Food Stamps and Medicaid after exit — regardless of whether they are working. It may be that the extensive pre-time-limit processes end up informing most of these clients about their continuing eligibility for these benefits. Other leavers are more likely to exit welfare without any contact with the welfare office, which may result in closure of all of their public assistance case.

Special post-time-limit outreach programs. Especially in states providing low cash grants, staff tend to assume that most noncompliant recipients had other sources of income all along and to think that people are faring about as well after time limits as they were while on welfare. Nonetheless, out of concern for families' well-being, some welfare agencies attempt to contact the families. These small-scale programs offer either referrals to community agencies or help finding a job, and they make sure that the families are getting other benefits to which they may be entitled. Examples of such efforts to provide support to families after the time limit include the following:

- South Carolina case managers conduct a home visit within 90 days of case closure, and they refer individuals to community agencies for help with domestic violence or with such basic needs as paying utilities.

- Massachusetts contracts with the Department of Public Health to conduct outreach to closed cases. Part of this outreach involves "marketing" Food Stamps. The Department of Public Health reportedly has a good reputation in the community and is perceived as an advocate for clients.

- Cuyahoga County, Ohio, offers families who reach the time limit (without employment) two options. One is a pay-for-performance job search program, and the other is short-term transitional assistance (STTA), generally limited to three months, for those with medical disabilities, those who are pregnant, or those in the process of applying for SSI. (The STTA provision could be characterized as a benefit extension, but local staff do not refer to it in that way.)[12]

- Connecticut contracts with nonprofit organizations to operate a Safety Net program targeted to recipients who are denied extensions (or are terminated from welfare during an extension) because they had not complied with their participation requirement; these individuals left welfare with income below the welfare payment standard. A key focus of the program is on helping recipients find jobs, although the program can also offer vouchers to pay for necessities.

In both Connecticut and Massachusetts, the post-time-limit outreach programs sometimes identify former recipients who qualify for exemptions; these individuals may end up back on welfare. Critics argue that this demonstrates that recipients with serious problems are slipping through the cracks and having their benefits canceled inappropriately. Although the critics express support for the outreach programs that uncover these problems, they maintain that welfare agencies should try harder to find such problems before, rather than after, benefits have been canceled.

[12]Even though large numbers of recipients in Cleveland lost benefits as a result of time limits, few took advantage of these programs In the first six months after recipients began reaching the time limit, approximately 3,000 families had their cases closed because of the time limit; only 256 participated in the transitional job search program, and 135 were approved for short-term transitional assistance.

Chapter 5

How Time Limits Affect Employment, Welfare Receipt, and Other Outcomes

Time limits are not designed simply to reduce long-term welfare receipt but also to change the behavior of current or potential welfare recipients — to encourage them to get jobs, hold jobs, or seek other sources of support instead of welfare. For example:[1]

- The existence of a time limit might encourage *potential* welfare recipients to try harder to keep a job, change their living arrangements, delay childbearing, get married, or take other steps to avoid applying for benefits and using up months of eligibility;
- Individuals who go onto welfare might try to find jobs and leave welfare more quickly, even before reaching the time limit, to bank some months for the future;
- Individuals who reach a time limit and have their welfare benefits canceled might try harder to find or keep jobs, rely more heavily on other forms of public assistance, or take steps to reduce expenses.

The pattern of these effects may determine how time limits affect family income and material well-being. For example, if individuals respond to time limits by finding relatively well-paying jobs, they could end up better off financially; if not, they could end up with lower income and higher levels of material hardship. Of course, there could also be nonfinancial benefits or costs associated with relying less on welfare and more on other sources of support.

Key Findings

Because time limits have generally been implemented as part of a package of other welfare reforms, it is difficult to isolate their effects. Nevertheless, data from evaluations and econometric studies suggest several tentative conclusions:

- There is some evidence that time limits can cause welfare recipients to find jobs and leave welfare more quickly, even before reaching the limit; however, the magnitude of this effect is not clear.

[1]See Moffitt and Pavetti (2000) for a discussion of the theoretical framework for considering the potential effects of time limits.

- It does not appear that the cancellation of welfare benefits at a time limit induces many recipients to go to work in the short term.

- Welfare reform initiatives with time limits have generated few overall effects on family income, material hardship, or household composition in the period after families began reaching the limits, although it is difficult to isolate the effects on families whose benefits were terminated.

In considering the implications of these results, it is important to note that none of them pertains directly to the 60-month federal time limit. Moreover, all the studies from which the data were drawn were conducted before the most recent recession began.

Measuring the Impacts of Time Limits

In general, the best way to measure the impact of a policy change such as a time limit is to conduct a random assignment study in which eligible individuals are assigned, by chance, to a group that is subject to the change (the program group) or to a control group that remains subject to the preexisting policies. Both groups are then followed over time, and any differences that emerge between them can reliably be attributed to the policy change being tested.

In fact, when states began to impose time limits under federal waivers in 1994 (see Chapter 1), they were required to conduct evaluations of this type, and several of the states elected to continue those studies after the 1996 federal welfare reform law passed. These random assignment studies provide some of the most reliable evidence about the effects of time limits. However, the studies are limited in several respects:

- Almost all states imposed time limits as part of a “package” of reforms that also included expanded earned income disregards, broader work requirements, or other measures. Almost all of the studies were designed to measure the impact of the entire package, not to isolate the impact of the time limits.

- In part, time limits (or other welfare reform measures) may affect people’s behavior by changing broad, community perceptions about welfare receipt. It is impossible to isolate a control group from this indirect but potentially important effect; as a result, the studies probably underestimate the effects of the reforms.[2]

[2] In fact, in all the random assignment studies, some control group members reported in surveys that they believed they were subject to time limits. For example, in the Connecticut Jobs First evaluation, 23 percent of control group members reported that they were subject to a time limit; the corresponding figures were 29 percent in the Florida FTP evaluation and 66 percent in the Delaware ABC evaluation.

- The waiver evaluations tested the earliest time-limit programs, during a period when time limits were new and unfamiliar. The implementation components of the studies found that many recipients and staff were skeptical about whether the time limit would really be imposed. These perceptions might be different today.

- None of the random assignment studies was designed to measure the impact of welfare reform or time limits on welfare applications. Thus, the studies provide little evidence about the first potential effect described at the beginning of the chapter.[3]

With these cautionary notes in mind, this chapter discusses the results of several random assignment studies of welfare reform programs that included some form of time limit. The key features of the programs and studies are summarized in Table 5.1. In general:

- The Connecticut and Florida studies provide the most complete data at this point. Both of the programs included a benefit termination time limit, and both studies collected four years of follow-up data, measuring effects long after families began reaching the time limits. Both also collected data on the well-being of children. The Florida program was a relatively small pilot project, while the Connecticut program operated statewide (but was studied in two welfare offices).

- The Delaware and Virginia programs also included benefit termination time limits, but the studies' follow-up periods were cut short when the states decided to apply welfare reform rules to the control groups.[4]

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[3]The Connecticut and Florida evaluations asked program group members whether they agreed with a series of statements about how the time limit had affected their behavior. About 40 percent of respondents in Florida either agreed a little (15 percent) or agreed a lot (25 percent) with the statement "Because of the time limit, I decided not to apply for welfare at a time when I could have applied." About 35 percent agreed with the same statement in Connecticut.

[4]In Delaware, the analysis focuses on individuals randomly assigned from October 1995 to September 1996 (most were randomly assigned by March 1996) and presents 2.5 years of follow-up for each person. However, the control group was phased into the welfare reform program beginning in March 1997. Thus, for the most part, results for the first year of follow-up fully capture the impacts of the welfare reform, while results for the second year and beyond do not. In Virginia, all sample members were randomly assigned in July 1995, and data are available through December 1998 (42 months). However, the welfare reform program began at a different time in each of the three main study counties (October 1995 in Lynchburg, April 1996 in Prince William, and January 1997 in Petersburg), and the state began phasing the control group into the welfare reform program in October 1997. As a result, the available post-welfare reform follow-up ranges from two years in Petersburg to a little more than three years in Lynchburg, and the last 15 months of data do not fully capture the impact of the welfare reform.

Welfare Time Limits

Table 5.1

Selected Information About the Waiver Evaluations Discussed in This Chapter

	Time Limit		Evaluation		
State/Evaluation	Months	Type	Follow-Up	Child Impacts	Evaluator
Arizona	24	Reduction	2-3 years[c]	None	Abt Assoc.
Connecticut	21	Termination	4 years	Extensive	MDRC
Delaware	48[a]	Termination	2.5 years[d]	Some	Abt Assoc.
Florida FTP	24 or 36[b]	Termination	4 years	Extensive	MDRC
Indiana	24	Reduction	2 years[e]	Extensive[g]	Abt Assoc.
Texas	12, 24 or 36[b]	Reduction	19 months	None	U. of Texas
Virginia	24	Termination	2-3 years[f]	None	Mathematica

SOURCES: Arizona: Kornfeld et al., 1999; Connecticut: Bloom et al., 2002; Delaware: Fein et al., 2001, and Fein and Karweit, 1997; Florida: Bloom et al., 2000; Indiana: Fein et al., 1998; Texas: Schexnayder et al., 1998; Virginia: Gordon and James-Burdumy, 2002.

NOTES: [a]Delaware had a 48-month time limit when the study was conducted. In addition, recipients had to be working in order to receive assistance after 24 months of benefit receipt.

[b]In Florida and Texas, the length of the time limit depends on individual client characteristics.

[c]Employment impacts are reported for 10 quarters, and welfare impacts are reported for 36 months.

[d]The Delaware study reports 2.5 years of follow-up, but the results after the first year probably underestimate program impacts because the control group became subject to welfare reform policies.

[e]The Indiana study will eventually include 5 years of follow-up, but only 2 years are currently available.

[f]The Virginia study collected 3.5 years (42 months) of follow-up data, but this includes 3-18 months of data (depending on the site) from before welfare reform was implemented. Also, results in the last 15 months of follow-up underestimate program impacts because the control group became subject to welfare reform policies.

[g]The Indiana study includes a child impact analysis, but no data are available yet.

- The Indiana and Arizona time limits applied only to adults. The Indiana study will include long-term follow-up and a child impact study, but only two years of follow-up data are currently available. Two to three years of follow-up data are available for the Arizona study.

- The Texas study was the only one designed to isolate the impact of a time limit. However, the Texas time limit applied only to adults, and only short-term follow-up data are available from the study.[5]

The chapter also discusses the results of other studies that do not use random assignment. Most of those studies take advantage of the natural variation in state welfare policies, examining the association between the timing or content of state policies and state welfare caseloads (and, in some cases, state-level data on employment) to estimate how much of the decline in the caseload was attributable to welfare reform. A few of the studies use individual-level data from national surveys. The studies attempt to control for other differences across states that may explain the caseload decline (for example, differences in economic conditions). A few studies try to isolate the impact of specific welfare reform provisions, including time limits.

A key advantage of these econometric studies is that they account for effects on both welfare exits and welfare applications. Also, in principle, they can measure impacts generated by changes in community perceptions of welfare that accompany the reforms. On the other hand, the studies usually rely on general information about state welfare policies, as opposed to data on how the policies are actually implemented. This can create a misleading impression of the policy environment in a particular state. In addition, the statistical methods used in these studies may or may not succeed in controlling for other factors that affect caseloads or employment.

Anticipatory Effects of Time Limits

Many people believe that the imposition of time limits played a key role in generating the large welfare caseload declines in the second half of the 1990s. Since few families actually reached a time limit during that period, these effects must have been anticipatory — that is, people must have left welfare more quickly (or decided not to apply for welfare) in order to avoid using up months of eligibility. Much of the evidence for this belief is anecdotal, but several

[5]Another random assignment study, in Vermont, was designed to isolate the added impact of a time-triggered work requirement that was initially referred to as a time limit.

eral studies have examined whether time limits generate anticipatory impacts on both employment and welfare receipt.[6]

Effects on Employment and Earnings

Table 5.2 shows results from five of the random assignment studies described earlier.[7] The table focuses on the end of the first year after individuals entered the studies, before anyone had reached a time limit. The first column shows the percentage of program group members who were employed at that point; the second column shows the percentage of control group members who worked; and the third column shows the difference — the impact of the programs.

All five programs increased employment at the end of year 1.[8] Although not shown in the table, most also increased average earnings. However, it is not clear what role the time limits played in generating these effects.[9] As noted earlier, all the programs included other components that were also designed to boost employment. In the past, studies of welfare-to-work programs that included neither time limits nor enhanced earnings disregards have found similar effects on employment.[10] It is also notable that the Connecticut, Florida, and Virginia programs,

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[6]The extent to which people will respond in anticipation of time limits depends on their discount rates and liquidity constraints — that is, the relative value that people place on short-term versus long-term gains and their perception of the alternatives to welfare. For example, if current or potential recipients believe that they have few alternatives to welfare, they will be less likely to bank months. See Moffitt and Pavetti, 2000.

[7]Results for the Arizona study are not included because survey data showed that few program group members were aware of the time limit and that a roughly equal proportion of control group members thought that they were subject to the limit. Thus, the study does not appear to provide a fair test of the anticipatory effects of a time limit. The Texas results are discussed below.

[8]The authors of the Virginia study believe that employment impacts may be understated in Prince William, the one site that did not generate statistically significant gains. This is because many county residents work for the federal government and such jobs are not covered in the unemployment insurance wage records used in the analysis.

[9]The Texas study, which was designed to isolate the impact of a time limit, did not find any early impacts on employment. However, the implementation study notes that many caseworkers did not actively discuss the time limit and that staff had difficulty maintaining the distinction between the research groups. Both the program and the control groups eventually became subject to a 60-month time limit.

[10]In fact, it is difficult to make direct comparisons between the waiver studies discussed in this chapter and earlier studies of welfare-to-work programs. In the earlier studies, the control groups typically were not required to participate in any employment-related activities. In the waiver studies, the control groups were subject to the state policies that existed before the waiver programs began. In most states, those preexisting policies included at least some employment-related requirements. In effect, the waiver evaluations measure the impact of the 1990s reforms over and above the impacts of earlier reforms.

Welfare Time Limits

Table 5.2

Impacts on Employment at the End of Year 1 in Five Waiver Evaluations

State/Evaluation	Employed (%) Program Group	Employed (%) Control Group	Difference
Connecticut	52.6	44.6	8.1 ***
Delaware	48.9	43.5	5.4 **
Florida FTP	45.2	40.8	4.3 *
Indiana[a]	57.6	50.0	7.6 ***
Virginia[b]			
Lynchburg	57.9	48.8	9.1 **
Prince William	51.4	47.9	3.5
Petersburg	64.6	52.6	12.0 ***

SOURCES: Connecticut: Bloom et al., 2002; Delaware: Fein et al., 2001; Florida: Bloom et al., 2000; Indiana: Fein et al., 1998; Virginia: Gordon and James-Burdumy, 2002.

NOTES: In all studies, employment data come from unemployment insurance wage records.

A two-tailed t-test was applied to differences between outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

[a]Indiana results are for sample members in the "placement track," who were subject to all welfare reform policies.

[b]Results for Lynchburg and Prince William are for the fourth quarter after each county implemented welfare reform. Results for Petersburg are for the third quarter after implementation because the control group became subject to welfare reform in the fourth quarter. In each case, impacts are probably understated because some sample members had left welfare by the time the reforms were phased in.

which included the most stringent time limits, did not consistently have the largest early impacts on employment.[11]

A few of the caseload studies described earlier estimated the effects of welfare reform on employment among single parents. Like the random assignment studies, most of the caseload studies concluded that the waiver programs increased employment. Results for the post-1996 period are more mixed. However, these studies generally did not attempt to sort out the effects of time limits on employment.[12]

Effects on Welfare Receipt

One might assume that effects on welfare receipt would simply be the converse of effects on employment — increases in employment would lead to decreases in welfare receipt. The reality, however, is more complex.

Random assignment studies. Tables 5.3 and 5.4 focus on the random assignment studies discussed in the previous section, showing effects on cash assistance receipt rather than employment. Table 5.3 shows the percentage of each group receiving welfare benefits at the end of the first year of follow-up. Table 5.4 shows, for several of the programs, the average number of months of benefits received in the period before program group members began reaching the time limits.[13]

The effects on welfare receipt are much more modest than the effects on employment. Most of the programs either increased welfare receipt or had no effect.[14] At first glance, these results suggest that little or no "banking" was going on, but this is not necessarily the case. In fact, the pattern of welfare impacts is largely attributable to expanded earnings disregards and other policies that allowed a greater proportion of working recipients in the program groups to continuing receiving benefits; as a result, the programs increased the proportion of people who mixed work and welfare. The one program that substantially reduced welfare receipt — Indiana's — did not have an expanded disregard.[15] Of course, it is impossible to isolate the impact

[11]In some studies, the employment impacts changed as program group members drew nearer to the time limit, but there is no clear pattern in these results. In Delaware and Indiana, the employment impacts were smaller at the end of year 2 than at the end of year 1; in Florida FTP, the impacts grew somewhat larger during that period; in Connecticut, they remained roughly constant over time; and in Virginia, the patterns varied by county.

[12]See Blank (2001) for a summary of these studies.

[13]These data are only available for the first year in Delaware.

[14]As noted earlier, results for the Arizona and Texas projects are not included in the tables. Neither program generated impacts on cash assistance receipt in the pre-time-limit period.

[15]During this period, the Indiana program used a "fixed grant" policy: Normal AFDC disregards were applied when a recipient went to work, but the grant was then frozen to provide an incentive for advancement. Indiana later implemented an expanded disregard.

Table 5.3

Impacts on Welfare Receipt at the End of Year 1 in Five Waiver Evaluations

State/Evaluation	Receiving Cash Assistance (%) Program Group	Control Group	Difference
Connecticut	73.1	65.1	8.0 ***
Delaware	61.0	59.0	1.8
Florida FTP	56.6	54.4	2.2
Indiana[a]	43.3	52.6	-9.3 ***
Virginia[b]			
Lynchburg	65.7	60.7	5.0
Prince William	38.1	40.7	-2.6
Petersburg	42.5	49.0	-6.5 *

SOURCES: Connecticut: Bloom et al., 2002; Delaware: Fein et al., 2001; Florida: Bloom et al., 2000; Indiana: Fein et al., 1998; Virginia: Gordon and James-Burdumy, 2002.

NOTES: In all studies, cash assistance data come from state administrative records.

A two-tailed t-test was applied to differences between outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

[a]Indiana results are for sample members in the "placement track," who were subject to all welfare reform policies.

[b]Results for Lynchburg and Prince William are for the fourth quarter after each county implemented welfare reform. Results for Petersburg are for the third quarter after implementation because the control group became subject to welfare reform in the fourth quarter. In each case, impacts are probably understated because some sample members had left welfare by the time the reforms were phased in.

Welfare Time Limits

Table 5.4

Impacts on Cumulative Months of Pre-Time-Limit Benefit Receipt in Selected Waiver Evaluations

	Months of Receipt		
State/Evaluation	Program Group	Control Group	Difference
Connecticut (Months 1-21)	15.1	13.5	1.7 ***
Delaware (Year 1)	9.1	9.1	0.0
Florida FTP (Years 1-2)	11.9	11.7	0.0
Indiana (Years 1-2)	9.0	10.6	-1.6 ***

SOURCES: Connecticut: MDRC calculations; Delaware: Fein and Karweit, 1997; Florida: Bloom et al., 2000; Indiana: Fein et al., 1998.

NOTES: A two-tailed t-test was applied to differences between outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

Data are drawn from state administrative records except in Delaware, where they are drawn from a survey.

of the time limit in that case, and it is worth noting that Indiana's time limit was designed in a way that did not provide an incentive for banking months of assistance.[16] Also, the impact largely disappeared by the end of year 2.

The Delaware and Florida programs would almost certainly have reduced welfare receipt had it not been for their work incentive policies.[17] Another waiver study found that a Minnesota program that included work requirements and an expanded earnings disregard — but no

[16]Initially, Indiana's time limit counted calendar months rather than months of benefit receipt. As a result, there was no way for a recipient to stop the clock by leaving welfare. Also, one might assume that the incentive to bank months would be weaker with a reduction time limit than with a termination time limit.

[17]The Florida program disregarded $200 plus half of any remaining earnings in calculating recipients' monthly grants. The Delaware program used "fill-the-gap" budgeting, another policy that allows people to earn more without losing their full welfare grant. In Virginia, recipients could keep their entire grant as long as their total income from TANF and earnings did not exceed the federal poverty level. There is, of course, no way to know whether the employment impacts would have been smaller without the work incentives.

time limit — *increased* welfare receipt.[18] The fact that the Delaware and Florida programs had no effect suggests that some program features — most likely time limits and/or sanctions — induced people to leave welfare more quickly while the incentives encouraged them to stay on welfare longer, with the end result being a wash.[19]

A study that used data from the Florida FTP evaluation reached exactly that conclusion.[20] This study used the impacts for people with no children under age 16 to isolate the effects of all components of the program *other than the time limit*. These individuals would have been required to leave welfare within two years regardless of their research group, so, in effect, there was no special time limit for the program group members. As expected, the study found that the other components of FTP increased welfare receipt and that the time limit decreased welfare receipt, especially for recipients with young children.

There is some evidence that the anticipatory effects of time limits may depend on the way the limits are implemented and how staff resolve the inherent conflict between time limits and earnings disregards. The authors of the Virginia study noted that, in the one county that generated decreases in welfare receipt before the time limit (Petersburg), staff strongly urged working recipients to leave welfare in order to save or bank their months. This was not the case in the other counties. In Connecticut's program, which substantially increased welfare receipt in the pre-time-limit period, a banking message would not be credible given the generosity and structure of the disregard: Working recipients would give up $543 per month if they opted not to receive benefits. In Florida FTP, which generated no early impacts on welfare receipt, staff were quite likely to encourage recipients to use their months on welfare to obtain education or training, rather than urging them to bank their months.

Non-random assignment studies. As discussed in the first section of this chapter, many studies have used data on state welfare reform policies, economic conditions, and welfare caseloads to estimate the impact of the reforms on welfare receipt. Most of these caseload studies focused on the effects of waivers, but a few extended the analysis beyond 1996. Although

[18]Knox, Miller, and Gennetian, 2000.

[19]Interestingly, substantial impacts on welfare receipt emerged in year 2 in Delaware, although the study authors attribute these impacts to sanctions rather than to the time limit. Nearly one-fifth of the program group experienced a full-family sanction in year 2 alone, and other families were probably induced to exit before a full-family sanction was actually imposed. The Florida FTP program did not use full-family sanctions during the early years of the study period. It generated decreases in cash assistance payments during year 2 but had no impacts on receipt rates until after families began reaching the time limit.

[20]Grogger and Michalopoulos, 2001.

[21]The Vermont study mentioned previously found that a time-triggered work requirement that took effect after 30 months of welfare receipt generated increases in employment and reductions in welfare receipt even before anyone was required to work. In other words, people appear to have responded in anticipation of the work requirement (which was referred to as a time limit). See Hendra and Michalopoulos, 1999.

the findings vary, most studies concluded that both welfare reform and the economic expansion contributed to the caseload decline. A study by the Council of Economic Advisors concluded that welfare reform explained about one-third of the caseload decline between 1996 and 1998 and a smaller proportion of the decline during the earlier waiver period.[22]

The fact that most of the econometric studies concluded that welfare reform reduced caseloads appears to contradict the results of the random assignment studies discussed earlier. There are several possible explanations for this discrepancy. First, it is possible that welfare reform affected caseloads primarily by reducing applications for assistance, an outcome that is not measured in the random assignment studies. Second, it may be that a large part of the impact of welfare reform was attributable to changes in community perceptions of welfare; as discussed earlier, it is impossible to fully isolate control group members from this effect. Third, welfare reform may have had relatively small impacts on caseloads in the states and counties where the random assignment studies were conducted. Finally, it is possible that the caseload studies overestimated the impact of welfare reform (as already stated, the random assignment studies probably understate those impacts).

Only a few of the econometric studies attempted to sort out the effect of individual components of welfare reform policies, including time limits. Most found that time limits had little or no impact on caseloads.[23] However, a recent study by Grogger, using a different methodology, reached the opposite conclusion. Grogger used data from the Current Population Survey to test a theoretical model that predicts that families with the youngest children should be more responsive to time limits. In addition, unlike some of the other studies, in specifying the state policies Grogger used the date when the time limit was imposed rather than the date when families began to reach it (he was looking specifically at anticipatory effects rather than effects caused by benefit termination). Grogger concluded that time limits significantly reduced welfare receipt and that the impacts were strongest for families with young children. He estimated that time limits may have accounted for 16 percent to 18 percent of the decline in welfare use among female-headed families.[24]

Effects After Families Reach Time Limits

Regardless of whether people respond prior to reaching time limits, they may respond when their benefits are canceled — by going to work, taking steps to reduce expenses, or in

[22]Council of Economic Advisors, 1999.

[23]For example, Council of Economic Advisors (1999) found that "through 1998, time limits had not significantly altered national caseloads." A similar result was found by Hofferth, Stanhope, and Harris (2001), in a study that used data from the Panel Study of Income Dynamics (PSID) to examine the effect of welfare waivers on work exits.

[24]Grogger, 2000.

other ways. One way to examine whether this happens is simply to follow people whose grants are canceled at a time limit. Chapter 6 discusses the results of several post-time-limit surveys that used this approach, and some of them found, for example, that employment rates grew slightly after people's grants were canceled. However, if a study finds that some people go to work after their benefits are canceled, there is no way to know how many of them would have gone to work even if they had been allowed to stay on welfare; employment rates for any group of welfare recipients tend to increase over time.

Unfortunately, there is also no direct way to use results from a random assignment study to measure the impacts of benefit termination, because there is no way to know which members of the control group would have had their cases closed at the time limit had they been subject to one.[25] In the absence of direct evidence, it is most useful to examine the pattern of overall program impacts during the period before and after families begin reaching the time limit. Conducting a similar analysis for subgroups of sample members who were particularly likely to reach the time limit may provide additional evidence.

Effects on Employment, Welfare, and Income

Figure 5.1 illustrates the Connecticut program's effects on cash assistance receipt (top panel), employment (middle panel), and income (lower panel). Program group members started reaching the 21-month time limit in quarter 7 (as indicated by the vertical line). As expected, the top panel shows that, when families started reaching the time limit and having their benefits canceled, the impact on welfare receipt abruptly changed from positive to negative. In other words, the program increased welfare receipt before the time limit (for reasons discussed earlier) and reduced it afterwards.

The middle panel of Figure 5.1 shows a very different pattern for employment. In this case, the impact was relatively constant throughout the follow-up period, with no sudden change when families started to reach the time limit. In other words, there is no evidence that recipients responded to benefit termination by going to work. This is also not surprising because, as discussed in Chapter 4, most of the families whose benefits were canceled at the time limit in Connecticut were already employed. Although not shown in the figure, the program's

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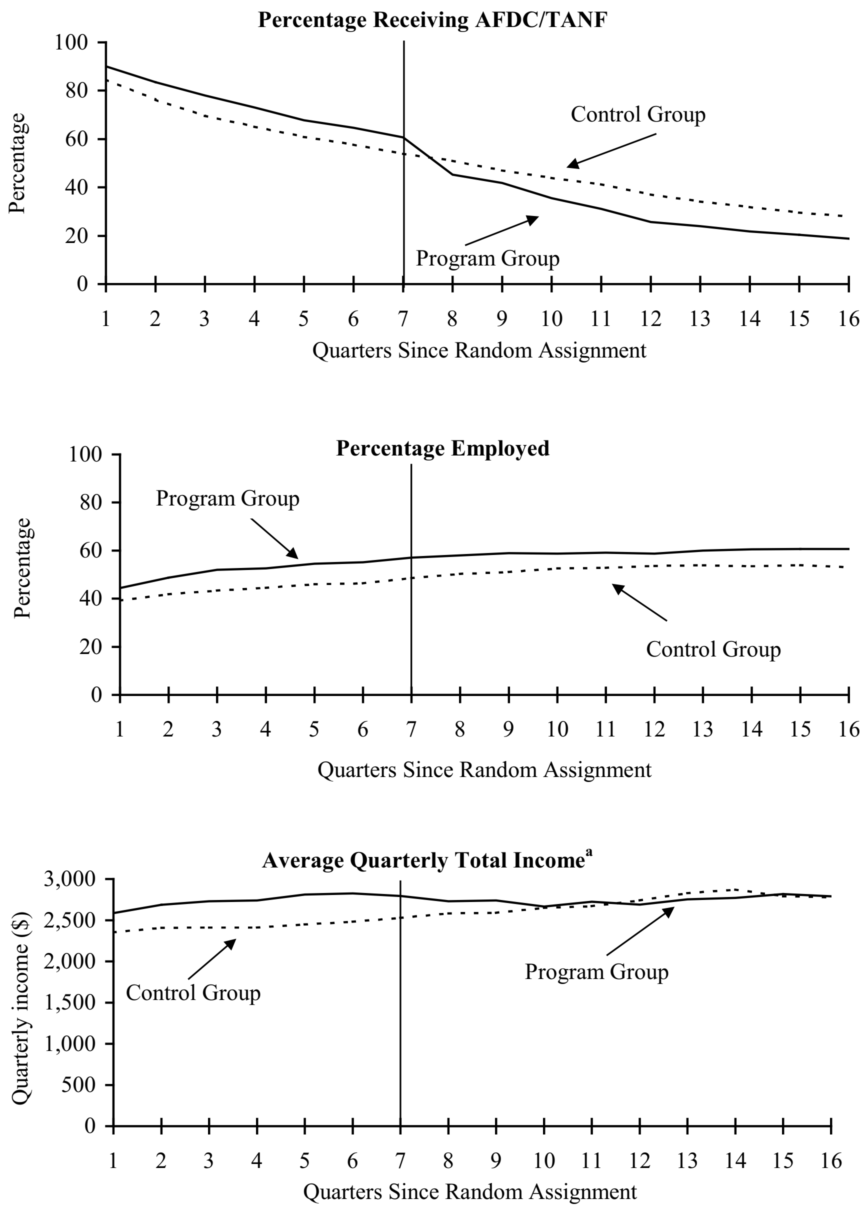
[25]One could compare program group members whose benefits were terminated with control group members who received enough months of benefits to reach the time limit. However, a different group of control group members might have stayed on welfare if they had been subject to the welfare reform. In addition, this method is particularly problematic in states where many people receive exemptions or extensions; it is impossible to predict which control group members would actually have had their benefits cut off.

Figure 5.1

**Connecticut's Jobs First Program:
Quarterly AFDC/TANF Receipt, Employment, and Total Income**



SOURCE: Bloom et al., 2002.

NOTE: [a]Total income includes earnings, AFDC/TANF, and Food Stamps.

impact on *earnings* grew somewhat around quarter 7 — suggesting that some people may have increased their hours of employment after their benefits were canceled — but that impact then declined shortly thereafter.[26]

It is also worth noting that the effects on employment in Connecticut persisted throughout the four-year follow-up period; most evaluations of welfare-to-work programs without time limits found that effects diminished over time. The time limit may have something to do with Connecticut's longer-lasting impacts; for example, perhaps former recipients tried harder to retain their jobs because they believed that returning to welfare was not an option for them.

The income effects (bottom panel of Figure 5.1) display still another pattern.[27] In the pre-time-limit period, when the program increased both work and welfare, the program group had substantially higher income than the control group. After the time limit, the two groups had about the same income.[28] This does not mean that people who reached the time limit lost no income (in fact, their income dropped sharply when their cash grants were closed) but, rather, that the program group, as whole, was no better or worse off than the control group. In fact, most of the people whose cases were closed at the time essentially lost the expanded earnings disregard (recipients could not receive an extension if they had income above the welfare payment standard). Thus, the income effects for the post-time-limit period look very much like the results of many welfare-to-work programs that did not include expanded disregards: Relative to the control group, the program group gained about as much in earnings as it lost in welfare, and its members ended up with about the same amount of income.

Figure 5.2 shows the same set of outcomes for the Florida FTP program (the vertical lines indicate the timing of the 24-month and 36-month time limits). The patterns are similar, although the impacts are less dramatic. In this case, there is a slight jump in the employment impact around quarter 8, when people started reaching the 24-month time limit — the FTP program granted few extensions — but that impact declined shortly thereafter (there was no such jump around quarter 12, when people began reaching the 36-month limit). As in Connecticut, the income effects changed from positive to neutral late in the follow-up period after many families had reached time limits.

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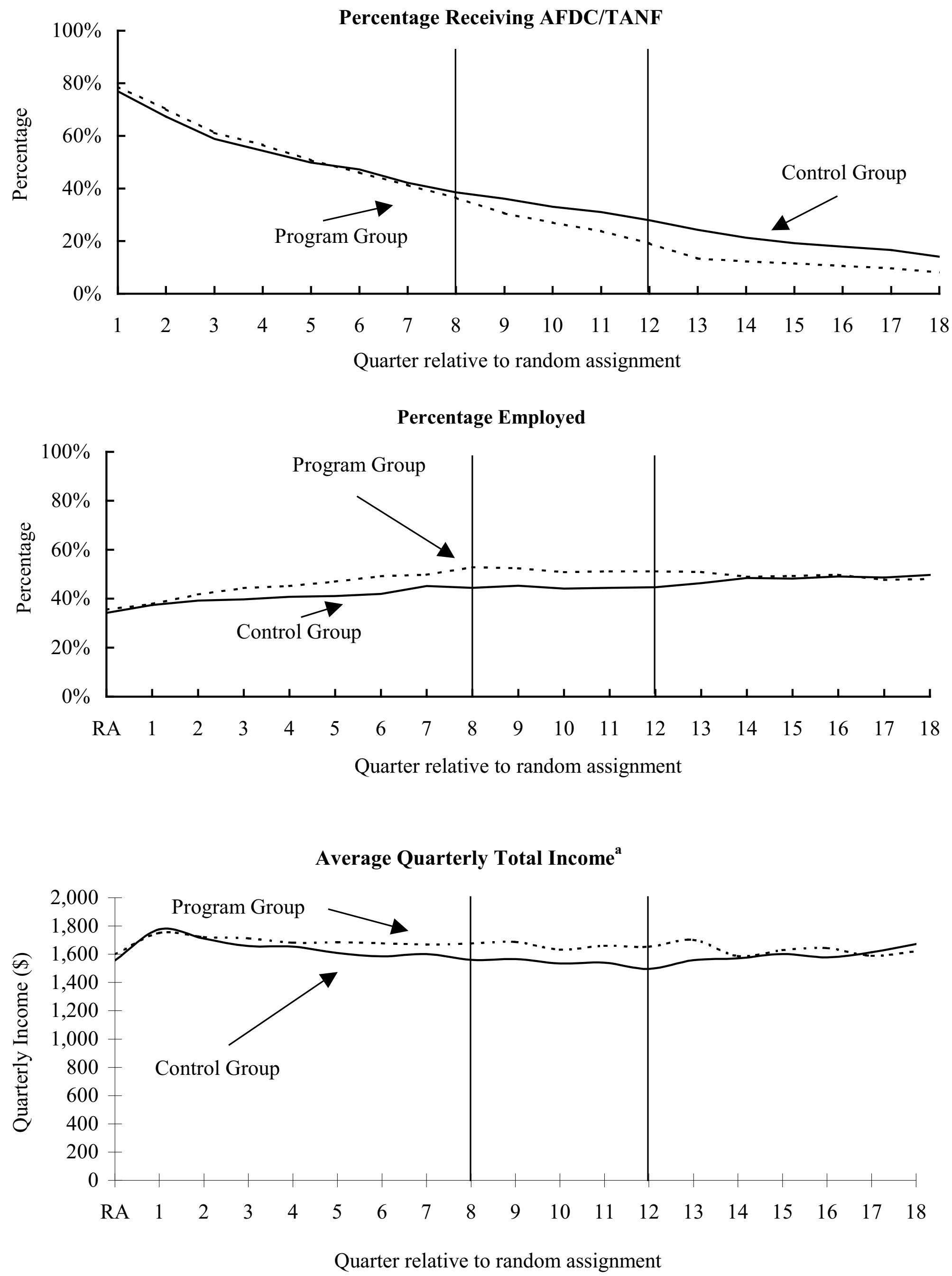
[26]The earnings impact was \$149 in quarter 7, \$198 in quarter 8, and \$219 in quarter 9. However, the impact then declined and was no longer statistically significant by quarter 12. In fact, there is no way to tell whether earnings growth is caused by higher hourly wages, more hours of work per week, or more weeks of work in a quarter. However, it seems unlikely that many recipients could have responded to benefit termination by quickly finding a higher-paying job.

[27]This is not a full measure of household income. It includes only the study sample member's cash assistance, Food Stamps, and UI-covered earnings.

[28]The impact on income persisted for a few months after families began to reach the time limit. This is probably related to the temporary increase in the earnings impact discussed earlier. In effect, the larger earnings impact temporarily offset the welfare decrease.

Figure 5.2

**Florida's Family Transition Program (FTP):
Quarterly AFDC/TANF Receipt, Employment, and Total Income**



SOURCE: Bloom et al., 2000.

NOTE: [a]Total income includes earnings, AFDC/TANF, and Food Stamps.

Sometimes, data on average income hide the fact that some people gained income while others lost income. This could be particularly likely in the Connecticut and Florida studies, where only a fraction of program group members actually reached the time limit. In fact, both studies found some evidence that small groups of sample members may have lost income as a result of the welfare reforms. For example, in the last three months of follow-up, the Florida FTP program reduced the proportion of sample members with $1,500 to $3,000 in combined income from earnings and public assistance, and it increased the proportion with income below $1,500. Similarly, the Connecticut study found that, for the subgroup facing the most barriers to employment, the program slightly increased the proportion of sample members with income below $1,500. It is important to note, however, that both of these results only consider income measured in administrative records; no similar pattern was evident when income was measured using surveys (which, for example, include income obtained by other household members).

Finally, although not shown in the figures, the studies also provide evidence about whether these two time-limit programs affected Food Stamp receipt and payment amounts in the post-time-limit period. One might hypothesize that a reduction in cash assistance would lead to greater reliance on Food Stamps (although it might also be the case that some people are confused and believe that Food Stamps are also time-limited). In fact, neither program had significant effects on Food Stamp payments in the latter part of the follow-up period, although the Connecticut program decreased the number of people who received Food Stamps.

The Delaware and Virginia studies also report limited impact results from the post-time-limit period; there are few indications that the imposition of time limits caused a jump in employment impacts. In Delaware, employment impacts disappeared during year 2 and did not reemerge when recipients began to encounter the 24-month work requirement. Welfare impacts persisted after the second year, probably driven in large part by the high sanctioning rate discussed earlier. Employment impacts also declined in two of the three Virginia study sites, although this may be because the control group was phased into the welfare reform program.

Effects on Material Well-Being and Other Outcomes

Both the Connecticut and Florida studies administered extensive surveys to the program and control groups well after people started reaching the time limits (the survey took place 36 months after study entry in Connecticut and at the 48-month point in Florida). Both surveys included many measures of material well-being, hardship, household composition, and other outcomes. As with the other results, the survey results cannot be used to isolate the impacts of time limits. However, if the time limits generated substantially negative (or positive) impacts for the people who reached them, it seems likely that this would show up in either the overall results or the results for subgroups that were particularly likely to reach the time limits.

As shown in Table 5.5, neither of the programs generated consistent effects on material well-being or hardship for the full study sample; the same was true for key subgroups (subgroups results are not shown). The Connecticut program had both positive and negative impacts, while the Florida program had a few small positive effects. Similarly, the programs generated no impacts on marriage or fertility and few effects on household composition.

Interestingly, both the programs increased child support receipt. Although certainly plausible — custodial parents may have tried harder to pursue support in the absence of welfare — these results should be considered with caution. At the time of the surveys, program group members were more likely to be off welfare and thus, perhaps, more likely to be aware of how much support was being collected: When custodial parents receive cash assistance, support payments are mostly retained by the state as reimbursement for welfare costs.

Effects on Children

As noted earlier, the Connecticut and Florida FTP studies both collected extensive survey data on the well-being of respondent's children. Most of these data were reported by parents, but the Connecticut study also included a small teacher survey. Both studies found few effects for elementary-school-age children, the age group for whom the most complete data were collected.

Both programs appear to have generated some negative effects for adolescent children (the Connecticut program generated both positive and negative effects). Once again, however, there is little evidence that these effects were driven by the time limits. Such effects have appeared in other studies of programs that did not include time limits, including programs that increased family income.[29]

The Delaware study used administrative records to examine effects on child neglect, abuse, and foster care placements. The welfare reform program increased the fraction of families with an incident of child neglect, and these effects were concentrated among the most disadvantaged sample members. The program had no impact on other kinds of maltreatment or on foster care placements. These effects occurred both in the pre-time-limit period, when a large proportion of the program group experienced full-family sanctions, and after families began reaching the 24-month work trigger.[30]

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[29]Gennetian et al., forthcoming, 2002.
[30]Fein and Lee, 2000;

Finally, a recent study used state-level child welfare data to examine the association between welfare reform and child maltreatment; the methodology was similar to that used in the caseload studies discussed earlier. The study found an association between short time limits and increases in measured child maltreatment and the number of children in out-of-home care.[31] The Connecticut and Florida FTP evaluations did not analyze child welfare data. However, survey data in both studies showed no effect on the proportion of sample members with a minor child living outside their household.

[31]Paxson and Waldfogel. 2001.

Welfare Time Limits

Table 5.5

Impacts on Selected Measures for Connecticut's Jobs First Program and Florida's Family Transition Program

	Connecticut			Florida FTP		
	Program Group (%)	Control Group (%)	Difference	Program Group (%)	Control Group (%)	Difference
Lives with other adults	44.9	42.4	2.5	53.4	53.4	0
Married, lives with spouse	9.1	10.8	-1.6	17.2	19.1	-1.9
Gave birth since Random Assignment	20.7	20.7	0.1	23.9	22.7	1.2
Receives child support	25.7	22.7	3 *	29.5	21.9	7.6 ***
Food Insecure[a]	38.7	40.2	-1.5	34.1	35.8	-1.8
Owns a car	40.9	36.7	4.2 **	59.1	60.2	-1.1
Has debt	64.6	60.1	4.6 **	67.4	67.1	0.3
No health insurance	13.9	18.4	-4.4 ***	39.3	38.4	0.9
In prior year:						
Phone disconnected	26.3	27.3	-1	33.5	31.5	2
Utilities shut off	18.5	21.9	-3.4 **	15	15.6	-0.6
Ever homeless	2.6	1.5	1.1 *	3.7	4.9	-1.1
Ever evicted	6.4	7.1	-0.6	6.5	6.3	0.1
Neighborhood problems[b]						
None	35.5	29.4	6 ***	32.9	33.7	-0.8
1-3	39.8	45.8	-6 ***	49.9	45.3	4.6 *
4 or more	24.7	24.7	0	17.2	21	-3.8 *
Housing problems[c]						
None	63.4	60.5	2.9	64.1	60.8	3.3
1	18.9	21.4	-2.5	21.8	20.8	1
2 or more	17.7	18.1	-0.4	14.1	18.4	-4.3 **
At end of month, usually:						
Some money left over	14.3	17.1	-2.8 *	22.3	20.5	1.8
Just enough	42	41.1	0.9	46.7	42.5	4.3 *
Not enough money	43.7	41.8	1.9	30.9	37	-6 ***

SOURCES: Published survey data (Connecticut: Bloom et al., 2002; Florida FTP: Bloom et al., 2000).

NOTES: The data were collected three years after random assignment in Connecticut and four years after random assignment in Florida.

[a]The USDA-recommended six-item food security scale was used to measure food security. The items in the scale include questions about food consumed and the kinds of things people resort to when money allocated for food is exhausted. The scale ranges from 1-6, and two or more affirmatives indicate food insecurity.

[b]Neighborhood problems include the following: unemployment; drug users or pushers; crime, assault, or burglaries; run-down buildings and yards; and noise, odors, or heavy traffic.

[c]Housing problems include the following: leaky roof or ceiling; broken plumbing; broken windows; electrical problems; roaches/insects; heating system problems; and broken appliances.

Chapter 6

How Are Families Faring After Time Limits?

Chapter 5 examined what is known about the effects of time limits on key outcomes such as employment, income, and welfare receipt. But some of the key questions about time limits are descriptive in nature: Many observers want to know how former recipients and their families are faring after benefit termination. Are they working? Are they receiving other forms of public assistance? Do they experience severe hardships such as homelessness, hunger, or removal of their children?

It is too soon to provide definitive answers to these questions, but a series of state and federally funded post-time-limit studies have yielded a wealth of early data to inform policymakers and administrators. The studies have the same limitation as other studies of welfare leavers — data on the post-welfare circumstances of families do not necessarily provide evidence about the effects of welfare reform — but they are useful nonetheless.

This chapter reviews the results of eight surveys of individuals whose welfare cases were closed because of time limits. Most of the surveys were conducted 6 to 18 months after the respondents left welfare, and all obtained relatively high response rates. All the surveys were conducted in states with time limits of fewer than 60 months: Connecticut (21 months), Florida (24 or 36 months), Massachusetts (24 months), North Carolina (24 months), Ohio (36 months), South Carolina (24 months), Utah (36 months), and Virginia (24 months).[1] (See Chapter 2 and Appendix A for more information on the time-limit policies in these states.)

As discussed in Chapter 3, these eight states account for a majority of the families who have lost benefits because of time limits, but the focus on shorter time limits means that the surveys do not provide evidence about the 60-month time limit on federally funded assistance. Because there are no restrictions on the use of federal funds for families who exceed state time limits of fewer than 60 months, state exemption and extension policies might differ at the 60-month point. Also, it is important to note that all the surveys took place during periods of low unemployment, when jobs were plentiful for recipients whose benefits were canceled at a time limit.

The chapter discusses three kinds of comparisons that are used to assess the experiences of time-limit leavers:

- **State-to-state comparisons.** One section presents outcomes across the eight states. There is wide variation in the results, making it difficult to draw gen-

[1]Several of the surveys were conducted in selected cities or counties, rather than statewide. See Appendix C for more details.

eral conclusions. Many of the differences in outcomes for time-limit leavers can be explained by differences in the states' welfare policies that shaped the size and characteristics of the group of families whose benefits were canceled. These results show that it is impossible to interpret such surveys without information about the states' policies and their implementation.

- **Before-after comparisons.** Most of the studies compare respondents' circumstances before and after leaving welfare. These data are suggestive, but it is not possible to attribute any changes to the fact that the families' welfare grants were terminated. Also, in many states, time limits were introduced as part of a package of reforms that also included expanded earned income disregards (see Chapter 1). A recipient who mixed work and welfare and then had her case closed at a time limit would experience a loss in income but might still end up with similar (or greater) income than she would have had under the old welfare rules.

- **Comparisons across groups of leavers.** Several of the studies compare time-limit leavers with individuals who left welfare for other reasons. These comparisons are also useful, but is not possible to determine to what extent differences in post-welfare outcomes are attributable to the exit reason (that is, to the fact that some people were terminated from welfare at the time limit), as opposed to the differing characteristics of people in the groups.

Ultimately, many observers will undoubtedly compare the survey results with their own standards of what "ought to be" — regardless of what role time limits played in producing the outcomes. Some might conclude that the levels of employment, income, or hardship are satisfactory, while others might find them unacceptable.

The chapter begins by presenting the key findings and discussing the characteristics of families whose cases were closed at time limits. It then uses the three types of comparisons described above to focus on employment, receipt of government benefits, hardship, and other topics. Appendix C provides background information on the surveys.

Key Findings

- **Characteristics.** Most studies found that individuals who lost benefits because of time limits were more likely to have large families, to live in public or subsidized housing, to lack a high school diploma, and to be African-American, when compared with people who left welfare for other reasons.

These characteristics overlap, however, and it is not clear which are independently associated with reaching a time limit or having one's benefits canceled.

- **Employment.** Post-exit employment rates vary widely across states, ranging from less than 50 percent to more than 80 percent. Most of the variation is attributable to state welfare policies that shape who reaches the time limit (for example, sanctioning and earnings disregards) or to state time-limit extension policies. As a consequence, employment rates are higher for time-limit leavers than for other leavers in some states, and they are lower in other states. For the most part, post-exit employment rates are similar to pre-exit employment rates; in other words, there is little evidence that large numbers of people responded to the termination of their benefits by going to work, although the overall rates can hide dynamic employment patterns.

- **Public assistance receipt.** Large proportions of time-limit leavers continue to receive Food Stamps, Medicaid, and other assistance after exit. The variation in Food Stamp receipt across states largely tracks the differences in employment rates (that is, the rate of Food Stamp receipt is lowest in states where most time-limit leavers are working). However, time-limit leavers are more likely than other leavers to receive Food Stamps, even in states where their post-exit employment rate is higher.

- **Income.** Most time-limit leavers reported low household income. In all states, some time-limit leavers reported that their post-welfare income or standard of living was higher than when they received welfare, while others reported being worse off. The proportions vary, but, in most states, a greater proportion of respondents said that they were worse off after leaving assistance. In general, employed respondents reported higher household income than nonworking respondents. Similarly, in states where time-limit leavers have lower employment rates than other leavers, they also have lower income.

- **Material hardship.** Most time-limit leavers were struggling financially, and, in most states, the leavers reported that they experienced more hardships after leaving welfare than before. Homelessness has been quite rare, but levels of food insecurity and other hardships are relatively high. However, there is not a clear association between levels of hardship and employment status, and, in most states, time-limit leavers did not report consistently greater levels of hardship than other leavers.

Who Loses Benefits Because of Time Limits?

Several of the studies compare the demographic characteristics of time-limit leavers with the characteristics of people who were subject to time limits but left welfare before reaching them.[2] Such data are important because they may help administrators predict which types of recipients are most likely to reach limits. Also, as noted earlier, the differing characteristics may explain some of the differences across groups of leavers in the post-welfare outcomes discussed later in the chapter.

It is important to note that, in order to gather information quickly, most of the states surveyed the first cohort of recipients to reach the time limit. This group is likely to include mostly people who received benefits continuously until they reached the limit, and often for long periods before becoming subject to the limit. Recipients who reached the time limit after cycling off and back onto welfare — perhaps a somewhat less disadvantaged group — are probably underrepresented.

Table 6.1 shows selected characteristics of time-limit leavers and other leavers in each state. Some of the patterns are quite consistent across states: Notably, time-limit leavers are more likely to have three or more children and are more likely to be living in public or subsidized housing. In most states, time-limit leavers are less likely to have a high school diploma and are more likely to be African-American.[3]

Although not shown in the table, several studies have found, not surprisingly, that time-limit leavers are more likely to have long histories of prior welfare receipt. Most (but not all) of the studies found that time-limit leavers are older, on average, than people who left welfare before reaching limits.

In addition to the comparisons shown, the South Carolina study also compared time-limit leavers with individuals who left because of sanctions. Sanctioned leavers were younger, less likely to have completed high school, and less likely to have been receiving housing subsidies.

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[2]Each study used a somewhat different approach. In general, the Massachusetts, North Carolina, Ohio, South Carolina, Utah, and Virginia studies compared time-limit leavers with other people who left welfare at around the same time for other reasons — usually before reaching a time limit. The Connecticut and Florida FTP studies compared program group members who reached a time limit within the follow-up period for a random assignment study with those who did not (in most cases, because they left welfare before reaching the limit).

[3]Most of the data in Table 6.1 were collected through the follow-up surveys. In theory, all the characteristics except race could have changed since the respondents left welfare, but this seems unlikely given the relatively short post-welfare follow-up periods. The data from Connecticut and Florida FTP were collected when people entered the program being tested (that is, when they first become subject to the time limit).

Table 6.1

Selected Demographic Characteristics of Time-Limit Leavers and Those Who Left Welfare for Other Reasons

State/Evaluation	High School Diploma[a] (%)		Three or More Children (%)		African-American (%)		Subsidized Housing[b] (%)	
	TL	No TL	TL	No TL	TL	No TL	TL	No TL
Connecticut[c]	69	68	26	19	47	37	42	27
Florida FTP[d]	53	60	35	25	70	50	35	22
Massachusetts	68	76	37	33	18	21	56	50
North Carolina[e]	72	69	16	32	65	64	52	30
Ohio[f]	45	57	54	30	83	71	69	38
South Carolina	52	61	54	32	93	71	35	22
Utah[g]	55	70	n/a	n/a	5	3	44	40
Virginia[h]	60	61	35	15	51	48	40	n/a

SOURCES: Connecticut: Bloom et al., 2000; Florida FTP: Bloom et al., 2000, and MDRC calculations; Massachusetts Department of Transitional Assistance, 2000; North Carolina: Richardson et al., 1999, and Richardson et al., 2000; Ohio: Bania et al., 2001; South Carolina: Richardson et al., 2001, and unpublished data; Utah: Taylor et al., 2000; and Virginia: Gordon et al., 1999.

NOTES: Unless otherwise noted, the data were collected from the follow-up surveys, and the non-time-limit group includes people who left welfare at roughly the same time as the time-limit leavers.

[a]Includes people with a high school diploma or GED certificate.

[b]Includes people living in public housing and those receiving housing assistance vouchers.

[c]The time-limit group includes people who enrolled in the program between January and June 1996, reached the 21-month time limit by March 1998, and had their benefits canceled. The non-time-limit group includes people who received fewer than 21 countable months of benefits during the same period (some of them may have received exemptions that stopped their time-limit clocks). The data were collected at the point people first became subject to the time limit.

[d]The non-time-limit group includes people who were subject to a 24-month time limit and received fewer than 24 months of benefits in the four years after becoming subject to the limit, and those who were subject to a 36-month limit and received fewer than 36 months of benefits. The data were collected at the point people first became subject to the time limit.

[e]The time-limit leavers left welfare in August 1998; the non-time-limit leavers left welfare between December 1998 and April 1999 in eight counties. A very small number of those classified as non-time-limit leavers appear to have reached the 24-month time limit.

[f]Race, number of children, and high school diploma status are drawn from administrative records.

[g]Figures for the non-time-limit group were calculated from separate figures for individuals who left because of increased income and people who left for other reasons.

[h]Time-limit figures are for survey cohort 1 only and are drawn from administrative records.

The demographic characteristics overlap to some extent, and the studies do not make extensive efforts to determine which are independently important in predicting that a recipient will reach a time limit. Having several children is likely to be important both because it limits employability and because recipients with larger families must earn more to lose eligibility for assistance before reaching a time limit.[4] Housing subsidies may be correlated with other demographic factors but may also independently affect incentives to work and/or leave welfare. The Connecticut study examined whether African-Americans were more likely to reach the time limit, after controlling for other characteristics. Some, but not all, of the racial disparity disappeared when other factors were held constant.[5]

The Connecticut study also shows that such analyses can be complicated in situations where many recipients receive time-limit extensions or exemptions; these individuals receive enough months of assistance to reach a time limit, but they do not have their cases closed. In Connecticut, individuals who reached the 21-month time limit and were granted an extension appeared to be more disadvantaged than either the time-limit leavers or the people who did not accumulate 21 months of receipt.

Post-Time Limit Outcomes: State-to-State Comparisons

By examining outcomes across the eight studies, one may be able to draw some general conclusions about the circumstances of families after time limits. This section summarizes the state data on employment, receipt of government benefits, income, and hardship. To avoid comparing "apples and oranges," the data are drawn from the first follow-up survey conducted in each state. Results from longer-term follow-ups conducted in North Carolina and Virginia are discussed in a later section.

Employment and Job Characteristics

Many people focus on employment as a key outcome for welfare leavers because work is one of the main sources of income for such families. The first column of Table 6.2 shows the percentage of survey respondents who were working when interviewed in each of the eight studies. The figures in parentheses show approximately how many months after exit the interviews took place.

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[4]North Carolina is the only state in which time-limit leavers are less likely to have three or more children. This may be because the state's time limit was originally applied to recipients with no preschool-age children; these recipients may have fewer children, on average, than other recipients.

[5]In a related analysis, the Utah study used stepwise regression to predict post-closure earned income. Significant factors included past employment, clinical depression, high school education, and the presence of young children.

Table 6.2

Post-Exit Employment Rates and Job Characteristics of Employed Time-Limit Leavers

		Job Characteristics	
State/Evalutation	Employed (%)	Average Hourly Wage ($)	Average Hours per Week
Connecticut (6)[a]	83	7.82	35
Florida FTP (varies)[b]	54	6.11	32
Massachusetts (10)	73	8.21	31
Ohio (6)[c]	53	7.30	33
North Carolina (6)	63	6.51	31
South Carolina (12)[d]	50	6.00	34
Utah (2-5)[e]	43	6.41	27
Virginia (6)[f]	66	6.50	34

SOURCES: Connecticut: Hunter-Manns and Bloom, 2000; Florida FTP: Bloom et al., 2000, and MDRC calculations; Massachusetts Department of Transitional Assistance, 2000; Ohio: Bania et al., 2001; North Carolina: Richardson et al., 1999, and unpublished data; South Carolina: Richardson et al., 2001; Utah: Taylor et al., 2000; Virginia: Gordon et al., 2002.

NOTES: The figures in parentheses show approximately how many months after exit the interviews took place.

[a]Hours per week are for all current jobs; hourly wages are for primary current job.

[b]Individuals were subject to 24- or 36-month time limits, and were interviewed approximately 48 months after random assignment. On average, the interview took place about 20 months after exit.

[c]Wages and hours are for current or most recent job.

[d]Employment rate is for those still off welfare when interviewed.

[e]Hourly wages were calculated from monthly earnings and hours per week.

[f]Wages and hours are for the current or most recent job.

The employment rates vary dramatically, from less than 50 percent in Utah to more than 80 percent in Connecticut. Results from before-after comparisons, discussed below, suggest that the employment rates shown in Table 6.2 largely reflect respondents' employment status when they were still receiving benefits. In other words, these results do not mean that respondents in Connecticut were most successful in finding employment *after* losing benefits but, rather, that the people whose benefits were canceled because of the time limit in Connecticut were very likely to have been working while on welfare.

Indeed, as discussed in Chapter 4, in Connecticut, a generous earnings disregard allows many people to mix work and welfare, and recipients who reach the time limit without a job (or with very low earnings) almost always receive at least one 6-month benefit extension; those who are earning above the welfare payment standard are not eligible for extensions. As a result, a very high percentage of the people whose cases were closed because of the time limit were already working while on welfare. Table 6.2 shows that most of them continued to work in the six months after losing benefits.

Virginia's policies regarding work and sanctioning affect which recipients are likely to stay on welfare long enough to reach the time limit. Recipients who become subject to the state's time limit must begin working (or take an unpaid community work experience position) within 90 days, or else they lose their entire TANF grant. In addition, a substantial proportion of the state caseload is exempt from the time limit. Thus, as the authors of the study point out, most of the people who reach the time limit will be those who have been working and meeting program requirements. Some of the recipients who might have been expected to reach the time limit were probably exempted or left welfare earlier because of full-family sanctions.

Massachusetts has a high post-time-limit employment rate, and the median length of time in the current job was 10 months (not shown). Since the survey was conducted about 10 months after exit, this suggests that most people were already employed while on assistance. The state granted few extensions during the period of the survey, but a large percentage of the state's welfare caseload is exempt from the time limit (see Appendix B). It may be that the minority of recipients who were subject to the limit were quite likely to find employment before reaching month 24 — even though many of them were not subject to a work requirement — and the state's relatively high grant level and generous disregard allowed many of them to continue receiving benefits until they reached the limit. Other recipients may have been subject to full-family sanctions that prevented them from reaching the limit.[6]

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[6]Also, initially (including the time period when the survey sample was drawn), Massachusetts denied extensions to all recipients who were earning above the welfare payment standard when they reached the time limit.

In contrast, the evaluation of Florida's Family Transition Program (FTP) found that a diverse group of people reached the time limit, in part because there were no full-family sanctions in place at the time. Very few extensions were granted, so the group that left because of the time limit included many recipients who were employed as well as many who were not. The low employment rate in South Carolina may reflect the state's low TANF grant level and relatively short-term earnings disregard; this combination limits the number of people who mix work and welfare long enough to reach the time limit. Also, few extensions were granted during the early years of the time limit's implementation (see Chapter 4).

Across all states, most of the recipients who were employed at follow-up were working full time or close to full time. There are large differences in hourly wage rates, which probably reflect the characteristics of local labor markets. The differences may also reflect the personal characteristics of the recipients whose cases were closed due to the time limit, but this is not clear. For example, the percentage of time-limit leavers with at least a high school diploma is higher in South Carolina than in Cuyahoga County, Ohio (and the employment rate is similar), but the average hourly wage is much higher in Ohio.

Finally, several of the studies asked nonworking respondents to identify reasons why they were not working. The responses differed from state to state, but health problems, an inability to find work, and a desire to attend school were frequently mentioned in most studies. In-depth interviews conducted as part of the Florida FTP study found that at least some of the nonworking respondents were not actively seeking work because they were being supported by a parent or partner. It is impossible to say whether the respondents were relying on other supports because they were unable to work or whether the presence of the other supports allowed people not to work when they could have. Later sections discuss whether nonworking respondents appear to be systematically worse off than working respondents.

Receipt of Government Benefits

Table 6.3 shows the percentage of respondents who reported receiving various forms of public assistance when interviewed. A very high percentage of respondents in all states were probably receiving both Food Stamps and Medicaid while on assistance, but there is wide variation, particularly in Food Stamp receipt, at the follow-up points.

Much of the variation in Food Stamp receipt is probably related to the employment and earnings data discussed in the previous section. For example, earned income was highest in Connecticut and Massachusetts (both the employment rates and the earnings were highest), suggesting that fewer respondents were eligible for Food Stamps in those states. Conversely, earned income was lowest in South Carolina and Utah, which have the highest rates of Food Stamp receipt. However, the association is not perfect, which suggests that state and local pre-

Table 6.3
Receipt of Government Benefits Among Time-Limit Leavers

State/Evaluation	Food Stamps (%)	Medicaid[a] (%)	Subsidized Housing (%)	SSI/SSDI[b] (%)
Connecticut (6)	50	91	49	6
Florida FTP (varies)	74	62	38	16
Massachusetts (10)[c]	52	84	56	19
Ohio (6)[d]	73	91	69	n/a
North Carolina (6)[e]	71	85	52	26
South Carolina (12)[f]	87	93	35	10
Utah (2-5)	85	80	44	11
Virginia (6)[g]	76	72	36	10

SOURCES: Connecticut: Hunter-Manns and Bloom, 2000; Florida FTP: Bloom et al., 2000, and MDRC calculations; Massachusetts Department of Transitional Assistance, 2000; Ohio: Bania et al., 2001; North Carolina: Richardson et al., 1999; South Carolina: Richardson et al., 2001; Utah: Taylor et al., 2000; Virginia: Gordon et al., 2002.

NOTES: Unless otherwise noted, all data come from the follow-up surveys.

The figures in parentheses show approximately how many months after exit the interviews took place.

[a]Unless noted, the figures show the rate of Medicaid coverage for respondents only.

[b]Percentages reflect SSI or SSDI coverage for anyone in the respondent's household.

[c]SSI includes those who received SSI, SSDI, or Social Security since leaving welfare.

[d]Food Stamp data are from administrative records and show the percentage who received Food Stamps all six months after leaving welfare.

[e]The figure for Medicaid represents the percentage of "families" with Medicaid coverage.

[f]The figure for Medicaid represents the percentage of respondents who reported that they or someone in their household had Medicaid coverage.

[g]Food Stamp data are from administrative records.

time-limit procedures may affect the likelihood that eligible individuals will continue to receive Food Stamps after exiting welfare due to time limits.

The Virginia study found that about half the respondents who were not receiving Food Stamps believed that they were not eligible; this proportion was about the same even for respondents with income below 130 percent of the poverty level, the Food Stamp income eligibility cutoff.[7]

Rates of Medicaid coverage are fairly high in all eight studies. Direct comparisons are difficult because some of the surveys asked about Medicaid coverage for families rather than individuals, but there appears to be some variation in coverage rates across states. Some of the variation may be related to the differences in employment rates: Respondents in states with higher employment rates may be more likely to have coverage through their employer and thus may opt not to continue Medicaid coverage.

However, this does not fully explain the variation because, for example, Utah has the lowest employment rate and one of the lowest Medicaid coverage rates. Although there may be some differences in eligibility criteria, one would expect that the vast majority of respondents in all states were eligible for coverage, either through the transitional Medicaid provision or because they met the criteria for AFDC eligibility that were in place before the 1996 welfare law passed.[8] This suggests that some of the variation is likely attributable to state practices for handling cases that exit welfare due to time limits. The Utah study found that many time-limit leavers were not aware that they were eligible for any services or assistance after their cash assistance grant was closed.

A few of the studies separately measured coverage for children under Medicaid or the State Children's Health Insurance Program (SCHIP). As expected, coverage rates for children were slightly higher than for adults.

The rates of receipt of Supplemental Security Income (SSI/SSDI) and public/subsidized housing probably reflect respondents' situations before they left welfare (see Section II). It is unlikely that large numbers of families could have started receiving either of these forms of assistance in the relatively short period since their exit.[9] The relatively high SSI rates do not necessarily mean that the respondents themselves were receiving this assistance: The surveys asked

[7]A family with income below 130 percent of the poverty line may still be ineligible for Food Stamps if, for example, they have too many assets to qualify.

[8]PRWORA delinked eligibility for Medicaid from eligibility for cash assistance. States are required to provide coverage to families who meet the preexisting AFDC eligibility criteria.

[9]In fact, the Virginia study found that the rates of both SSI receipt and public/subsidized housing receipt were very similar in the last month of benefit receipt, at the 6-month follow-up point, and at the 18-month follow-up point.

about SSI receipt for entire families. However, if someone in a respondent's family receives SSI, the need to care for the disabled person may create a barrier to employment for the respondent.

Several of the surveys examined public assistance receipt by employment status. In most cases, nonworking respondents are substantially more likely to be receiving Food Stamps and to have someone in their household receiving SSI. Differences are smaller with regard to housing assistance and Medicaid coverage.

Table 6.3 does not include information on the receipt of child care subsidies because the surveys use different bases in reporting the percentage using subsidies (for example, some reported subsidy use among those using child care, others among working respondents with children under a certain age, and still others for the full sample). In any case, it is clear that a significant minority of respondents in some states were receiving subsidies. For example, in Virginia, 39 percent of working respondents with a child under age 13 were receiving subsidies at the six-month point (most of those who were not receiving subsidies were aware of their existence). In Ohio, administrative records showed that 40 percent of those with a child under age 14 received subsidies at some point in the six months after exit. In Massachusetts, 39 percent of those with a child in care reported receiving a federal or state subsidy. Also, almost half of those with a child in care reported that they had no out-of-pocket child care costs. This could reflect subsidy receipt or free care provided by family or friends.

Household Income

The respondents' earnings and public assistance benefits tell only part of the story with regard to their household income. As shown in Table 6.4, a substantial fraction of respondents in all the surveys were living with at least one other adult when surveyed. These other adults — typically the respondent's spouse, partner, parent, or adult child — contributed substantial amounts of income to some of the households.

Noncustodial parents are another important source of income for some families, though child support receipt is far from universal. The surveys did not measure child support receipt uniformly, but, in most cases, between one-fourth and one-third of respondents reported that they were receiving at least some child support payments when interviewed. These payments may or may not have been received regularly.[10]

[10]A 1998 report examined the child support status of families reaching time limits in Connecticut, Florida FTP, and Virginia, finding that only 16 percent to 29 percent had received child support in the year prior to termination. Between 47 percent and 69 percent had no support order in place when they left welfare (U.S. General Accounting Office, 1998).

Welfare Time Limits

Table 6.4

Household Income for Time-Limit Leavers After Exit

State/Evalutation	Households with More Than One Adult (%)	Average Monthly Household Income ($)	Income Below Poverty Threshold (%)	Monthly Income Below $1,000 (%)
Connecticut (6)	43	1,100	n/a	46
Florida FTP (varies)	44	1,129	n/a	51
Massachusetts (10)	39	n/a	n/a	n/a
Ohio (6)	26	1,152	76	n/a
North Carolina (6)[a]	39	893	n/a	65
South Carolina (12)[b]	22	528	n/a	81
Utah (2-5)	n/a	750	72	n/a
Virginia (6)[c]	35	946	86	54

SOURCES: Connecticut: Hunter-Manns and Bloom, 2000; Florida FTP: Bloom et al., 2000, and MDRC calculations; Massachusetts Department of Transitional Assistance, 2000; Ohio: Bania et al., 2001; North Carolina: Richardson et al., 1999, and unpublished data; South Carolina: Richardson et al., 2001, and unpublished data; Utah: Taylor et al., 2000; Virginia: Gordon et al., 1999, and Gordon et al., 2002.

NOTES: The figures in parentheses show approximately how many months after exit the interviews took place.

[a]Percentage of households with other adults was collected at the 12-month follow-up, while income data refer to the 6-month follow-up. Income includes only the respondent's earnings and child support.

[b]Respondents reported their household income within ranges; income was calculated by assuming each respondent's income is at the midpoint of the range.

[c]Percentage of households with more than one adult and poverty rate are for cohort 1; average monthly income and income below $1,000 are for cohorts 1 and 2 combined.

The studies used a variety of approaches to measure and assess household income, so direct comparisons are probably inappropriate (even the studies that measured income in dollar terms did not necessarily do so in the same way). Table 6.4 includes several measures so that at least some data from each study can be reported. Despite the lack of uniformity, it is clear that most families in all the states had quite low household income when they were interviewed. In assessing the average household income figures, it is worth noting that the federal poverty threshold for a family of three is just under $1,200 per month.

Of course, most of these households were also living in deep poverty while they received welfare. In fact, in many cases, their household income at follow-up was higher than a nonworking family could receive from cash assistance and Food Stamps.[11] Comparisons of income before and after the time limit are discussed below.

The Florida FTP, North Carolina, and Virginia studies examined household income by employment status. The Virginia study found that average monthly income six months after exit was almost twice as high for employed respondents (the gap was much smaller at the 18-month point); the results were similar in Florida FTP. The North Carolina study did not estimate dollar income but found that only 42 percent of nonworking respondents reported that their income was adequate to meet their needs; the comparable figure was 59 percent for employed respondents.

Material Hardships

As with income, it is difficult to make direct comparisons across states regarding the prevalence of different types of material hardship because the questions were phrased differently in each survey. Nevertheless, some trends are clear:

- As might be expected given the income results, large proportions of respondents in all states reported that they were struggling financially. For example, in Connecticut, 61 percent reported that they had delayed paying bills in order to make ends meet; in South Carolina, 57 percent agreed that they were "just barely making it from day to day"; and in Virginia, 48 percent reported "money problems."

- Relatively few respondents reported experiencing the most serious kinds of housing distress: eviction and homelessness. Almost all the studies reported the percentage of respondents who had been homeless since leaving welfare. Although the definitions vary, all the figures are 2 percent or below. Three studies reported the percentage who had been evicted since leaving welfare:

[11]Among the eight states that conducted surveys, the combined TANF/Food Stamp benefit for a family of three with no other income ranges from $544 in South Carolina to $926 in Massachusetts.

Florida FTP (8 percent), Ohio (8 percent), and Utah (5 percent). Other studies found that relatively few recipients had moved to worse living arrangements since leaving welfare (in fact, respondents who had moved were more likely to have moved to better arrangements). As noted earlier, relatively large proportions of time-limit leavers are living in public or subsidized housing; it is possible that housing subsidies are protecting some families from severe housing distress.

- Larger proportions of respondents reported food-related hardships, perhaps reflecting the way families prioritize expenditures when money runs short (for example, by skipping meals in order to pay the rent). In North Carolina, 28 percent of respondents reported that there had been occasions since leaving welfare when they could not afford to buy food. In South Carolina, 15 percent reported that they had to cut the size of meals or skip meals because there was not enough money to buy food.

- Only a few of the studies asked whether any of the respondent's children had been removed from their custody or had gone to live elsewhere since the family had left welfare. Although the questions were phrased differently in each survey, the percentage of positive responses was 4 percent or below in all cases.

As noted earlier, the studies that compared household income for respondents who were employed and not employed found that employed households reported much higher average income. However, the prevalence of hardships was not as closely associated with employment status. In some cases, the relationship is in the expected direction: In North Carolina, the proportions of respondents reporting that they sometimes or often did not have enough to eat were 23 percent for working respondents and 54 percent for nonworking respondents. On the other hand, in Florida FTP, employed respondents were more likely to report that they had been unable to pay their rent and were more likely to be classified as food insecure with hunger. In Virginia, employed respondents were more likely to report that they had had trouble buying food and paying for housing.

One possible explanation for the unexpected pattern comes from the Florida study, which found that average monthly expenditures on housing were $288 for nonworking respondents and $415 for working respondents. Another explanation comes from the Virginia study, which found that nonworking respondents were more likely to have received assistance from community agencies or religious organizations in the past month. They were also more likely to have received money, phone access, children's supplies, and a place to stay from family or friends during that period.

Perhaps because of the pattern discussed above, it does not appear that hardship is systematically more prevalent in the states with lower employment rates. Table 6.5 shows the responses to a set of identical questions about food access that were asked in Connecticut, North Carolina, and Utah. The proportion of respondents reporting that they sometimes or often did not have enough to eat was slightly lower in Utah, even though the employment rate was much lower there than in the other two states. Similarly, the same food security scale was administered in Florida FTP (with an employment rate of 54 percent) and Massachusetts (with an employment rate of 73 percent). The percentage of respondents classified as "food insecure with hunger" was somewhat higher in Massachusetts (24 percent versus 16 percent in Florida FTP). Obviously, factors other than employment status — perhaps family support and housing costs — are critical in explaining levels of hardship.

Before-After Comparisons

All eight of the studies assessed how respondents' circumstances had changed since leaving welfare. As noted earlier, such changes cannot be attributed to the termination of benefits, but these data are suggestive. In almost all cases, the comparison was made by asking respondents to recall their situation while on welfare.[12]

Employment and Earnings

Table 6.6 shows the employment rates of respondents in their last months on welfare and at the follow-up interview. As discussed earlier, there was a modest increase in employment over time in North Carolina and Virginia but little change in the other states.[13]

These results suggest that the imposition of a time limit does not necessarily cause large numbers of respondents to start working — even in states like Ohio and South Carolina, where many people were not working when their cases were closed. This is consistent with the results from several random assignment studies presented in Chapter 5, which showed that employment impacts did not change substantially when families began reaching time limits.

However, a detailed analysis in the North Carolina study shows that averages can hide dynamic employment patterns. Although the employment rate was only modestly higher at the six-month follow-up point than in the last month of benefit receipt, about 60 percent of those who were not working when their case closed worked in the following six months, and more

[12]It may be difficult for respondents to recall their situation while on welfare. Also, their perception of their earlier status may have been colored by more recent events.

[13]Of course, respondents could have responded to the time limit by finding a job a few months before their benefits were terminated.

Table 6.5

Employment and Food Sufficiency Among Time-Limit Leavers

Outcome	Connecticut	North Carolina	Utah
Employed (%)	80	63	43
Food measures (%):			
Enough and kinds of food we want to eat	34	53	28
Enough but not kinds of food we want to eat	44	23	53
Sometimes not enough food	16	21	13
Often not enough food	6	3	6

SOURCES: Connecticut: Hunter-Manns et al., 1998; North Carolina: Richardson et al., 1999; Utah: Taylor et al., 2000.

than one-half were employed six months later. Conversely, fewer than half of the respondents who were employed when they left welfare were still working in the same job six months later. About one-fourth were still working, but in a different job, and another one-fourth were not employed.

The earnings data shown in Table 6.6 suggest that some people may have increased their work hours after leaving welfare — although the results are somewhat difficult to interpret because different people were working at the two points.[14]

The Florida FTP, North Carolina, and Virginia studies provide additional information because they conducted more than one round of interviews. Thus, it is possible to see how employment rates (and other outcomes) vary over a lengthy post-welfare follow-up period.

In Virginia, the employment rate increased slightly in the months after case closure and then leveled off: 62 percent were employed in the month of case closure, 71 percent at the six-

[14]When earnings data are obtained from administrative records, it is impossible to tell whether an increase over time is due to higher wages, more hours of employment per week, or more weeks of work in a quarter. However, it seems unlikely that growth in hourly wages could have been substantial in such a short follow-up period.

Table 6.6

Employment and Earnings of Time-Limit Leavers, Before and After Exit

	Employed (%)		Monthly Earnings ($)	
State/Evaluation	Before	After	Before	After
Connecticut (6)[a]	85	83	878	1,015
Florida FTP (varies)[b]	57	58	410	661
Ohio (6)	51	53	n/a	n/a
North Carolina (6)	54	63	n/a	n/a
South Carolina (12)[c]	51	53	375	660
Virginia (6)[d]	63	71	848	902

SOURCES: Connecticut: Hunter-Manns and Bloom, 1999, and Melton and Bloom, 2000; Florida FTP: Bloom et al., 2000, and MDRC calculations; Ohio: Bania et al., 2001; North Carolina: Richardson et al., 1999; South Carolina: Richardson et al., 2001; Virginia: Gordon et al., 1999.

NOTES: Unless otherwise noted, the data were collected from the follow-up surveys.

The figures in parentheses show approximately how many months after exit the interviews took place.

[a]Monthly earnings data come from administrative records in the quarter prior to exit and the second quarter after exit; quarterly earnings were divided by 3.

[b]Data are from administrative records for the quarter prior to termination and the fourth quarter after termination; quarterly earnings were divided by 3.

[c]Data are from administrative records for the quarter of exit and the fourth quarter after exit.

[d]Data are for cohort 1 only; as a result, the employment rate at follow-up does not match the rate in Table 6.2.

month follow-up point, and 69 percent at the 18-month interview. Once again, however, the underlying pattern was dynamic: 92 percent of respondents worked at some point in the 18-month period, and 63 percent experienced at least one spell of unemployment. Hourly wages among those employed were 13 percent higher at the 18-month point than at the 6-month point, and average weekly work hours were also somewhat higher (although it is important to note once again that different people were working at the two points). Interestingly, the percentage of respondents working in jobs that offered health benefits stayed largely unchanged, but the proportion who were enrolled in a company plan rose from 33 percent to 51 percent, perhaps reflecting the expiration of transitional Medicaid coverage or respondents remaining in jobs long enough to qualify for employer coverage.

The patterns are similar in North Carolina: The employment rate increased at first and then remained roughly constant (54 percent were employed in the last benefit month, 63 percent at the 6-month point, and 66 percent at the 12-month point). Wages and hours increased between the two interviews. The proportion of employed respondents working in jobs that offered health insurance did not change much, but the proportion who were enrolled in company plans nearly doubled, from 33 percent to 65 percent.

The Florida FTP evaluation studied employment patterns for a small group of leavers who were interviewed four times in the 18 months after they left welfare: Approximately one-third worked steadily throughout the period, one-third worked sporadically, and one-third did not work at all.

Income Before and After Leaving Welfare

Most of the studies asked respondents to compare their monthly income in their last month on welfare with their income in the month prior to the follow-up interview. Only two studies — Florida FTP and Virginia — examined dollar income averages at more than one point. The Florida FTP study did so by interviewing a small sample of time-limit leavers around the time their benefits were canceled and then at 6-month intervals thereafter, while the Virginia study asked respondents to recall their income during their last month on assistance and to report their income in the month prior to the 6- and 18-month interviews.[15]

In Virginia, average income was slightly lower 6 months after exit than during the last month on assistance. However, average income at the 18-month point was slightly higher than at either earlier point. About 45 percent of respondents reported an increase of more than 10 percent in their income between case closure and the 18-month interview. Almost as many, 41 percent, reported a decrease of 10 percent or more. The proportion of families with very low income (below $1,000 per month) decreased during this period.

The Florida study also found that average income was lower 6 months after exit than during the last month on welfare. About one-fourth of respondents had higher income at the

[15]The income measure in Virginia includes the respondent's earnings plus household income from TANF, Food Stamps, child support, SSI, and unemployment insurance. It does not include earnings of other household members. Because the percentage of respondents living with another employed adult increased over time, the study authors report that the 18-month income estimate may be understated.

follow-up point, while the rest had lower income. Interestingly, the Florida FTP study found that the respondents most likely to lose income were those who were working in both the last benefit month and the month before the 6-month follow-up interview.

The other studies asked respondents to compare their income or their general well-being at the two points — without trying to obtain detailed dollar amounts for the pre-exit period. Specifically:

- In South Carolina, 47 percent of respondents agreed that they had more money than while they were on welfare; 53 percent disagreed.
- In North Carolina, 56 percent agreed that they were a little or a lot better off one year after leaving welfare, and only 15 percent said they were a little or a lot worse off.
- In Connecticut, a fairly high-grant state with a very generous earnings disregard, only 20 percent of respondents reported that they were more satisfied with their standard of living after leaving welfare.
- In Massachusetts, about 40 percent reported that they had more income after leaving welfare, while an equal proportion reported that they had less to live on (about 20 percent reported that their income was about the same). About half reported that their expenses were higher, while only 8 percent reported that their expenses were lower.
- In Utah, 49 percent reported that life in general was worse since their case closed. Thirty percent reported that life was about the same, and only 21 percent reported that life was better.

Although the patterns vary, in most states, a somewhat greater proportion of respondents believed that they were worse off financially than they had been while on welfare. It is important to recall that — particularly in states like Connecticut, Massachusetts, and Virginia — a large proportion of respondents had been mixing work and welfare before reaching the time limit. Upon reaching the limit, they lost their supplemental welfare grant, resulting in a loss of income. The fact that families saw their income decline over time, however, does not necessarily mean that they were worse off than they would have been without welfare reform (without the reforms, they would not have received the expanded disregards).

Hardships Before and After Leaving Welfare

Several of the studies asked respondents to report whether they had experienced specific hardships before and after leaving welfare. Although the patterns vary, it appears that hardships are more common in the post-exit period. This is consistent with the fact that many families had lower income. For example:

- In North Carolina, 24 percent reported that they sometimes or often did not have enough to eat in the six months after leaving welfare, while only 8 percent reported that they had experienced this hardship in their last six months on welfare.

- In South Carolina, respondents reported that they were more likely to get behind in paying rent or utility bills, and to have their phone or utilities disconnected, in the year after leaving welfare than in the year before leaving welfare.

- In Massachusetts, 24 percent were classified as "food insecure with hunger" after leaving welfare, compared with 13 percent who reported that they had experienced this hardship before leaving welfare.

- In Connecticut, 29 percent reported at follow-up that they sometimes or often relied on low-cost food to feed the children, because they were running out of money. Only 15 percent reported that this had been true in their last month on welfare.

A few of the studies asked questions about the well-being of respondents' children before and after leaving welfare. There is no evidence that children were doing worse in the post-welfare period.

- In Massachusetts, 29 percent reported that child-rearing was better after leaving welfare than before; 18 percent reported that child-rearing was worse.

- In North Carolina, substantial numbers of respondents reported that their children were experiencing school-related problems, but there is no clear pattern of improvement or decay relative to the period before families left welfare.

- In South Carolina, the proportion of respondents who reported that their children's behavior and school performance were better than they had been one year earlier was larger than the proportion who reported that behavior and school performance had gotten worse.

- The Utah study reported some deterioration over time in child-related outcomes, but the results are not reported separately for time-limit leavers.

Time-Limit Leavers Compared with Other Leavers

Seven of the eight studies compared outcomes for time-limit leavers with outcomes for families who left welfare for other reasons. Five of these seven studies (Connecticut, Florida FTP, Massachusetts, Ohio, and Virginia) compared time-limit leavers with "non-time-limit leavers," a diverse group that may include families who left welfare owing to sanctions, increased income, changes in family status, or other reasons. The other two studies (South Carolina and Utah) divide the "other leavers" into two or more categories based on the exit reason.[16] As with many of the other topics discussed earlier, each study used a somewhat different approach, making direct comparisons difficult.

Employment and Earnings

The results of the comparisons vary substantially by state, for the reasons discussed at the beginning of this chapter. For example, as shown in Table 6.7, in Connecticut, Massachusetts, and Virginia (the three states with the highest employment rates for time-limit leavers), individuals who left because of time limits have either similar or higher employment rates than other leavers — although in all three cases, employed time-limit leavers earned less than other employed leavers. In those states, the non-time-limit leavers were a diverse group — including both people who left welfare for work and people who left for other reasons — while the time-limit leavers were mostly employed, for the reasons discussed earlier.

In the other states, time-limit leavers have both lower employment rates and lower earnings than other leavers. The South Carolina study found that sanctioned leavers had a lower post-exit employment rate than any other category of leavers (results not shown).

Receipt of Government Benefits

Table 6.8 examines the receipt of Food Stamps and Medicaid, by exit reason. All the studies found that rates of Food Stamp receipt are much higher for time-limit leavers than for other leavers. Interestingly, this is true even in states like Connecticut and Massachusetts, where the time-limit leavers have similar or higher employment rates than other leavers. As discussed in Chapter 4, one possible explanation for this pattern is that many time-limit leavers attended special exit interviews just prior to case closure; during these meetings, staff may have informed them about their eligibility for other benefits (and even recertified their benefits). In contrast, many of the non-time-limit leavers probably exited from welfare without contacting the welfare office — for example, they simply failed to show up for their next scheduled eligibility review

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[16]In preparation for this report, MAXIMUS calculated several specific outcomes for a single non-time-limit leavers group in South Carolina by combining results for those who left owing to sanctions, earned income, and for other reasons.

Table 6.7

Post-Exit Employment and Earnings for Time-Limit Leavers and Non-Time-Limit Leavers

	Leavers Employed (%)		Monthly Earnings Among Those Employed ($)	
State/Evalutation	TL	Non-TL	TL	Non-TL
Connecticut (6)[a]	83	51	1,015	1,090
Florida FTP (varies)	54	69	804	1,079
Massachusetts (10)	73	71	1,095	1,290
North Carolina[b]	63	69	947	1,190
Ohio (6)	53	73	989	1,276
South Carolina (12)	50	62	993	1,088
Utah	43	63	750	1,011
Virginia (6)[c]	71	63	902	1,192

SOURCES: Connecticut: Melton and Bloom, 2000; Florida FTP: Bloom et al., 2000, and MDRC calculations; Massachusetts Department of Transitional Assistance, 2000; Ohio: Bania et al., 2001; North Carolina: Richardson et al., 2000, and Richardson et al., 1999; South Carolina: Richardson et al., 2001, and unpublished data; Utah: Taylor et al., 2000; Virginia: Gordon et al., 1999.

NOTES: Unless otherwise noted, the data were collected from the follow-up surveys, and the non-time-limit group includes people who left welfare at roughly the same time as the time-limit leavers, but for reasons other than the time limit.

The figures in parentheses show approximately how many months after exit the interviews took place.

[a]Data are from administrative records for the second quarter after exit.

[b]Earnings for time-limit leavers are median earnings for those working for an employer.

[c]Data on time-limit leavers are for cohort 1 only.

Welfare Time Limits.

Table 6.8

Post-Exit Receipt of Food Stamps and Medicaid for Time-Limit Leavers and Non-Time-Limit Leavers

	Food Stamps (%)		Medicaid (%)	
State/Evalutation	TL	Non-TL	TL	Non-TL
Connecticut (6)[a]	52	31	91	n/a
Florida FTP (varies)	74	32	62	23
Massachusetts (10)	52	29	84	80
North Carolina (6)	71	45	85	67
Ohio (6)[b]	73	32	91	72
South Carolina	87	54	93	77
Utah	85	59	80	74

SOURCES: Connecticut: Melton and Bloom, 2000; Florida FTP: Bloom et al., 2000, and MDRC calculations; Massachusetts Department of Transitional Assistance, 2000; North Carolina: Richardson et al., 1999, and Richardson et al., 2000; Ohio: Bania et al., 2001; South Carolina: Richardson et al., 2001, and unpublished calculations; Utah: Taylor et al., 2000.

Notes: Unless otherwise noted, the data were collected from the follow-up surveys, and the non-time-limit group includes people who left welfare at roughly the same time as the time-limit leavers, but for reasons other than the time limit.

The figures in parentheses show approximately how many months after exit the interviews took place.

[a]Data are from administrative records for the second quarter after exit.

[b]Food Stamp figures are the percentage who received Food Stamps in all 6 months after exit.

after finding a job — which resulted in closure of their Food Stamp case. It is also possible that time-limit leavers — who are predominantly long-term welfare recipients — are more likely to know about the eligibility criteria for other public assistance programs.

Income and Material Hardships

As discussed earlier, there is little consistency in the way the studies measured income and hardship, so it is difficult to make direct comparisons. As discussed earlier, reported income is closely associated with employment status in most states, with employed respondents reporting much higher income, on average. Thus, in states where time-limit leavers have lower employment rates than other leavers, they also report lower income. A full measure of household income is not available for non-time-limit leavers in Connecticut, where time-limit leavers have a much higher employment rate. However, as expected, administrative records data suggest that time-limit leavers have substantially higher household income.

Material hardships are common among all groups of leavers, and it does not appear that time-limit leavers are systematically worse off. For example:

- In Ohio, time-limit leavers were more likely than other leavers to have been evicted, but they were less likely to have skipped doctor visits or to have moved to a worse neighborhood since leaving welfare.
- In South Carolina, time-limit leavers were less likely than other leavers to report that they had cut the size of meals or skipped meals since leaving welfare, but they were more likely to report having experienced some other hardships (such as going without electricity or heat or having their phone cut off).
- In Florida FTP, time-limit leavers were slightly more likely to have experienced some hardships, but the differences were very small.
- In Massachusetts, time-limit leavers were more likely than other leavers to report that their financial well-being had worsened since leaving welfare; the percentage classified as "food insecure with hunger" was about the same for the two groups, however.
- In Utah, time-limit leavers were fairly consistently worse off than individuals who left because of increased income, but not necessarily worse off than people who left for "other" reasons (many of whom had been sanctioned).

In states where time-limit leavers are less likely to be employed than other leavers, they appear to be relying more heavily on both public assistance and community and family resources. However, there is little evidence that time-limit leavers are more likely to be living with other employed adults.

Appendix A

Supplemental Data from the Survey of States

Table A.1

TANF Basic Policy

State	Name of Program	Maximum Benefit for Family of Three ($)	Maximum Earnings in Month 5 ($)	Sanction Type[a]
Alabama	Family Assistance	164	No limit	Gradual full-family
Alaska	Alaska Temporary Assistance Program	923	1,920	Partial
Arizona	EMPOWER	347	586	Gradual full-family
Arkansas	Transitional Employment Assistance	204	697	Gradual full-family[a]
California	CalWORKs	679	1,582	Partial
Colorado	Colorado Works	356	541	Gradual full-family
Connecticut	Temporary Family Assistance	543	1,157	Gradual full-family
Delaware	Delaware's A Better Chance	338	988	Gradual full-family
District of Columbia	TANF	379	1,296	Partial
Florida	Welfare Transition Program	303	806	Immediate full-family
Georgia	TANF	280	544	Gradual full-family
Hawaii	Pursuit of New Opportunities	570	1,363	Immediate full-family
Idaho	Temporary Assistance for Families in Idaho	293	625	Immediate full-family
Illinois	TANF	349-377	3 x payment	Gradual full-family
Indiana	IMPACT	288	408	Partial
Iowa	Family Independence Program	426	1,065	Immediate full-family
Kansas	Temporary Assistance for Families	403	762	Immediate full-family
Kentucky	Kentucky Transitional Assistance Program (K-TAP)	262	646	Partial
Louisiana	Family Independence Temporary Assistance Prog.	240	1,260	Gradual full-family
Maine	TANF and ASPIRE-TANF	461	1,103	Partial
Maryland	Temporary Cash Assistance	472	637	Immediate full-family
Massachusetts	TAFDC	618	1,045	Gradual full-family
Michigan	Family Independence Program	459	774	Gradual full-family
Minnesota	Minnesota Family Investment Program	831	1,474	Partial
Mississippi	TANF	170	no limit	Immediate full-family

(continued)

Table A.1 (continued)

State	Name of Program	Maximum Benefit for Family of Three ($)	Maximum Earnings in Month 5 ($)	Sanction Type[a]
Missouri	Beyond Welfare	292	1,146	Partial
Montana	TANF Cash Assistance	494	1,164	Partial
Nebraska	Employment First	364	669	Immediate full-family
Nevada	TANF	348	696	Gradual full-family
New Hampshire	Employment Project and Family Assistance	600	1,200	Partial
New Jersey	Work First New Jersey	424	848	Gradual full-family
New Mexico	New Mexico Works	389	1,036	Gradual full-family
New York	Family Assistance	577	1,220	Partial
North Carolina	Work First	272	750	Gradual full-family
North Dakota	Economic Assistance	457	784	Gradual full-family
Ohio	Ohio Works First	373	975	Immediate full-family
Oklahoma	Statewide Temporary Assistance Responsibility	292	702	Immediate full-family
Oregon	TANF	460	616	Gradual full-family
Pennsylvania	TANF	403	806	Gradual full-family
Rhode Island	Family Independence Program	554	1,278	Partial
South Carolina	Family Independence Program	204	609	Immediate full-family
South Dakota	TANF	469	675	Gradual full-family
Tennessee	Families First	185	949	Immediate full-family
Texas	TANF Cash Assistance	208	328	Partial
Utah	Family Employment Program	451	1,002	Gradual full-family
Vermont	Aid to Needy Families with Children/Reach Up	638	1,000	Partial
Virginia	TANF	320	1,157	Immediate full-family
Washington	Work First	546	1,092	Partial
West Virginia	West Virginia Works	453	varies	Gradual full-family
Wisconsin	Wisconsin Works	673	---	Gradual full-family
Wyoming	POWER	340	539	Immediate full-family

NOTES: [a]Immediate full-family sanctions close the case in the first instance of noncompliance; gradual full-family sanctions may reduce the size of the grant in the first instance of noncompliance, but close the case in later instances; partial sanctions reduce the size of the grant.

[b]Or partial sanction at county's discretion.

Table A.2

Key Features of the Time-Limit Policies

State	Shorter Time Limit (months)	Lifetime Limit (months)	Date Families First Exceed(ed) Limit[a]	Consequences of Reaching Limit if Extension Is Not Granted
Alabama		60	11/2001	Closes TANF case
Alaska		60	7/2002	Closes TANF case
Arizona	24 in 60	None	11/1997	Removes adult; adult is eligible after 36 months of ineligibility
Arkansas		24	7/2000	Closes TANF case
California		60	1/2003	Removes adult
Colorado		60	7/2002	Closes TANF case; county may provide diversion or short-term assistance
Connecticut	21	60	11/1997	Closes TANF case; may be eligible for safety net services
Delaware[b]		36	10/1999	Closes TANF case
District of Columbia		60	3/2002	Removes non-compliant adult from assistance unit
Florida	24 in 60 or 36 in 72	48	10/1998	Closes TANF case
Georgia		48	1/2001	Closes TANF case
Hawaii		60	12/2001	Closes TANF case; subsidy provided for full-time employment
Idaho		24	7/1999	Closes TANF case
Illinois		60	7/2002	Closes TANF case
Indiana		24	8/1997	Removes adult
Iowa		60	1/2002	Closes TANF case
Kansas		60	10/2001	Closes TANF case
Kentucky		60	11/2001	Closes TANF case
Louisiana	24 in 60	60	12/1998	Closes TANF case
Maine		60	11/2001	Closes TANF case
Maryland		60	1/2002	Continues family's benefits to compliant families
Massachusetts	24 in 60	None	12/1998	Closes TANF case
Michigan		None	----	States does not have time limit
Minnesota		60	7/2002	Closes TANF case
Mississippi		60	10/2001	Closes TANF case
Missouri		60	7/2002	Closes TANF case
Montana		60	2/2002	Closes TANF case

(continued)

Table A.2 (continued)

State	Shorter Time Limit (months)	Lifetime Limit (months)	Date Families First Exceed(ed) Limit[a]	Consequences of Reaching Limit if Extension Is Not Granted
Nebraska	24 in 48	None	12/1998	Closes TANF case
Nevada	24 ineligible for 12	60	1/2000	Closes TANF case
New Hampshire		60	10/2001	Closes TANF case
New Jersey		60	4/2002	Closes TANF case
New Mexico		60	7/2002	Closes TANF case
New York		60	12/2001	Closes TANF case; families eligible for safety net services
North Carolina	24 ineligible for 36	60	8/1998	Closes TANF case
North Dakota		60	7/2002	Closes TANF case
Ohio	36 ineligible for 24	60	10/2000	Closes TANF case
Oklahoma		60	10/2001	Closes TANF case
Oregon	24 in 84	None	7/1998	Time limit only applies to noncompliant cases
Pennsylvania		60	3/2002	Closes TANF case
Rhode Island		60	5/2002	Removes adult
South Carolina	24 in 120	60	10/1998	Closes TANF case
South Dakota		60	12/2001	Closes TANF case
Tennessee	18 ineligible for 3	60	4/1998	Terminates for 3 months
Texas	12, 24, or 36 [c]	60	1/1998	Removes adult after shorter limit; closes TANF case after 60 months[e]
Utah		36	1/2000	Closes TANF case
Vermont		None	----	States does not have time limit
Virginia	24 ineligible for 24	60	10/1999	Closes TANF case
Washington		60	8/2002	Removes adult if he/she refuses to participate in WorkFirst program
West Virginia		60	12/2001	Closes TANF case
Wisconsin	24	60	4/1999	Closes TANF case
Wyoming		60[d]	2/1999	Closes TANF case

NOTES: [a]Denotes the month following the date families could potentially accumulate the maximum number of months of TANF assistance.

[b]Prior to January 2000, Delaware limited assistance to 48 months after which families were ineligible for 96 months.

[c]Depends on educational background and work experience.

[d]Wyoming counted up to 36 months of retrospective benefits that occurred prior to 2/97.

[e] Applies to families living in areas that operate a state education and training program. In areas where no such program exists, families face 60-month time limit only.

Welfare Time Limits

Table A.3

Exemption Criteria

State	Disabled or Caring for Disabled Family Member	Elderly	Victim of Domestic Violence	Caring for Young Child[a]	Pregnant[b]	Minor Parent[c]	Adult is Employed	Child Care Unavailable	Other
Alabama	X	X	X		X				Alcohol or mental health counseling
Alaska									
Arizona	X	X					X		In subsidized Job Start program.
Arkansas	X	X	X	X	X			X	Exempt from work requirements; child at risk for neglect
California	X	X	X						Nonparent caretaker who is responsible for children who are wards of the court or at risk of placement in foster care
Colorado									
Connecticut	X	X		X	X	X			Declared unemployable; postpartum and unable to work
Delaware	X		X	X	X		X	X	High unemployment
District of Columbia	X								
Florida	X								
Georgia				X					
Hawaii	X	X	X	X					Americorps/Vista volunteer
Idaho									
Illinois	X					X	X		In post-secondary education
Indiana	X	X	X	X	X			X	
Iowa									
Kansas									
Kentucky			X						
Louisiana	X				X		X		
Maine	X								In post-secondary education; noncitizens
Maryland	X		X				X		
Massachusetts	X	X	X	X	X	X			
Michigan									
Minnesota		X	X		X	X			
Mississippi									
Missouri	X	X							In subsidized employment program
Montana						X			

(continued)

Table A.3 (continued)

State	Disabled or Caring for Disabled Family Member	Elderly	Victim of Domestic Violence	Caring for Young Child[a]	Pregnant[b]	Minor Parent[c]	Adult is Employed	Child Care Unavailable	Other
Nebraska	X	X	X	X		X			
Nevada									
New Hampshire									
New Jersey	X	X	X						Unemployable
New Mexico									High unemployment (greater than 50%)
New York									Receiving subsidy paid to employer/3rd party
North Carolina	X							X	Lack of transportation; in post-secondary education
North Dakota									
Ohio	X	X	X	X		X		X	Relative caregiver; exempt from work requirement; in eduation or training; high unemployment; unable to find or retain employment; support service unavailable
Oklahoma									
Oregon	X			X	X				Complying with work requirements.
Pennsylvania							X		Participating early in work; addressing barriers
Rhode Island	X	X	X				X		
South Carolina	X					X		X	Transportation unavailable
South Dakota									
Tennessee	X	X	X	X		X		X	Low education level; in vocational rehab; in drug/alcohol rehab; exemption recommended by Family Services counselor
Texas									
Utah									
Vermont									
Virginia	X	X			X	X			
Washington									
West Virginia									
Wisconsin				X					
Wyoming	X								In post-secondary education
Total	26	16	15	12	10	10	7	7	

NOTES: [a]Age of child varies from three months to two years.

[b]In some states, pregnancy exemptions are provided only in the event that the individual is unable to work.

[c]In some states, exemptions to minor parents require that the parent be employed, in school, compliant, or head of household.

Welfare Time Limits

Table A.4

Extension Criteria

State	Disabled or Caring for Disabled Family Member	Victim of Domestic Violence	Good Faith Effort	Living in Area with High Unemployment or Limited Job Opportunities	Lacking Child Care or Other Support Service	Has Other Significant Barriers [a]	Completing Education or Training	Has Child at Risk of Foster Care, Abuse, or Neglect	Other
Alabama				X					Hardship for 12 of last 24 months
Alaska	X	X							Unable to achieve self-sufficiency
Arizona			X				X		
Arkansas	X	X	X		X			X	Elderly parent/caretaker; caring for young child; pregnant; caretaker exempt from work requirements; extends benefits number of months received benefits out-of-state.
California	X	X	X						Elderly
Colorado	X	X						X	
Connecticut			X		X	X			Circumstances beyond control prevent employment; working 35 hours per week
Delaware	X		X	X	X				
District of Columbia		X	X						
Florida	X	X	X	X				X	
Georgia	X	X		X					Active child protective service; in substance abuse program; has not completed work plan
Hawaii			X						
Idaho	X								
Illinois									
Indiana		X	X		X				Circumstances beyond control result in inability to obtain or retain employment
Iowa	X	X			X	X			Hardship; unable to achieve self-sufficiency
Kansas	X	X	X					X	Elderly; unable to achieve self-sufficiency
Kentucky	X	X	X					X	Job loss within month of 60-month limit
Louisiana	X	X		X	X	X	X		Has earned income; pregnant; actively seeking employment/in work component; death of family member
Maine	X	X	X						
Maryland			X						

(continued)

Table A.4 (continued)

State	Disabled or Caring for Disabled Family Member	Victim of Domestic Violence	Good Faith Effort	Living in Area with High Unemployment or Limited Job Opportunities	Lacking Child Care or Other Support Service	Has Other Significant Barriers [a]	Completing Education or Training	Has Child at Risk of Foster Care, Abuse, or Neglect	Other
Massachusetts		X	X	X	X				Working full-time
Michigan									
Minnesota	X								Employed adult; upon request from the county
Mississippi	X	X	X			X			Under 18; pregnant; has child under 18 months
Missouri	X	X				X		X	Experiencing family crisis
Montana	X	X							
Nebraska			X		X				Unemployable; caseworker discretion
Nevada		X							Hardship
New Hampshire	X	X	X	X	X	X			In life-threatening situation; reapplying and working 30 hours per week; hardship
New Jersey			X		X				Hardship; recently sanctioned
New Mexico	X	X							Elderly caretaker; SSI application pending
New York	X	X							SSI application pending.
North Carolina			X						Compliant and through no fault of own, is unable to obtain or maintain employment
North Dakota	X	X		X				X	Elderly caretaker
Ohio			X						Hardship
Oklahoma	X					X	X		Under-employed; SSI application pending; unable to achieve self-sufficiency, but working 30 hours
		X							
Oregon		X	X						Primary wage earner in a two-parent family died
Pennsylvania									
Rhode Island	X	X			X	X	X		
South Carolina							X		
South Dakota	X	X				X			Family safety issue
Tennessee			X	X					
Texas	X		X	X					
Utah	X	X					X		Hardship; family working more than 80 hours; minor parent; delay of services; never received employment services in another state
Vermont									

(continued)

Table A.4 (continued)

State	Disabled or Caring for Disabled Family Member	Victim of Domestic Violence	Good Faith Effort	Living in Area with High Unemployment or Limited Job Opportunities	Lacking Child Care or Other Support Service	Has Other Significant Barriers [a]	Completing Education or Training	Has Child at Risk of Foster Care, Abuse, or Neglect	Other
Virginia				X			X		Unable to achieve self-sufficiency
Washington	X	X	X						SSI application pending; elderly caretaker
West Virginia	X	X	X	X	X		X		Pregnant; very young child; received inappropriate case management; unable to achieve self-sufficiency
Wisconsin			X	X		X			
Wyoming	X	X				X	X		Abandoned; SSI application pending; agency failed participant
Total	29	29	27	13	12	11	9	7	

NOTES: [a]Includes substance abuse, low literacy, and homelessness.

Table A.5

Structure for Funding TANF and Non-TANF Assistance, September to December 2001

State	Share of Cases By Funding Source %: Federal Funds (TANF)	Segregated Funds (TANF)	Separate State Program (Non-TANF)	Families Receiving Assistance from State MOE Only: Segregated Funds	Separate State Program
Alabama	98.9	0.0	1.1	---	Two-parent families
Alaska	100.0	0.0	0.0	---	---
Arizona	97.1	2.9	0.0	Families with monthly benefits less than $100	---
Arkansas	100.0	0.0	0.0	---	---
California[a]	89.3	0.8	9.8	Legal noncitizens; families that include an adult who has reached the federal TANF time limit	Two-parent families
Colorado	100.0	0.0	0.0	---	---
Connecticut	93.2	0.8	6.0	Qualified aliens	Two-parent families and safety net participants
Delaware	n/a	n/a	n/a	Families working 20 hours per week	Two-parent families
District of Columbia	39.6	59.1	1.3	Child-only cases and those not eligible for a federal hardship exemption	Clients eligible for the POWER program (i.e., have an incapacity)
Florida	96.1	0.0	3.9	---	Two-parent families
Georgia	99.3	0.0	0.7	---	Two-parent families and qualified aliens
Hawaii	69.7	0.0	30.3	---	Two-parent families and non-citizen families
Idaho	100.0	0.0	0.0	---	---
Illinois	39.0	59.6	1.4	Exempted cases, including families with earned income	(1) Certain refugees; (2) first time pregnant women; (3) two-parent families
Indiana	95.7	0.0	4.3	---	Two-parent families
Iowa	100.0	0.0	0.0	---	---
Kansas	100.0	0.0	0.0	---	---
Kentucky[a]	100.0	0.0	0.0	---	---
Louisiana	100.0	0.0	0.0	---	---
Maine[b]	85.5	0.0	14.5	---	(1) Parents as Scholar Program participants; (2) non-citizens; (3) households in which one member is receiving SSI
Maryland	91.4	3.0	5.7	Families with earned income	(1) Legal immigrants; (2) 19-year old child who will graduate from high school in the year he/she turns 19; (3) two-parent families; (4) severely disabled individuals applying for SSI; (5) victims of domestic violence; (6) children residing with a related non-parent

(continued)

Table A.5 (continued)

State	Share of Cases By Funding Source %: Federal Funds (TANF)	Segregated Funds (TANF)	Separate State Program (Non-TANF)	Families Receiving Assistance from State MOE Only: Segregated Funds	Separate State Program
Massachusetts	62.9	37.1	0.0	Lawfully residing non-citizens and exempt individuals	---
Michigan	100.0	0.0	0.0	---	---
Minnesota	84.6	6.6	8.8	(1) Families with individual 60 or over; (2) minor caregivers complying with educational plan; (3) participants with a family violence plan or alternative employment plan; and (4) TANF ineligible noncitizens	Two-parent families
Mississippi	100.0	0.0	0.0	---	---
Missouri	94.8	0.0	5.2	---	(1) Disabled parents/caretakers; (2) elderly parents/caretakers over 60; (3) legal aliens in the US less than 5 years; (4) children in home under age one when that exemption from work activities has been allowed more than 12 months
Montana	100.0	0.0	0.0	---	At-home Infant Care Pilot Program participants (few enrolled in fall 2001)
Nebraska	91.9	0.0	8.1	---	Two-parent families
Nevada	95.6	0.0	4.4	---	Two-parent families
New Hampshire	100.0	0.0	0.0	---	---
New Jersey	96.7	0.0	3.3	---	Two-parent families
New Mexico	97.6	0.0	2.4	---	(1) Legal aliens; (2) enrolled in 24-month post-secondary education program
New York[a]	100.0	0.0	0.0	---	---
North Carolina	100.0	0.0	0.0	---	---
North Dakota	100.0	0.0	0.0	---	---
Ohio	100.0	0.0	0.0	---	---
Oklahoma	100.0	0.0	0.0	---	---
Oregon	100.0	0.0	0.0	---	---
Pennsylvania	98.0	2.0	0.0	Exempt individuals, including families with earned income, and qualified aliens	---

(continued)

Table A.5 (continued)

State	Share of Cases By Funding Source %: Federal Funds (TANF)	Segregated Funds (TANF)	Separate State Program (Non-TANF)	Families Receiving Assistance from State MOE Only: Segregated Funds	Separate State Program
Rhode Island	87.7	4.8	7.4	Single-parents working 30 hours weekly or two-parent families working 35 hours weekly	(1) Some legal immigrants; (2) two-parent families working under 35 hours weekly; 3) minor teen heads of household; (4) in loco parentis cases; and (5) fugitive felons
South Carolina	100.0	0.0	0.0	---	---
South Dakota	100.0	0.0	0.0	---	---
Tennessee	98.5	0.0	1.5	---	(1) Two-parent families; (2) married during receipt (spouse's income is not counted); (3) alien cases; (4) drug felons if excluded from TANF and children are eligible
Texas	96.3	0.0	3.7	---	Two-parent families
Utah[a]	99.1	0.0	0.9	---	Two Parent Families Working Toward Employment (FEP-TP) and required to participate in activities that lead to employment
Vermont	94.3	0.0	5.7	---	In the Postsecondary Education Program
Virginia	97.4	0.0	2.6	---	Two-parent families
Washington[a]	98.9	1.1	0.0	Immigrant families	---
West Virginia	100.0	0.0	0.0	---	---
Wisconsin	96.9	0.0	3.1	---	Qualified aliens and participants receiving W-2 Interim Assistance who are applying for SSI
Wyoming	98.7	0.0	1.3	---	In State Adult Student Financial Aid (SASFA) program, which provides benefits to postsecondary education students under certain criteria
Total	92.8	3.3	3.9		

NOTES: [a]Based on September to November 2001 data only
[b]Based on November 2001 data only

Table A.6

Policies and Practices Targeting Families Approaching Time Limit

State	Meet With Head of Household	Conduct Home Visits	Assess Family Needs	Assess Employment Barriers	Provide Job Search Assistance	Provide Subsidized Employment	Send Letter to Family
Alabama	X	X	X	X	X		X
Alaska	X		X	X			X
Arizona	X		X	X	X		X
Arkansas	X		X	X	X		X
California							X
Colorado							X
Connecticut	X						X
Delaware			X	X			X
District of Columbia	X	X	X		X	X	
Florida	X		X	X	X		X
Georgia	X	X	X	X	X	X	X
Hawaii	X		X	X	X		X
Idaho	X	X	X	X	X		X
Illinois	X		X	X	X		X
Indiana							X
Iowa	X			X			
Kansas	X		X	X	X		X
Kentucky	X	X	X				X
Louisiana	X						X
Maine							X
Maryland	X		X	X	X		X
Massachusetts	X		X	X	X		X
Michigan							
Minnesota	X	X	X	X	X	X	X
Mississippi	X		X	X			X
Missouri	X		X	X	X	X	X
Montana	X	X	X	X	X		X
Nebraska	X		X	X	X		X
Nevada	X	X	X	X	X	X	X
New Hampshire	X						X
New Jersey	X		X	X	X		X
New Mexico	X	X	X	X	X	X	X
New York	X	X	X	X	X		X
North Carolina	X	X	X	X			X
North Dakota	X		X	X	X		X
Ohio							
Oklahoma	X	X	X	X	X	X	X
Oregon							
Pennsylvania	X	X	X	X	X	X	X
Rhode Island	X		X	X	X		X
South Carolina	X	X	X	X	X	X	X
South Dakota	X		X	X			X
Tennessee		X					X

(continued)

Table A.6 (continued)

State	Meet With Head of Household	Conduct Home Visits	Assess Family Needs	Assess Employment Barriers	Provide Job Search Assistance	Provide Subsidized Employment	Send Letter to Family
Texas							X
Utah	X						X
Vermont							
Virginia							X
Washington	X		X	X			X
West Virginia	X						X
Wisconsin	X	X					X
Wyoming							X
Total	38	16	32	31	25	9	45

Welfare Time Limits

Table A.7

Process for Determining Outcome of Cases Reaching Time Limit, by Month of Occurrence

State	Must Request or Apply for Extension	Must File Application for Non-TANF Assistance	Hearing Available On Request of Family	Decision Making Process
Alabama				Case worker makes decision
Alaska	X			Panel makes decision
Arizona			X	Case worker makes decision
Arkansas			X	Case manager makes recommendations; supervisor must sign off
California			X	Process varies by county (but must adhere to state standards)
Colorado	X	X		The request is made to the county, forwarded to the state, then approved or denied at the state level
Connecticut	X	X	X	Case managers make decisions; random reviews take place
Delaware			X	Contractor makes assessment and provides determination
District of Columbia				Caseworker reviews automated case management system and makes determination
Florida	X		X	Case manager makes recommendation, supervisor approves and Regional Workforce Board ultimately decides
Georgia	X	X	X	Case manager recommends and supervisor must sign off. Cases approaching 20% cap on extensions need to be approved by the state office
Hawaii				Not applicable because all are terminated at end of time limit. Decisions regarding non-TANF benefits for employment are made by caseworkers
Idaho				Case manager makes recommendation and supervisor must sign off
Illinois	X		X	Caseworkers make recommendations. A panel of Department staff make final decisions based on specific criteria
Indiana	X	X		Caseworker makes the initial recommendation, but it goes through the supervisor, county director and regional manager prior to the final approval by the department administrator
Iowa	X			Caseworker makes recommendation and supervisor signs off. Department administrator monitors decisions
Kansas			X	Caseworker makes recommendation and supervisor signs off
Kentucky	X			Caseworker makes recommendation and supervisor signs off. Panel decides
Louisiana			X	Caseworker makes recommendation or decision
Maine				Caseworker makes recommendation and program manager signs off
Maryland			X	Caseworker makes recommendation and department administrator approves.
Massachusetts	X		X	Local office director makes decision.

(continued)

Table A.7 (continued)

State	Must Request or Apply for Extension	Must File Application for Non-TANF Assistance	Hearing Available On Request of Family	Decision Making Process
Michigan				Not applicable because state has no time limit
Minnesota	X	X	X	Caseworker makes recommendation and case is reviewed by a county team
Mississippi				Three-step process: (1) caseworker makes recommendation; (2) county director agrees or disagrees with caseworker's recomendation; (3) regional director approves or denies the extension
Missouri			X	Case worker makes recommendation and supervisor signs off
Montana	X	X		Caseworker and county director make recommendations and a Central Office team (and as needed, outside experts) make final decision
Nebraska			X	Case manager makes decision
Nevada			X	Case manager makes recommendation and panel decides
New Hampshire	X			Panel decides
New Jersey			X	Case manager makes recommendation and department administrator signs off
New Mexico	X			Department administrator handles decision
New York		X	X	Each local district has its own policy; either 1) case manger makes decision; 2) supervisor must sign off; or 3) department manager must sign off
North Carolina	X		X	Local County Board of Social Services or its designee makes decision
North Dakota				Case manager makes recommendation and department administrator signs off
Ohio	X	X	X	County determination; could include various options
Oklahoma	X		X	Case manager makes recommendation and department administrator signs off
Oregon				Not yet known; no one has reached time limit
Pennsylvania	X	X	X	Case manager makes recommendation and supervisor signs off
Rhode Island	X			Case manager makes decision or recommendation to supervisor or department administrator (depends on criteria considered)
South Carolina		X	X	Case manager makes recommendation and department administrator or supervisor signs off
South Dakota	X		X	Department administrator handles decision
Tennessee				Case manager makes recommendation; supervisor signs off
Texas	X		X	Policy under development
Utah	X			Case manager makes recommendation and department administrator signs off
Vermont				Not applicable because state has no time limit
Virginia	X			Case manager makes recommendation and supervisor and department administrator signs off

(continued)

Table A.7 (continued)

State	Must Request or Apply for Extension	Must File Application for Non-TANF Assistance	Hearing Available On Request of Family	Decision Making Process
Washington				Case manager and other team members make decision
West Virginia	X		X	Committee makes decision
Wisconsin			X	Case manager makes recommendation and (W-2 agency) department administrator or supervisor signs off
Wyoming				Case manager makes recommendation and department administrator signs off or handles decision entirely.
Total	24	10	27	

Table A.8

TANF and Non-TANF Assistance by Whether Month Counts Toward Federal Time Limit, September to December 2001

State	Average Monthly Caseload	Share of Cases Subject to Federal Time Limit (%)	Share of TANF and Non-TANF Cases Not Subject to Federal Time Limit (%): Child-Only Family	Living on Indian Reservation[a]	Excluded Under State Waiver Policy	State MOE Only	Other
Alabama	18,610	52.6	46.3	0.0	0.0	1.1	0.0
Alaska	5,714	74.4	18.8	6.8	0.0	0.0	0.0
Arizona	36,558	5.7	5.2	0.0	89.0	0.0	0.0
Arkansas	12,136	57.5	42.5	0.0	0.0	0.0	0.0
California[b,c]	511,759	56.3	33.0	0.0	0.0	10.7	n/a
Colorado	11,282	63.5	36.5	0.0	0.0	0.0	0.0
Connecticut	24,619	54.2	34.7	0.0	4.3	6.8	0.0
Delaware	n/a	n/a	n/a	n/a	n/a	n/a	n/a
District of Columbia	16,360	n/a	n/a	0.0	n/a	n/a	n/a
Florida	62,354	39.3	56.8	0.0	0.0	3.9	0.0
Georgia	53,578	53.9	45.5	0.0	0.0	0.7	0.0
Hawaii	17,773	37.4	12.2	0.0	20.1	30.3	0.0
Idaho	1,360	32.8	67.2	0.0	0.0	0.0	0.0
Illinois	54,646	39.0	40.2	0.0	0.0	20.8	0.0
Indiana	48,011	0.0	0.0	0.0	95.7	4.3	0.0
Iowa	20,353	87.5	12.5	0.0	0.0	0.0	0.0
Kansas	13,634	67.2	32.8	0.0	0.0	0.0	0.0
Kentucky[b]	33,043	60.0	40.0	0.0	0.0	0.0	0.0
Louisiana	25,635	58.8	37.7	0.0	0.0	0.0	3.5
Maine[d]	10,365	62.4	23.2	0.0	0.0	14.5	0.0
Maryland	29,501	59.1	32.3	0.0	0.0	8.6	0.0
Massachusetts	43,951	25.7	37.2	0.0	0.0	37.1	0.0
Michigan	72,768	68.2	31.8	0.0	0.0	0.0	0.0
Minnesota	39,767	61.6	21.5	0.9	0.0	15.3	0.6
Mississippi	17,221	53.9	46.1	0.0	0.0	0.0	0.0
Missouri	47,585	69.6	19.9	0.0	0.0	10.4	0.0
Montana	5,395	47.8	21.9	30.4	0.0	0.0	0.0
Nebraska	10,861	49.3	30.5	0.0	12.1	8.1	0.0

(continued)

Table A.8 (continued)

State	Average Monthly Caseload	Share of Cases Subject to Federal Time Limit (%)	Share of TANF and Non-TANF Cases Not Subject to Federal Time Limit (%): Child-Only Family	Living on Indian Reservation[a]	Excluded Under State Waiver Policy	State MOE Only	Other
Nevada	10,165	64.0	31.7	0.0	0.0	4.4	0.0
New Hampshire	5,568	69.8	30.2	0.0	0.0	0.0	0.0
New Jersey	44,584	59.9	36.7	0.0	0.0	3.3	0.0
New Mexico	19,709	73.4	24.3	0.0	0.0	2.4	0.0
New York[b]	204,646	69.3	30.7	0.0	0.0	0.0	0.0
North Carolina	44,958	49.8	50.2	0.0	0.0	0.0	0.0
North Dakota	3,179	51.5	26.2	22.3	0.0	0.0	0.0
Ohio	84,040	55.0	45.0	0.0	0.0	0.0	0.0
Oklahoma	14,403	52.5	47.5	0.0	0.0	0.0	0.0
Oregon[e]	16,968	0.0	0.0	0.0	100.0	0.0	0.0
Pennsylvania	87,752	70.2	27.8	0.0	0.0	2.0	0.0
Rhode Island	16,927	69.9	17.6	0.0	4.8	7.4	0.2
South Carolina	19,230	44.2	41.7	0.0	14.1	0.0	0.0
South Dakota	2,802	16.9	56.6	26.5	0.0	0.0	0.0
Tennessee	63,048	46.5	23.9	0.0	28.2	1.5	0.0
Texas	139,500	60.1	36.1	0.0	0.0	3.7	0.0
Utah[b]	8,334	70.3	28.8	0.0	0.0	0.9	0.0
Vermont	5,433	77.2	17.1	0.0	0.0	5.7	0.0
Virginia	29,911	30.1	0.0	0.0	67.2	2.6	0.0
Washington[b]	53,671	67.6	32.0	0.0	0.0	0.4	0.0
West Virginia	14,349	69.3	30.7	0.0	0.0	0.0	0.0
Wisconsin[b,f]	13,910	54.2	42.5	0.0	0.0	3.3	0.0
Wyoming	487	29.4	68.6	0.0	0.0	2.0	0.0
Total	2,148,407	55.1	32.2	0.2	6.7	5.8	0.1

NOTES: [a] Many states have TANF recipients living on Indian reservations experiencing high unemployment, but could not estimate the number of these families receiving TANF assistance.

[b]Data are unavailable for December 2001.

[c]Estimates are based on a 2001 monthly average of legal noncitizens funded with segregated funds.

[d]Based on November 2001 data only.

[e] Under Oregon's waiver, up to four months may count towards the federal time limit (while the adult is not compliant but not yet in full family sanction status). The state could not provide the number of families whose assistance counted towards the federal clock.

[f]Does not include Kinship Care cases.

Welfare Time Limits

Table A.9

Status in Month After Reaching Federal Time Limit Among States in Which Families Have Reached Limit

State	Reached Federal Time Limit (#)	Status in Following Month (%) Received TANF Assistance	Status in Following Month (%) Did Not Receive TANF Assistance	Non-TANF Assistance (% of families not receiving TANF)
Alabama	144	51.4	48.6	0.0
Alaska[a,b]	16	81.3	18.8	0.0
Arizona	0	---	---	---
Arkansas[a]	1	100.0	0.0	0.0
California	n/a	n/a	n/a	n/a
Colorado[a]	2	100.0	0.0	0.0
Connecticut	473	21.6	78.4	n/a [d]
Delaware	n/a	n/a	n/a	0.0
District of Columbia	0	---	---	---
Florida	207	88.9	11.1	0.0
Georgia	310	93.5	6.5	n/a
Hawaii	399	0.0	100.0	49.1 [e]
Idaho	0	---	---	---
Illinois	0	---	---	---
Indiana	0	---	---	---
Iowa	369	23.0	77.0	0.0
Kansas	140	94.3	5.7	0.0
Kentucky	1,128	36.2	63.8	0.0
Louisiana	52	96.2	3.8	0.0
Maine	320	100.0	0.0	0.0
Maryland	486	87.7	12.3	0.0
Massachusetts	10	100.0	0.0	0.0
Michigan[b]	4,958	96.2	3.8	0.0
Minnesota[a]	54	66.7	33.3	0.0
Mississippi	133	93.2	6.8	0.0
Missouri	0	---	---	---
Montana[a]	1	0.0	100.0	0.0
Nebraska	0	---	---	---
Nevada	n/a	n/a	n/a	n/a
New Hampshire	210	81.0	19.0	0.0
New Jersey	0	---	---	---
New Mexico	0	---	---	---
New York[b]	44,047	22.4	77.6	84.2 [f]
North Carolina	220	7.3	92.7	0.0
North Dakota	0	---	---	---
Ohio	0	---	---	---
Oklahoma	230	64.3	35.7	0.0

(continued)

Table A.9 (continued)

State	Reached Federal Time Limit (#)	Status in Following Month (%) Received TANF Assistance	Did Not Receive TANF Assistance	Non-TANF Assistance (% of families not receiving TANF)
Oregon	0	---	---	---
Pennsylvania	0	---	---	---
Rhode Island	0	---	---	---
South Carolina	1	0.0	100.0	0.0
South Dakota	6	50.0	50.0	0.0
Tennessee	0	---	---	---
Texas	0	---	---	---
Utah	0	---	---	---
Vermont	0	---	---	---
Virginia	0	---	---	---
Washington	0	---	---	---
West Virginia	199	6.5	93.5	0.0
Wisconsin[c]	32	73.9	26.1	0.0
Wyoming	0	---	---	---
Total	54,148	31.9	68.1	78.6

NOTES: [a] Families have reached 60-month time limit because they moved from states where families had reached limit.

[b]Data are unavailable for December 2001.

[c]Percent received/did not receive assistance was estimated using 3 months of data.

[d]Connecticut operates a safety net program, operated through a private contractor, which on a limited basis, provides families with case management services and vendor payments for food, rent, utilities, and clothing. Data were unavailable on the share of families participating in this program.

[e] Hawaii provides a subsidy to families employed 20 hours per week for each month they remain employed and meet the eligibility criteria. They may qualify for this supplement for a maximum of 24 months.

[f]New York's safety net program provides vouchers for rent and utilities, with a cash component (that will become primarily non-cash when the EBT system is ready.).

Table A.10

Families Reaching Shorter State Time Limit

State	Reached Shorter State Time Limit	Case Closed; Never Received Extension[a]		Benefits Reduced; Never Received Extension	
		Number of Families	Percent of Total Reaching Time Limit	Number of Families	Percent of Total Reaching Time Limit
Arizona[b]	6,157	0	0	5,780	100.0
Arkansas	1,361	946	69.5		
Connecticut	40,424	26,029	64.4		
Delaware	n/a	n/a	n/a		
Florida	8,887	2,160	82.7		
Georgia	4,251	932	21.9		
Idaho[c]	63	50	79.0		
Indiana	17,597	0	0.0	17,406	98.9
Louisiana[b]	21,344	11,136 [e]	52.2		
Massachusetts	15,469	8,246 [e]	53.3		
Nebraska	402	126	31.3		
Nevada	n/a	n/a	n/a		
North Carolina	3,540	3,298	93.2		
Ohio	18,226	16,596 [e]	91.1		
South Carolina	4,603	3,264	70.9		
Tennessee[b]	6,324	5,454	86.2		
Texas	15,844	0	0.0	14,728	93.0
Utah	1,318	269	20.4		
Virginia	8,591	6,794 [e]	79.1		
Wisconsin[d]	2,014	n/a	n/a		
Wyoming	40	6	15.0		
Total	176,455	85,306	48.3	37,914	21.5

NOTES: [a] Unless otherwise noted, case closure counts are estimated based upon the number of families that reached the state's time limit and the number of families that ever received extensions. Households that first received an extension before termination are not included.

[b]Based on duplicate counts of households.

[c]As of October 2001.

[d]As of February 2002.

[e] Number of extensions was not available; instead used total families terminated.

Welfare Time Limits

Table A.11

Families Receiving Extension After Reaching Shorter State Time Limit

State	Received Extension (#)	Reason for Extension(%) Domestic Violence	Good Faith Effort	Disabled or Caring for Disabled Family Member	High Unemploy-ment[a]	To Complete Education or Training	Unable to Achieve Self-Sufficiency	Other	Families Currently in Extension Status (#)
Arizona [b]	377	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Arkansas	415	0.0	0.0	0.0	0.0	17.6	7.7	74.7	37
Connecticut	14,395	0.0	95.1	0.0	0.0	0.0	0.0	4.9	5,327
Delaware	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Florida	6,727	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1,942
Georgia [c]	3,319	2.9	0.0	40.4	8.3	39.0	0.0	9.3	1,468
Idaho	13	0.0	0.0	92.3	0.0	0.0	0.0	7.7	1
Indiana	191	n/a	n/a	n/a	n/a	n/a	n/a	n/a	27
Louisiana [b]	1,667	0.0	0.0	46.1	6.5	7.2	0.0	40.2	1,059
Massachusetts	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	177
Nebraska	276	0.0	0.0	0.0	0.0	0.0	100.0	0.0	
Nevada	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
North Carolina	242	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0
Ohio [b]	10,348	2.6	2.6	16.2	2.4	16.9	0.0	59.3	1,477
South Carolina	1,339	0.1	66.4	0.0	0.0	23.5	10.1	0.0	206
Tennessee	870	0.0	92.2	0.0	7.8	0.0	0.0	0.0	n/a
Texas	1,116	0.0	1.3	4.7	93.9	0.0	0.0	0.0	175
Utah	1,049	3.0	0.0	82.9	11.0	1.5	0.0	1.6	277
Virginia	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Wisconsin	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Wyoming	34	0.0	2.9	82.4	0.0	14.7	0.0	0.0	3
Total	42,378	1.0	47.6	12.1	5.2	8.6	1.3	24.2	12,176

NOTES: [a] The condition is generally based on the rate of unemployment in the local geographic area.

[b]Indicates states where total is duplicated count (families may receive more than one extension and are counted for each extension).

[c]The figures count families who received an extension immediately following their 48th month of assistance; figures do no include families who may receive an extension for a month not immediately following the 48th month.

Welfare Time Limits

Table A.12

Total Families Reaching Time Limit (State or Federal)

State	Reached Time Limit: State Time Limit	Reached Time Limit: Federal Time Limit	Reached Time Limit: Total	TANF Case Closed Immediately After Reaching Time Limit: State Time Limit	TANF Case Closed Immediately After Reaching Time Limit: Federal Time Limit	TANF Case Closed Immediately After Reaching Time Limit: Total
Alabama	0	144	144	0	70	70
Alaska	0	16 [d]	16	0	3	3
Arizona	6,157 [b]	0	6,157	0	0	0
Arkansas	1,361	1	1,362	946	0	946
California	0	n/a	n/a	0	n/a	n/a
Colorado	0	2	2	0	0	0
Connecticut	40,424	473	40,897	26,029	371	26,400
Delaware	n/a	n/a	n/a	n/a	n/a	n/a
District of Columbia	0	0	0	0	0	0
Florida	8,887	207	9,094	2,160	23	2,183
Georgia	4,251	310	4,561	932	20	952
Hawaii	0	399	399	0	399	399
Idaho	63 [a]	0	63	50	0	50
Illinois	0	0	0	0	0	0
Indiana	17,597	0	17,597	0	0	0
Iowa	0	369	369	0	284	284
Kansas	0	140	140	0	8	8
Kentucky	0	1,128	1,128	0	720	720
Louisiana	21,344 [b]	52	21,396	11,136 [e]	2	11,138
Maine	0	320	320	0	0	0
Maryland	0	486	486	0	60	60
Massachusetts	15,469	10	15,479	8,246 [e]	n/a	8,246
Michigan	0	4,958 [d]	4,958	0	189	189
Minnesota	0	54	54	0	18	18
Mississippi	0	133	133	0	9	9
Missouri	0	0	0	0	0	0
Montana	0	1	1	0	1	1
Nebraska	402	0	402	126	0	126
Nevada	n/a	n/a	n/a	n/a	n/a	n/a
New Hampshire	0	210	210	0	40	40
New Jersey	0	0	0	0	0	0
New Mexico	0	0	0	0	0	0
New York	0	44,047 [d]	44,047	0	34,174	34,174
North Carolina	3,540	220	3,760	3,298	204	3,502
North Dakota	0	0	0	0	0	0
Ohio	18,226	0	18,226	16,596 [e]	0	16,596
Oklahoma	0	230	230	0	82	82
Oregon	0	0	0	0	0	0
Pennsylvania	0	0	0	0	0	0
Rhode Island	0	0	0	0	0	0
South Carolina	4,603	1	4,604	3,264	1	3,265
South Dakota	0	6	6	0	3	3
Tennessee[a]	6,324 [b]	0	6,324	5,454	0	5,454
Texas	15,844	0	15,844	0	0	0
Utah	1,318	0	1,318	269	0	269

(continued)

Table A.12 (continued)

State	Reached Time Limit			TANF Case Closed Immediately After Reaching Time Limit		
	State Time Limit	Federal Time Limit	Total	State Time Limit	Federal Time Limit	Total
Vermont	0	0	0	0	0	0
Virginia	8,591	0	8,591	6,794 [e]	0	6,794
Washington	0	0	0	0	0	0
West Virginia	0	199	199	0	186	186
Wisconsin	2,014 [c]	32	2,046	n/a	6 [d]	6
Wyoming	40	0	40	6	0	6
Total	176,455	54,148	230,603	85,306	36,873	122,179

NOTES: [a] As of October 2001.

[b]Based on duplicate counts of households.

[c]As of February 2002.

[d]Data were unavailable for December 2001.

[e]Number of extensions was not available; instead used total families terminated.

Appendix B

Profiles of the States Discussed in Chapter 4

This appendix includes brief descriptions of the implementation of time limits in eight states where a significant number of families have reached limits. The state profiles are based on field research conducted for this project as well as research previously conducted as part of other MDRC projects.

Five states — Georgia, Louisiana, Massachusetts, New York, and South Carolina — were visited between December 2001 and February 2002 as part of this project. For the most part, the welfare offices selected for field research were in or near the largest urban areas in the state. The research was conducted over two days with a team of researchers meeting with supervisors and line staff in one office each day. In addition, meetings or conference calls with state administrators were conducted prior to the welfare office visits. Finally, in some states, interviews were also conducted with local advocates for welfare recipients to gain their perspective on welfare reform.

Staff were asked about the state's time-limit policies, including, for example, the duration of time limits, exemption and extension criteria, formal and informal processes for dealing with cases as they approach the time limit, and services for cases that reach a time limit. Staff were also asked what message they try to communicate to clients about time limits and how time-limit policies interact with state or county work activity requirements. Finally, staff were also asked to elaborate on the implementation and operational challenges of time limits.

It is important to note that only two welfare offices were visited in each state. For this reason, the following profiles are representative of the entire state only to the extent that the policies have been implemented uniformly. In some states, differences were observed at the county and/or local office levels. For the most part, these are noted within the profiles. However, it is impossible to know how policies might vary in other parts of the state where staff were not interviewed. The specific cities and counties that were visited are listed below.

- In Georgia, interviews were conducted at two offices in Fulton County (Atlanta). The South Central Service Center near downtown Atlanta serves the most disadvantaged caseload in the county, and the clientele includes residents of several public housing developments. The South Fulton Service Center — located in College Park, on the outskirts of Atlanta — is the least densely populated office in the county.

- In Louisiana, the research was conducted at two parish (county) offices located within the City of New Orleans. Gentilly is located slightly outside the city center and serves a predominately working-poor population. The Uptown office is located on the edge of the city's central business district and serves a number of long-term welfare recipients and hard-to-serve clients.

Advocates from two prominent Louisiana welfare organizations — the Agenda for Children and the Welfare Rights Organization — were also interviewed.

- In Massachusetts, visits were conducted to two offices in the Boston suburbs: Malden and Revere. The Revere office serves a population that includes a number of immigrants and refugees. In addition, representatives from Greater Boston Legal Services and the Massachusetts Law Reform Institute were interviewed.

- In New York, the research was conducted entirely in New York City. One neighborhood welfare center (Job Center) in Brooklyn was visited. In addition, discussions were held with staff at the city's main fraud verification unit (also in Brooklyn), where all noncompliant individuals are being called in as they approach the time limit.

- The South Carolina sites included one rural office and one office in Charleston. Orangeburg County, located between Columbia and Charleston, is rural and has a relatively high employment rate and very little industry. Charleston County serves the city of Charleston.

In addition to the limitations posed by the small number of offices visited within each state, there is another important limitation to address: Even though time-limit policies were specified in welfare reform legislation, many of the specifics evolved over time. For example, in some counties where staff do not now routinely close cases because of the time limit, many cases were closed when families first began to reach time limits. The profiles refer, at times, to specific policy changes — for example, the impact of a new state or county director (South Carolina) or policy decisions made in anticipation of large numbers of clients reaching a time limit concurrently (New York).

Two of the profiles — Florida and Ohio — are based on research conducted as part of MDRC's Project on Devolution and Urban Change. In Florida, five rounds of field research in Miami-Dade County welfare offices were conducted between 1997 and 2001 to understand how TANF policies, including time limits, were being implemented. Central-office administrators were interviewed, and interviews and observations were conducted in "branch" offices in three neighborhoods (all urban). In Ohio, six rounds of field research were conducted between 1997 and 2001 in Cuyahoga County. As in Miami-Dade, interviews were conducted with central-office administrators, and interviews and observations were conducted in three "branch" offices (all urban). In addition, in both counties, program documentation was collected (including, for example, policy guidelines and administrative reports), and welfare staff were surveyed about their knowledge and practices.

Finally, the Connecticut profile is based on field research conducted as part of MDRC's evaluation of Jobs First — the state's welfare reform program. The profile is based on interviews with managers and line staff as well as surveys of welfare recipients in the New Haven and Manchester welfare offices. Similarly, the Florida Family Transition Program (FTP) profile is based on MDRC's random assignment evaluation of FTP, a pilot project that operated in Escambia County (Pensacola) from 1994 to 1999.

Connecticut

Background

Connecticut's time limit took effect statewide in January 1996, when the state implemented the Jobs First welfare reform initiative under federal waivers. The information presented in this report comes from MDRC's large-scale evaluation of Jobs First, which targeted the Manchester and New Haven welfare offices.

- **Time-limit policy.** Nonexempt recipients are limited to 21 months of benefit receipt unless they receive an extension. After the MDRC study ended, the state added additional criteria to qualify for more than three extensions and also added a new, 60-month time limit that allows few exceptions.
- **TANF grant level and earned income disregard policies.** The maximum TANF grant for a family of three is $543. All earned income is disregarded as long as earnings are below the federal poverty level.
- **Work requirements and sanctions.** Nonexempt recipients are required to participate in work activities focused on rapid employment. The welfare grant is reduced by 25 percent for three months for the first instance of noncompliance, 35 percent for three months for the second instance, and 100 percent for three months for the third instance. The penalties become stricter once a recipient receives a benefit extension after reaching the time limit: A single instance of noncompliance can result in permanent termination of benefits.

Communicating the Message

When Jobs First was implemented, there was a large increase in the number of welfare recipients who were expected to move toward self-sufficiency but no corresponding increase in the Department of Social Services (DSS) staffing. As a result, the program was designed in a way that limited the need for frequent in-person contact between recipients and staff. Thus, while the time-limit policy was communicated to recipients when they enrolled, there were relatively few opportunities to reinforce the message during the first 21 months of benefit receipt.

Surveys of recipients and staff found that workers did not actively encourage most recipients to leave welfare quickly in order to bank their months of eligibility. In fact, such a message would not have been credible, given the structure of the earnings disregard. Individuals who found employment would usually continue to receive their full welfare grant (if earnings exceeded the poverty level, they would receive no grant). Thus, in order to bank months, a recipient would need to give up $543 per month in benefits.

Staff surveys also found that workers used different strategies in discussing the extension policy. Under program rules, recipients are granted benefit extensions if they make a good-faith effort to find work but have income below the welfare payment standard when they reach the time limit. This general policy was known from the beginning, but the specifics were not developed until shortly before the first recipients reached the time limit. Before that point, some staff (typically those in the New Haven office) told recipients that people who cooperated with the rules would receive extensions if necessary — and thus stressed the importance of following program rules. Other workers were more vague, warning clients that it was not certain who would receive extensions and that all recipients should thus try hard to find jobs (this approach was more common in Manchester).

One challenging issue that has emerged recently is that each recipient now has three separate time-limit counters: a state 21-month counter, a state 60-month counter, and a federal 60-month counter. This issue arises because the federal time-limit clock runs during months when recipients are exempt from the state time limits. Also, the state 60-month limit counts benefits received since October 1996, while the 21-month counter began in January 1996. Recipients receive notices informing them about their status vis-à-vis all three time limits, even though the federal counter has no specific implications for them unless they move to another state.

Determining Who Is Exempt

In general, families in Connecticut are exempt from the time limit if all adults are exempt from mandatory participation in work activities. The proportion of the state TANF caseload who are exempt from the time limit has grown over time as the caseload has declined. About one-fourth of the caseload were exempt in 1998, compared with more than half today. The most common exemptions are for child-only cases and for recipients with a child under age 1. The next-most-common reason is for incapacitation, although the criteria for such an exemption are narrow and all long-term extensions for incapacitation must be approved by a centralized medical review team. MDRC's evaluation found that exemptions are typically granted either when a recipient first becomes subject to Jobs First or, much more rarely, as he or she approaches the time limit.

Working with Cases Approaching the Time Limit

Cases approaching the time limit in Connecticut are targeted for attention by caseworkers. For example, during the study period, lists of cases whose counters were at month 16 were distributed to workers, with instructions to ensure that these recipients are engaged in work activities. In the New Haven office during this study, recipients who reached month 16 and were not working were offered assistance from social work staff.

In month 20 of assistance, recipients are called in for an exit interview conducted by their DSS caseworker. Recipients who fail to show up for the interview cannot receive an extension. At the interview, the caseworker first reviews the exemption criteria to ensure that none apply. Next, the household income is considered. Recipients with income above the welfare payment standard are not eligible for an extension. Recipients with income below the payment standard receive an extension if they are deemed to have made a good-faith effort to find employment. This is generally defined by the recipient's sanctioning history: A recipient who has one sanction or no sanction is considered to have made a good-faith effort and is granted a six-month extension.[1] Recipients who are ineligible for an extension based on good-faith effort can still receive an extension if they have circumstances beyond their control that prevent them from working — although, as discussed below, this rarely happens.

In practice, MDRC's evaluation found that nearly every recipient whose income was below the payment standard upon reaching the 21-month time limit was deemed to have made a good-faith effort and was granted an extension. In essence, the policy gives recipients the benefit of the doubt, even when there is little information available about their history of participation in employment activities. As a result, a large majority of the people whose cases were closed because the time limit were employed. Once in an extension, the penalty structure for noncompliance becomes much more severe: A single instance of noncompliance results in case closure, and the recipient cannot receive any further extensions based on good-faith effort. (However, individuals whose benefits are canceled for noncompliance during an extension are not categorized as having left welfare because of the time limit.)

A new exit interview is scheduled in month 5 of each six-month extension, and the process is repeated. There is no limit to the number of extensions a family may receive, although, in the MDRC evaluation, less than 10 percent of program group members received more than three extensions. Nevertheless, statewide, nearly 40 percent of the time-limited caseload was in an extension as of mid-2001. In October 2001, Connecticut imposed new restrictions on obtaining more than three extensions, and it also imposed a new 60-month time

[1]Recipients who have not yet reached the 21-month point and who incur multiple sanctions — thus making them ineligible for an extension based on good-faith effort — are offered an Individual Performance Contract (IPC). The IPC program, operated by community agencies, offers recipients an opportunity to restore their eligibility for a good-faith-effort extension.

limit that allows few exceptions.[2] The proportion of cases in extensions has declined sharply since that time.

After the Time Limit

DSS contracts with the Connecticut Council of Family Services Agencies, an umbrella agency, to operate the Safety Net program. The program is targeted to recipients who have been terminated from welfare (because they were deemed noncompliant) and whose income is below the payment standard; Safety Net is intended to prevent harm to children in these families. Cases are referred to Safety Net by DSS, and program case managers conduct intensive outreach efforts. The program can provide a limited number of vouchers to pay for rent or other necessities, but much of the focus is on helping participants find jobs. In a substantial number of cases, participants are found to be eligible for cash assistance, usually because an exemption applies. Because Safety Net services are targeted to noncompliant recipients, they are not available to compliant recipients with income below the payment standard who do not meet the criteria for a fourth or higher extension or who are terminated because of the 60-month time limit.[3]

DSS also developed a temporary program to provide rental assistance to families whose benefits have been terminated and whose income is above the payment standard.

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[2]There is now an exit interview in month 58 for 60-month closures. Recipients are informed about a variety of non-welfare services, and they receive priority for certain services. Home visits are attempted for recipients who do not attend the interview.

[3]As of this writing, the state legislature was considering extending Safety Net eligibility to individuals terminated because of the 60-month time limit.

Florida

Background

MDRC is studying Florida's welfare reform in Miami-Dade County as part of the Project on Devolution and Urban Change. The data presented here were collected as part of that study. Florida's welfare system is state-administered, so there may be less variation in implementation than in states with county-administered welfare programs.

- **Time-limit policy.** Florida has both a lifetime and a periodic limit on cash assistance. The lifetime limit is 48 months. The periodic limit is 24 months within any consecutive 60 months for most recipients and 36 months in a 72-month period for those facing more serious barriers. There is also an "earn-back" provision that enables recipients to earn one additional month of eligibility, up to a maximum of 12 additional months, for each month in which they are fully compliant with the work activities through subsidized or unsubsidized public or private sector employment. The first participants reached the time limit in October 1998.

- **TANF grant level and earned income disregard policies.** The maximum monthly benefit in Florida for a family of three is $303. Florida disregards $200 of earned income and 20 percent of the remainder. A family of three can earn up to $806 per month and remain eligible.

- **Work requirements and sanctions.** Florida's welfare-to-work program is administered at the local level by 24 Regional Workforce Boards. Training and employment services are contracted out to providers, who play a role in determining which recipients get an extension to the time limit. Failure to comply with work requirements leads to complete termination of a family's TANF benefits. The sanction can be imposed in the first instance until 10 days of compliance. Upon the second instance of noncompliance, Florida terminates TANF and Food Stamp benefits until 10 days of compliance. For subsequent instances of noncompliance, the maximum sanction is termination of TANF and Food Stamp benefits for three months, followed by compliance for 30 days. Benefits to children under 12 may continue through a protective payee. In Miami-Dade County, the rate of sanctioning is quite high: During an average month in FY 2000, about 4 out of 10 adults on cash assistance were either referred to or receiving a sanction.

Communicating the Message

In Miami-Dade County, the Department of Children and Families communicates messages about time limits to recipients primarily during application and redetermination meetings. Unlike in many other states, the number of months remaining on a recipient's clock in Florida is not routinely announced with each benefits check (the state recently began issuing benefits via electronic benefit transfer [EBT]). Time limits are also discussed during welfare-to-work orientation meetings, which also include information about work requirements, sanctioning, and support services. When clients have six months of cash assistance eligibility remaining, they receive a letter indicating that they are approaching the time limit and informing them that they may be eligible for an extension if they are working.

During redetermination interviews, caseworkers remind clients of their time limits and attempt to find out if the client's status has changed. Recipients are required to inform their caseworkers of any change in status, including employment, within 10 days. The county has a form that allows people who are subject to the time limit to close their case at any point, and caseworkers suggest that clients should save their months of assistance for a time when they really need it. One caseworker indicated: "I remind clients during recertification that there are transitional benefits. If clients are working and get a very low benefit, I encourage them not to take it so that time won't count against the time limit." During the meeting, clients are given a form that explains the time limit and that they must read and sign for their file.

Most caseworkers in Miami-Dade County reported that they feel time limits motivate individuals to find jobs. They stress the time-limits message to clients who are not working diligently to find jobs.

Determining Who Is Exempt

Florida exempts recipients who receive Supplemental Security Income (SSI or SSDI) and individuals who care for disabled family members.

Working with Cases Approaching the Time Limit

Florida grants hardship extensions for several categories of recipients: those who are unable to find employment despite complying with the state's work program requirements, participants who have complied with program requirements but who face extraordinary barriers to employment, recipients who have significant barriers to employment and need additional time, victims of domestic violence, recipients living in high-unemployment areas, and families for whom the termination of cash benefits would likely result in a child's being placed in emergency shelter or foster care. Individuals who have applied for SSI or SSDI but who are still waiting to learn whether their application will be accepted are automatically granted extensions.

In addition, Florida also provides extensions for recipients who are participating in substance abuse programs. Upon successfully completing treatment, they may receive up to an additional 12 months of benefits for each month they are enrolled.

After the Time Limit

Miami-Dade County does not offer any post-time-limit services. However, extensions are easily granted to recipients who comply with requirements, and there is no limit on the number of months of an extension that a recipient can receive.

A central conclusion that can be drawn from Miami-Dade County's experience with time limits is that most recipients leave the system because they are working or noncompliant with requirements. Those who are compliant are eligible for extensions, and relatively few families have their cases closed directly because of the time limit.

Florida's Family Transition Program

Background

The Family Transition Program (FTP) was a pilot program that operated in Escambia County (Pensacola) from 1994 to 1999. Escambia County was the first place in the United States where families reached a termination time limit. MDRC conducted a random assignment evaluation of FTP under contract to the State of Florida.

- **Time-limit policy.** FTP's time limits were 24 months in any 60-month period for most recipients and 36 months in any 72-month period for those facing the most serious barriers to employment.

- **TANF grant level and earned income disregard policies.** The maximum TANF grant for a family of three was $303 when FTP operated. The first $200 plus half of any remaining earnings were disregarded.

- **Work requirements and sanctions.** FTP's employment component emphasized both job search activities and education/training activities. There were no full-family sanctions in place for much of the time that FTP operated.

Communicating the Message

As a relatively small pilot program that was implemented before time limits were broadly familiar, FTP was generously funded and heavily staffed. Each participant was assigned to a case manager, who handled both eligibility and social services functions, and an employment services worker. Each case manager worked with only 30 to 35 families.

With small caseloads, workers were able to have frequent contact with participants. The time-limit message was transmitted during these in-person contacts and through written materials. Surveys of workers and participants found that staff did not necessarily urge recipients to leave welfare in order to bank their months. Particularly during the early years of FTP operations, workers were more likely to encourage participants to take advantage of education and training opportunities to prepare themselves for relatively high-paying jobs that could keep them off welfare permanently. Over time, FTP became more employment-focused, and the banking message assumed more prominence.

Determining Who Is Exempt

Beginning in May 1994, individuals who applied for AFDC in Escambia County were randomly assigned to FTP or to a control group that remained subject to AFDC rules; on-board recipients were randomly assigned in the same manner when they came to the welfare office for a semiannual redetermination appointment. Recipients who met the criteria for an exemption from FTP at that point — including those with a child under age 1 and those who reported that they had a medical condition that precluded them from working — were not enrolled into the program (or the evaluation). There are no data on what fraction of the welfare caseload was excluded in this way.

Recipients could also be exempted after their time-limit clock started — for example, if a new medical condition developed or a preexisting condition was detected for the first time. There are no precise data on how many recipients were exempted in this manner, but data from the evaluation show that about one-third of those who accumulated 24 or 36 months of benefit receipt (depending on their time limit) were not considered to have reached the time limit; the most common reason was that they had been granted a medical exemption that stopped their time-limit clock. Staff reported that serious medical conditions sometimes came to the surface as recipients approached the time limit and were targeted for intensive services.

Although extensions of the time limit were possible in FTP under certain circumstances (see below), staff rarely discussed extensions with participants.

Working with Cases Approaching the Time Limit

Recipients who came within six months of reaching their time limit and who were not employed were referred to specialized staff known as "transitional job developers," who worked intensively to help these individuals find jobs. The transitional job developers sometimes met with recipients several times a week, and they offered employers generous subsidies to hire their clients.

During this same period, staff met to assess whether recipients had complied with FTP's employment requirements and other rules over their time in the program. According to the program policy (which was in part imposed by the federal waiver process), recipients who complied with the rules but were unable to find jobs by the time they reached the time limit were to be offered subsidized minimum-wage jobs that would allow them to earn as much as a standard welfare grant. Temporary benefit extensions were also possible for recipients who were deemed compliant. A Review Panel, composed of volunteers from the community, helped to determine which participants were deemed compliant and which should be granted extensions.

Cases deemed noncompliant — and thus ineligible for extensions or post-time-limit subsidized jobs — were reviewed by a child welfare worker. The children's portion of the grant was to be retained if it was determined that full termination would place the children at risk of foster care placement. Finally, the district welfare administrator had to sign off on all benefit terminations.

Only about 17 percent of the FTP participants who were studied in the evaluation (237 people) actually reached the time limit within four years after enrollment. The vast majority of the others left welfare before reaching the time limit.

Despite the multiple safeguards and layers of review, nearly all of those who reached the time limit had their benefits fully canceled. Very few extensions were granted; only a handful of cases retained the child's portion of the grant; and no one was given a post-time-limit subsidized job. (As noted earlier, however, a significant number of recipients were excluded from FTP or were exempted before reaching the time limit, usually because of medical problems.)

The FTP evaluation found that almost half the recipients who reached the time limit were already employed and earning at least as much as a standard welfare grant; these individuals were considered self-sufficient and not in need of either an extension or a subsidized job.

The rest of the recipients who reached the time limit were not employed, but the vast majority of them were deemed noncompliant and thus ineligible for an extension or a subsidized job. Compliance was never precisely defined under FTP rules, and it appears that the distinction between failure to follow program rules and failure to make progress toward self-sufficiency was somewhat blurred in practice. For example, nearly all recipients who were not employed six months prior to reaching the time limit were deemed noncompliant.

The child's portion of the grant was rarely retained, because the criteria used in the child welfare review were narrow: The worker needed to conclude that foster care placement was likely to occur as a direct result of benefit termination. The staff who conducted the reviews reported that they believed that children in some of the families they examined might eventually be removed from their parents but said that the cause for removal would not be benefit termination.

After the Time Limit

Very few recipients in FTP were granted extensions, so there was no formal set of services for that group. There was also no formal follow-up program for families whose benefits were terminated at the time limit. Many of them continued to receive Medicaid and Food Stamps and thus remained in touch with FTP staff, at least to some extent.

Georgia

Background

Georgia's time limit was implemented in January 1997. MDRC visited two welfare offices in Fulton County (Atlanta) as part of this project.

- **Time-limit policy.** Georgia has a 48-month lifetime limit for receipt of TANF. The first families reached the limit in January 2001.
- **TANF grant level and earned income disregard policies.** The maximum monthly benefit for a family of three is $280. Georgia disregards the first $120 of a recipient's earned income plus one-third of the remainder during the first four months of employment; the first $120 during months 5 to 12; and the first $90 thereafter.
- **Work requirements and sanctions.** All recipients who are deemed ready to work must participate in work activities. The only exemption from the work requirement is for single custodial parents who have a child under 12 months of age in the home.

Communicating the Message

In Fulton County, applicants for TANF assistance are first notified of the state's 48-month time limit during their initial orientation. Caseworkers subsequently remind recipients of the time limit on a regular basis. The state sends letters about the time limit to recipients when they reach month 12, month 36, and every month thereafter. These letters tell recipients the number of months of benefits that they have used up and the number remaining.

The general message that the Fulton County Department of Families And Children's Services (DFACS) tries to communicate to recipients is: "TANF is a 48-month program. It is not an entitlement any longer. Try your best to find employment and get off quickly. Save your months of eligibility because you many need them later." In particular, employed recipients who are receiving small grants are encouraged to close their case. Staff say that they don't talk much about extensions even when recipients are nearing the time limit. One case manager said that when she meets with recipients just before the time limit, she tells them, "If you don't participate, your benefits will be cut."

Determining Who Is Exempt

Although Georgia does not exempt recipients from the time limit, Fulton County does refer many recipients to the vocational rehabilitation department for an in-depth assessment to uncover medical, mental health, substance abuse, and other serious issues. Despite this assessment, staff say that cases with serious problems sometimes slip through the cracks and that they might find out about it only after a case is closed and the person reapplies. At that point, staff say to the person: "Tell us what is going on. If I don't know, I cannot guarantee you will get an extension."

In addition, the only exemption from work requirements is a once-in-a-lifetime exemption for single custodial parents with a child younger than 12 months of age. Consequently, all recipients have a work plan. The plan for recipients with a medical disability, for example, might be to continue with their medical treatment. Fulton County works closely with local agencies that provide assessments, short-term training, vocational rehabilitation services, substance abuse treatment, and counseling for domestic violence victims.

Working with Cases Approaching the Time Limit

Caseworkers call recipients in at month 44. The purpose of this meeting is to make an initial assessment of whether recipients will qualify for extensions. Caseworkers also use this opportunity to find out whether there are medical, mental health, substance abuse, or other barriers that prevent recipients from finding work. Recipients who are not in an activity and have not been found to have barriers to employment are referred to a work experience program with a strong case management component. The program (called Good Works) includes work experience and subsidized employment. These recipients are paid wages, and caseworkers say that they encourage them to voluntarily close their case and save their remaining months of eligibility. Mandatory drug tests are also part of this program, and anyone testing positive is referred to substance abuse treatment.

Strict reporting and monitoring requirements have accompanied the implementation of time limits. Each month, each welfare office receives a list of recipients who have reached month 44 and beyond. Staff monitor compliance with the work plan, and they call recipients in for a staffing every 90 days. After 44 months, staff say that they are "less lenient"; if a recipient missed an appointment, the case is immediately closed. Caseworkers also say that they spend lots of time making sure that people on the list are complying with their work plan. Staff claim that most cases are closed because they fail to comply with the work requirement, not because they reach the time limit.

Intensive monitoring and reporting procedures increased case managers' workload. As a result, the directors of both offices visited for this study had recently established specialized employment services units. One office gave responsibility for handling all aspects of cases reaching 44 months to one staff member. In another office, the responsibilities were divided differently, with some staff assuming responsibility for tracking participation in programs offered by outside providers.

Final decisions on whether or not to grant an extension are made in month 47. If recipients do not attend the meeting, caseworkers attempt to reach them through home visits and certified letters. When caseworkers cannot locate recipients, the cases are closed. Staff said that many do not comply at this point, and their cases are closed.

Georgia grants extensions past the 48-month time limit for the following seven categories: (1) cases of domestic violence, (2) active cases in Child Protective Services, (3) cases participating in a substance abuse program, (4) persons unable to work because of personal disability who are not certified for SSI, (5) caretakers of disabled household members, (6) persons who have not yet completed their work plan, and (7) persons living in areas with few employment opportunities. Claims of domestic violence, disability, or substance abuse are followed up by referral to outside specialists for assessments, verification, and development of treatment plans. Supervisors and a senior county official review all extension decisions. State officials have begun reviewing cases that have reached 60 months.

After the Time Limit

Many of the recipients in Georgia who receive benefits beyond the 48-month time limit are classified as having an "incomplete work plan." Their benefits are extended because they are in a training or work plan approved by the county and need additional time to complete their program. Case managers report that "not many are cut off because of time limits." Staff also say that this liberal extension policy sends a "mixed message" to recipients, lessening the likelihood that they will take the time-limit message seriously.

Extensions are made for a period of 90 days at a time. There is no limit on the number of extensions that can be granted, but, at the end of each 90-day period, the case worker determines whether the client will continue to be eligible for an extension. Staff say that the few who have already accumulated nearly 60 months of TANF are disabled to the extent that "some will never get off."

Louisiana

Background

Louisiana's time limit took effect in January 1997, and the first families reached it in January 1999. MDRC visited two welfare offices in New Orleans as part of this project.

- **Time-limit policy.** Nonexempt individuals are limited to 24 months of assistance in any 60-month period, and there is a 60-month lifetime limit on cash assistance.
- **TANF grant level and earned income disregard policies.** The state TANF program is called Family Independence Transitional Assistance Program (FITAP). The maximum monthly grant for a family of three is $190.
- **Work requirements and sanctions.** Adult recipients with no children under age 1 are required to work 20 hours per week. Louisiana imposes full-family sanctions after the second instance of noncompliance with work activity requirements.

Communicating the Message

Recipients in Louisiana are first informed about the time limit — including exemption criteria — during a mandatory orientation at application. Case managers and eligibility workers informally reinforce the time-limit message to clients. Staff report that they do not discuss the periodic nature of the time limit and that this is not tracked by the computer system. Because the state offers extensions to clients who comply with the Family Independence Work (FIND Work) program's participation requirements, the time-limit message is closely related to the message of mandatory participation in the FIND Work program.

The first formal time-limit notification is a system-generated letter sent to clients in month 18 of assistance that explains their time-limit status (including a list of the months in which they received assistance) and gives a detailed explanation of exemption criteria.[4] According to case managers in one office, clients are aware that the state has a liberal extension policy and that they are likely to continue to receive benefits even after they reach the time limit. In

[4]Louisiana applies the term "exemption" for situations in which the time-limit clock stops and situations in which clients are allowed to continue to receive assistance beyond the time limit. In general, this report refers to the latter situation as an "extension."

another office, staff maintain that they do close a number of cases each month for the time limit but that many clients have discovered that it is relatively easy to come back on welfare.

Determining Who Is Exempt

Time-limit exemptions can be granted to clients who are disabled or incapacitated, to women in the third trimester of pregnancy, and to working recipients during the first six months of employment when they are eligible for the enhanced income disregard. Case managers can independently exempt pregnant and working clients. A designated staff person — the county Program Specialist — handles medical exemptions. The Program Specialist reviews a standard form that is filled out by the client's case manager and physician and then both authorizes the exemption and determines its duration. Since there is no formal process for proactively assessing clients' health, medical exemptions are largely client-initiated and thus subject to clients' awareness of both the exemption criteria and their own health, not to mention their degree of comfort in discussing such matters with their case manager.

There are some situations in which clients are exempt from participation in work activities but are still subject to time limits. For example, a recipient with a child under age 1 is exempt from participating in FIND Work activities although her time-limit clock is ticking. Similarly, clients with disabilities are exempt from time limits but not necessarily from work activities; thus, a client who is depressed may be mandatory for work activities even though she is exempt from the time limit.

Louisiana recently decided to apply the same exemption and extension criteria to the 60-month time limit as are currently in place for the 24-month limit.

Working with Cases Approaching the Time Limit

Clients in Louisiana are explicitly told about the state's extension policy in a letter they receive during month 18 of assistance. Clients can continue to receive assistance beyond 24 months for a number of reasons. Most do so because they are participating in FIND Work activities. Extensions of up to 12 months are granted to clients in order to complete an approved education or training program. Less commonly, extensions are granted to "unemployable" individuals. Unemployability can be defined by an individual's characteristics if the case manager and supervisor determine that personal barriers make it unlikely or unreasonable that the client will find a job. Clients may also be deemed unemployable when the unemployment rate in the county is over 10 percent or the Parish Manager determines that there are no suitable jobs in the community. Finally, clients can also continue to receive benefits if they demonstrate that they are actively seeking employment. As discussed below, this extension is applied quite differently at the office level.

Case managers are responsible for granting extensions, and they can do so independently except in the case of an extension due to "unemployability," which requires the supervisor's approval. Extensions do not need to be coded in advance of month 24. In fact, clients will continue to receive benefits without an extension code; the default system outcome is an extension. According to one supervisor, because case managers cannot always promptly process cases that reach the time limit, a number of clients continue to receive benefits after month 24 without an extension. Since case managers and clients alike anticipate that clients will be granted extensions, case managers focus on *how* not *whether* clients will continue to receive assistance. As one supervisor noted, Louisiana has a conservative time-limit policy that has been implemented liberally.

For a number of reasons, case mangers aim to get clients engaged and compliant with the FIND Work program before they reach the time limit. Case managers don't have to worry about closing engaged clients' cases, either for the time limit or for a sanction. Furthermore, clients who are compliant do not have to meet separate FITAP requirements for extensions or exemptions — for example, by demonstrating that they are actively seeking employment. Engaged clients also count toward the county's participation rate, which some counties consistently struggle to meet. On the other hand, unengaged clients with more than 24 months require intensive case monitoring. Case managers must track month-to-month whether they continue to qualify for a FITAP extension.

Clients can be eligible for continued FITAP benefits if they demonstrate that they are actively seeking employment by handing in monthly job contacts. However, doing so does not "count" as a FIND Work activity, and a client who has signed an employment plan and been assigned to a component can have her case closed for noncompliance even if she hands in a list of job contacts. However, clients can reapply for assistance almost immediately. As will be shown, the two counties visited in Louisiana had implemented very different methods of managing clients' FITAP eligibility with regard to their participation in the FIND Work program.

In one county, once clients reach the time limit, they are explicitly told that they can continue to receive assistance if they can prove that they are actively seeking employment. Clients are sent an office-specific letter in month 22 explaining that, in order to continue to receive assistance, they must submit a list of 20 job contacts every month. They are sent a sample contact list, and the back of the letter has a simple diagram that illustrates when in a given month they must submit a form in order to be eligible for benefits in the subsequent month. Although case managers hope to eventually engage these clients in FIND Work activities, many otherwise-unengaged clients continue to receive assistance in this way. In practice, FITAP eligibility is prioritized over FIND Work participation. According to case managers and supervisors, this policy has taken a lot of the "bite" out of the time limit.

By contrast, at a different county office, staff report that they give priority to assigning clients to work activities when they are near or past the time limit. Engaged clients must continue to participate in order to receive benefits after the time limit. Staff do not tell clients that they can submit job contacts and remain on assistance. Furthermore, they regularly sanction clients. However, clients can reapply almost immediately, and, according to case managers, many do so. During the reapplication period, clients must demonstrate compliance in order to be recertified. However, they do not have to comply with their former employment plan. A list of 20 job contacts demonstrates compliance for applicants, including reapplicants. Staff report that many clients cycle on and off welfare in this manner, effectively avoiding sustained participation.

Louisiana recently redistributed the tasks assigned to case managers. Until recently (January 2001), case managers were required to monitor clients' participation in FIND Work as well as clients' eligibility for Food Stamps, Medicaid, FITAP, and support services. Although caseloads were small (approximately 40), case managers reported that eligibility functions monopolized their time and hampered their ability to engage clients in work activities. Staff at both offices were optimistic that — under the new system, in which case managers focus primarily on clients' compliance with FIND Work and on their time-limit status (functions can be distributed somewhat differently, at county option) — they would have more success engaging clients in work activities.

After the Time Limit

Louisiana currently applies the same extension criteria to the federal 60-month time limit as to the state time limit. Therefore, clients can continue to receive benefits indefinitely, as long as their status remains unchanged. Since few individuals have accumulated 60 months of assistance, the state is not concerned that the number of exempt clients will exceed the federal limit.

There is no strict policy regarding follow-up with clients whose cases are terminated — as a result of either the time limit or a sanction. As noted, clients can re-apply for benefits at any time. Food Stamp benefits continue automatically (for both time-limit and employed leavers), but clients have to apply for transitional Medicaid and child care. Clients who leave for employment are also eligible for $120 per month in transitional cash assistance (to cover transportation and other costs related to employment).

Massachusetts

Background

Massachusetts's time limit took effect in December 1996, and the first families reached it in December 1998. MDRC visited two welfare offices in the Boston area as part of this project.

- **Time-limit policy.** Nonexempt recipients are limited to 24 months of benefit receipt in a 60-month period.

- **TANF grant level and earned income disregard policies.** The maximum TANF grant for a nonexempt family of three is $618. Massachusetts disregards $30 and 50 percent of the remainder of a nonexempt recipients' earned income. To remain eligible for assistance, recipients must have monthly earnings below $1,045.

- **Work requirements and sanctions.** Recipients with no preschool children are required to work 20 hours per week. The first instance of noncompliance results in the loss of the adult portion of the grant. If noncompliance continues for 30 days, the entire grant is terminated. The maximum sanction is the termination of the full-family grant until compliance.

Communicating the Message

Massachusetts uses a series of in-person Transition Reviews — along with written materials — to communicate information about the time limit to recipients. Transition Reviews occur at the 6- and 12-month points and then are more frequent during the second 12 months of benefit receipt (the specific schedule depends on whether the recipient is working, participating in work activities, or not involved in any employment activity). State officials report that written notices are deemphasized, in part because many recipients move back and forth between exempt and nonexempt status.

Frequent in-person contacts are particularly important because about two-thirds of the recipients who are subject to the time limit are exempt from work requirements (see below). Most caseworkers reported that they urge such recipients to participate in education or training activities; in fact, over time, these recipients have increasingly been required to enroll in education or training activities.

Staff reported that the "periodic" nature of the time limit — that recipients are actually limited to 24 months of benefit receipt in a 60-month period — is generally not emphasized in discussions with recipients. Also, staff say that they seldom discuss the possibility that extensions may be granted to recipients who reach the time limit; as one worker put it, "that would defeat the purpose of the time limit" because "extensions are just for emergencies."

Determining Who Is Exempt

More than 70 percent of the TANF caseload in Massachusetts is currently exempt from the time limit (the exemption rate was closer to 50 percent when the time limit was first imposed, in 1996).[5] The main categories of exempt recipients are those with medical problems, parents caring for a child under age 2, and child-only cases. As noted earlier, Massachusetts is unusual because the criteria for exemptions from the time limit are quite different from the criteria for exemptions from work requirements. Thus, at the end of 2001, nearly one-fifth of the state caseload — most of them families with a child between 2 and 5 — were exempt from work requirements but subject to the time limit.

Some of the exemption criteria are straightforward to assess — for example, exemptions for a child under age 2 or for child-only cases. Others, including exemptions for medical problems, can be more challenging. Like many other states, Massachusetts uses a centralized process to review requests for medical exemptions. A contracted medical assessment provider reviews statements from a recipient's physicians and, in some cases, examines the recipient directly to determine whether an exemption is warranted. State officials believe that their earlier process, which relied on statements from recipients' personal physicians, was subject to abuse and inconsistency.

Caseworkers are responsible for informing recipients about the exemption criteria and for asking, during Transition Reviews, whether there are "health issues including drug and alcohol use that are preventing you from finding a job." But clients must be proactive in seeking medical exemptions; there is no routine, in-depth assessment of recipients' physical and mental health status. Staff believe that they identify most recipients who should be exempt, but they also report that some recipients are either unaware of their health problems or unwilling to disclose them. This is particularly likely with mental health problems; stigma and cultural issues may prevent recipients from discussing these issues even if they are aware that a problem exists. Staff also note that the same issues that may make it difficult for a recipient to move toward employment may also make it difficult for her to navigate the exemption review process.

[5] Families who are exempt from the time limit have their benefits paid with state funds and thus do not accrue months toward the federal 60-month time limit. For the most part, the federal time limit is invisible to recipients.

Working with Cases Approaching the Time Limit

Massachusetts's policy identifies a range of factors that should be "considered" in deciding whether a recipient should be granted an extension upon reaching the time limit. These include "the degree to which a nonexempt grantee has cooperated, and is cooperating with, the Department in work-related activities."

Recipients are scheduled for a Final Transition Appointment in month 23 of benefit receipt. During the appointment, the caseworker completes a Final Transition Plan, which reviews the recipient's efforts to find work, and asks about her plans to support her family after the termination of benefits, whether there are health problems that are interfering with her ability to find a job, and whether she wants to request an extension. Recipients who wish to request an extension must complete a form that outlines the reason for the request.

The caseworker must then complete a "24-Month Extension History Form" that reviews the recipient's work status, history of participation in employment activities, barriers to participation, and other relevant information. The form also includes a space for the caseworker's recommendation about whether an extension should be granted. The form is given to the office director, who may discuss the case with the caseworker before reaching a decision. That decision is then reviewed at the central office. Extensions can be granted for up to six months but are usually granted for only two months at a time. There is no limit to the number of extensions a family may receive, and extensions may be granted after a recipient has left assistance.

The implementation of the extension policy has evolved over time. Because the time limit was imposed at the same time for all nonexempt cases, more than 5,000 families reached the time limit simultaneously at the end of 1998. State officials reported that it took several months to review all the extension requests; a large majority of the initial requests were denied. At that point, Massachusetts (like Connecticut) routinely denied extensions to recipients who were working and earning more than the maximum TANF grant for their family size. After a legal challenge, the courts ruled that this policy was contrary to state law, and it had to be dropped.[6]

Initially, extension decisions were subject to several layers of review, first at the regional level and then at the central-office level. The review was needed to ensure that the potentially subjective extension criteria were interpreted uniformly across offices.

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[6]The challenge maintained that the state had to apply earnings disregards throughout a family's time on assistance. The state argued, unsuccessfully, that extensions were a separate program with different rules from the general TANF program's.

Both caseworkers and managers reported that the extension review process has now become quite routinized. One manager summarized the policy by saying that an extension is granted if the recipient is "either working full time or looking for full-time work." In practice, for a recipient who is not employed, this translates into participating in a Structured Job Search activity. Recipients who are working part time are permitted to enroll in a more flexible job search activity that requires fewer hours of participation. Despite the historical summary completed by caseworkers, the extension decision usually hinges on the recipient's current willingness to participate in the job search activities. Both local and central-office staffs believe that a much greater proportion of extension requests are approved now than in the past.

Staff consistently reported that many recipients do not request extensions. They speculated that some do not want to participate in job search activities; they may feel that the activities will not help them, or they are working part time and do not want to add work hours.

After the Time Limit

DTA has contracted with the Massachusetts Department of Public Health to operate a program called Follow-up Outreach and Referral (F.O.R.) Families, which targets families whose cases have been closed because of the time limit. Cases are referred to the program by welfare offices and F.O.R. Families. Staff then attempt to contact the recipient.

New York

New York's time limit took effect in December 1996. MDRC visited two offices in New York City as part of this project. New York State's 58 local social services districts have a large degree of autonomy in how they run their TANF programs, particularly with regard to certain aspects of the time limit, such as how decisions regarding extensions and exemptions are made. It is important to note that this profile, while based in part on state law, reflects the procedures and operation of New York City's Human Resources Administration (HRA). It is likely — in fact probable — that other districts in the state run aspects of their TANF programs very differently.

Background

- **Time-limit policy.** Nonexempt individuals are limited to 60 months of cash assistance. After 60 months, families who are eligible for assistance can receive benefits from the state and locally funded safety net program, which is only partly in cash.

- **TANF grant level and earned income disregard policies.** The maximum TANF grant for a family of three is $577. New York disregards the first $90 of earned income plus 49 percent of the remainder.

- **Work requirements and sanctions.** In New York City, nonexempt recipients with no children under 3 months old are required to participate in work activities for 35 hours per week. New York does not have full-family sanctions; noncompliance results in a pro rata reduction until compliance.

Communicating the Message

In New York State, there is a 60-month limit on federally funded Family Assistance. However, individuals who exhaust all available months of Family Assistance can continue to receive benefits through the state's Safety Net Assistance program. Because of this, New York's time-limit message is twofold, and its parts are somewhat contradictory: Federally funded assistance is time-limited, but there is no lifetime limit on the receipt of state-funded assistance. To a recipient, this essentially means that there is no time limit on assistance; however, welfare staff did not advertise this. In fact, welfare offices initially posted signs with slogans like "The clock is ticking" and "Welfare is time-limited," and welfare staff made general references to the fact that welfare is temporary.

While clients hear about the time limit in a general sense, there is little specific discussion of a client's status or what will happen after a client reaches the time limit. In fact, until late 2000, workers could not access a client's "count" through the computer system. For the initial cohort of 36,000 recipients who reached the time limit in December 2001, the lack of discussion about the availability of Safety Net Assistance likely corroborated the message that welfare is time-limited. In other words, the lack of a message likely provided a stronger message than the reality of the time limit. A letter sent to clients in month 58 of assistance (an earlier letter was also sent at 54 months) illustrates the ambiguity of the time-limit message: While clients are told that they can continue to receive benefits, they are also reminded to "keep track" of their time-limit count, since "the time limit is a lifetime limit." The letter also explains that there is no time limit on Safety Net Assistance.

Determining Who Is Exempt

New York State does not offer exemptions that stop a client's clock before the time limit. However, certain categories of individuals are exempt from work activities, and these individuals most often meet criteria for exemptions that begin in month 60. For example, clients with physical or mental impairments that are expected to last longer than six months and individuals who are required to care full time for a child or other family member are exempt from work activities, and they can be exempted from time limits after they have reached the 60-month limit. There are other conditions under which a client is exempt from work activities but not exempt from time limits. Parents with children under age 1 (although there is a lifetime limit of 12 months, and a limit of 3 months for any one child) and pregnant women in the last month of pregnancy fall into this category.

Exemptions are directly advertised to clients nearing the time limit. The 58-month letter lists the exemption criteria and encourages clients to notify their caseworker if they think that they meet any of the criteria. Case managers informally assess all clients before they reach their time limit to see whether they are eligible for an exemption. Clients who report medical problems are referred to HRA's health care subcontractor, where clients are examined by physicians and designated as exempt or nonexempt according to the severity of their impairment.

Since well below 20 percent of New York City's caseload is currently exempt, the city is using the time limit/Safety Net reassessment process to identify clients who may, in fact, meet exemption criteria. Exempting eligible clients has a financial benefit; exempt clients can continue to receive federally funded Family Assistance, whereas benefits provided through the Safety Net Assistance program are funded entirely by the state and city.

Working with Cases Approaching the Time Limit

As in many other localities, formal time-limit processes in New York City begin when clients approach the time limit. For many clients, this process begins in month 48, when they are transferred to one of a designated team of caseworkers responsible for formally and informally evaluating and reassessing each client's case. This team consists of integrated workers who have been trained to handle clients timing-off Family Assistance. Formal written notices are sent in months 54 and 58. An "informational" letter sent during month 54 notifies clients of their time-limit status and reminds them of the 60-month limit on cash assistance. The 58-month letter notifies clients of the Safety Net Assistance program.

To encourage employment and reinforce the work-first message, the city offered some individuals who were nearing the time limit and already participating in work activities (but had not yet found employment) temporary, transitional, subsidized jobs in the city's Parks Department and even in HRA. Workers stressed to clients that these positions were "real" jobs; clients received regular biweekly paychecks from employers, not welfare checks. Wages varied depending on the position as we all as — to a certain degree — the client's background and skills. Clients working in subsidized jobs were required to participate in a job search component as well. Job offers were mandatory, and clients incurred a sanction if they refused a job offer or did not show up for their orientation or scheduled work hours.

In addition to the 58-month letter, around month 58 clients are sent an application for Safety Net Assistance and an appointment letter for a time-limit reassessment interview. To continue receiving assistance, clients must file an application for Safety Net Assistance prior to month 59 of Family Assistance. They are eligible for Safety Net Assistance as long as they meet Family Assistance eligibility criteria and they are compliant with participation requirements. While the absolute value of benefits is the same in both programs, some Safety Net benefits are noncash. For example, rent is paid through vouchers, and the city is implementing a voucher program for utilities and an EBT system that will make the program primarily noncash.[7]

In December 2001, approximately 36,000 cases reached the 60-month time limit in New York City. About 6,000 cases were exempt from the time limit and continued to receive cash assistance under the 20 percent exemption provision. Another 14,000 cases — mostly employed recipients — were automatically converted to the Safety Net Assistance program. The remaining 16,000 cases were asked to come in to file a Safety Net application.

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[7]There are some minor differences in eligibility rules. Under Safety Net, all children and adults living in the household must be included in the case. Thus, a small number of individuals eligible for Family Assistance are not eligible for Safety Net Assistance because of the earnings of other household members.

The city established centralized procedures to handle the large initial cohort reaching the time limit. While the transition from Family Assistance to Safety Net Assistance was relatively seamless for compliant individuals, the city implemented a special process for clients who are in sanction status when they reach the time limit. These clients cannot file an application for Safety Net Assistance at their welfare office. Rather, they receive an appointment letter giving a date and time when they must appear at the main office of the city's fraud verification unit. (Although the letter specifies a date and time, in fact clients have a 30-day window in which they can appear.) When they arrive, there is a lengthy process that includes three meetings with three different staff before they can file an application. Typically, this process takes the better part of a day, and clients who arrive late generally have to return for a follow-up appointment. For those reaching the time limit in late 2001, the end result was a subsidized job offer. Now, however, clients who chose to file an application for Safety Net Assistance at the end of the process are assigned to a work activity.

During this process, a client first meets with a fraud investigator, who tries to determine how the recipient is getting by on a reduced benefit and verifies her eligibility using printouts from various databases of employment, bank balances, and assets, including vehicle ownership records from the Department of Motor Vehicles (DMV). Next, the client is sent to a substance abuse specialist for a 30-minute assessment and, if appropriate, is referred for treatment. Last, recipients who agree to comply with work requirements meet with a welfare caseworker to file a Safety Net application and receive a work assignment.

Through the end of 2001, clients were offered subsidized jobs working for city agencies. Because the eligibility verification review process is technically an application process for Safety Net Assistance and all applicants who refuse a bona fide job offer are ineligible for assistance, the Safety Net applications of those who refused job offers were not accepted. These clients' cases were not transferred to Safety Net Assistance after their Family Assistance cases were closed at the end of month 60.

Clients who are assigned to a work experience component or subsidized job appear on a work list 10 days after they are scheduled to begin participating. If a client is compliant, then the sanction is cured and the client is both transferred to the Safety Net program and reassigned to a caseworker at a normal welfare office. If a client is not participating, then the case is closed, and the client is ineligible for Safety Net Assistance. Overall, of the 16,000 cases called in to file a Safety Net application (including both compliant and sanctioned recipients), about 3,000 had their cases closed.

Several welfare offices are piloting a diversion program targeted at employed recipients. These clients are sent a letter asking them to come in for a voluntary appointment to discuss the bonus program. At the meeting, individuals are asked to voluntarily close out their case in exchange for a check of $200 per month for one year. If the client agrees, she is given her first $200 check on the spot.

After the Time Limit

Clients receiving Safety Net Assistance must continue to participate in work activities but can continue to receive assistance as long as they are eligible. Clients who later become physically or mentally impaired may go back on Family Assistance if it is determined that they meet exemption criteria. Clients whose cases close because of employment are eligible for up to two years of transitional child care and Medicaid.

Ohio

Background

Ohio's time limit took effect in October 1997, when the state implemented its Ohio Works First (OWF) program. MDRC has studied Ohio's welfare reform in Cuyahoga County (Cleveland) as part of the Project on Devolution and Urban Change. The data reported here were collected for that study.

- **Time-limit policy.** Ohio has a 36-month lifetime limit on cash assistance with no exemptions. There are two categories of extensions: (1) hardship and (2) good cause. Hardship extensions can be granted anytime after the 36-month limit. A good-cause extension can be granted only after a 24-month waiting period without cash assistance. Once a recipient is approved for a good-cause extension, she may receive cash assistance for up to an additional 24 months, for a total lifetime limit of 60 months.

- **TANF grant level and earned income disregard policies.** Ohio's maximum monthly benefit for a family of three is $373. Ohio disregards the first $250 of earned income and 50 percent of the remainder.

- **Work requirements and sanctions.** Failure to comply with Ohio's work requirements without good cause leads to the loss of the recipient's cash assistance for one month or until compliance, whichever is longer. The second instance of noncompliance results in a sanction for three payment months or until compliance, whichever is longer. Subsequent instances of noncompliance result in the loss of OWF cash assistance for six payment months or until compliance, whichever is longer.

Communicating the Message

Cuyahoga County has attempted to make sure that all recipients are aware of the 36-month time limit and that no families are caught by surprise. With each month's welfare check, the county sends written reminders of the number of months of cash assistance remaining. Messages about the time limit are also delivered to recipients at regular eligibility and redetermination meetings. In Cuyahoga County, welfare offices (called Neighborhood Family Service Centers) have large banners that remind clients of the time limit.

As the time limit on their cases nears, all recipients are required to come in for a pre-time-limit interview. About six months before the client is due to hit the time limit, the caseworker (Cuyahoga County calls them Self-Sufficiency Coaches) conducts an interview with the recipient, using the Pre-Time-Limit Evaluation Interview form as a guide, to determine how the family will be able to survive economically once cash assistance is terminated. The county wants to be satisfied that the client has a realistic plan to replace welfare with other income from work, child support, or family members. The Self-Sufficiency Coach is responsible for going over the Talking Points on Time Limits with recipients, which include the following messages: "Time limits are real, you need to have a plan to support your family when your cash benefits end"; "Everyone can work, given the right supports"; "Employment is the only long-term guarantee that you can provide for your family"; "It pays to work, do the math"; and "Time Limits affect ONLY cash benefits."

Determining Who Is Exempt

Ohio has no exemptions to the time limit.

Working with Cases Approaching the Time Limit

Ohio offers two kinds of extensions to the time limit: (1) hardship and (2) good cause. Families who are cooperating and have reached the 36-month time limit may be eligible for a hardship extension for various reasons, including being victims of domestic violence, having made a good-faith effort, being disabled or caring for a disabled family member, living in a high-unemployment area, needing more time to complete education or training, having an active Child Protective Services case, being homeless, being pregnant, having a substance abuse problem, or having a transportation barrier.

In Cuyahoga County, recipients are called into a pre-time-limit interview, and frontline workers determine whether or not they qualify for one of the county's post-time-limit options (see the next section). The pre-time-limit interview is mandatory, and clients who fail to show up are referred to a child safety review program. The county has a high compliance rate for the interviews.

Ohio has recommended that each county have a child safety review process in place to ensure that children will not be in jeopardy if their family looses cash assistance due to the time limit. All counties should have a system in place to keep track of families who are facing the loss of cash assistance due to sanctions or time limits. The goals of the process are to inform families about continued support services and to ensure that children who are at risk of neglect or abuse receive protective services.

In Cuyahoga County, the child safety review process is called Safety Net and has been implemented by contracting with nonprofit agencies to conduct home visit to families who have recently lost assistance. The Safety Net contractor makes a thorough assessment of the family's circumstances and sources of income and also tries to connect the family to appropriate resources. The contractor lets families know that it is not a state or county agency, to ease any resistance that clients may feel about having a government social worker visit their home. The contactor issues a report to the case manager regarding the status of the children in the home. If appropriate, a referral is made to the county's child protection agency

Families can continue to receive child care assistance, Food Stamps, Medicaid, and employment resources after cash assistance has been terminated. Staff in Cuyahoga County report that nearly all clients whose cases have been closed due to time limits continue to receive at least Food Stamps and Medicaid after cash assistances has ended. Clients remain with the same frontline worker immediately after the time limit has been imposed.

After the Time Limit

Ohio allows good-cause extensions after a 24-month waiting period following the 36-month time limit. Families who qualify can be eligible for up to an additional 24 months of cash assistance. The first families to qualify for the good-cause extension will be eligible in October 2002.

To assist clients after the time limit has been reached, Cuyahoga County has implemented two programs: Short-Term Transitional Assistance (STTA) and the Transitional Jobs Program. STTA provides up to six months of cash assistance to families who have documented medical problems or are in crisis situations. The county has a rigorous screening process and has approved relatively few applications.

The Transitional Jobs Program is for people who hit the time limit and do not have any other source of income. It is essentially a pay-for-performance job search activity designed to connect recipients with jobs with private employers. Once a client is hired, the county offers the employer a 100 percent wage subsidy for first 30 days and a 75 percent subsidy for the next 60 days. A total of 433 adults participated in the Transitional Jobs Program during the first year it was in operation. It was recently suspended because of substantial cuts in county welfare funding.

South Carolina

South Carolina implemented its time limit in October 1996 under federal waivers. MDRC visited two welfare offices as part of this project.

Background

- **Time-limit policy.** A family may receive Family Independence (FI) benefits for no more than 24 months out of 120 months. There is a 60-month lifetime limit on FI benefits.
- **TANF grant level and earned income disregard policies.** The maximum grant for a family of three is $204 a month. The state disregards 50 percent of earned income for the first four months of employment and $100 thereafter.
- **Work requirements and sanctions.** Individuals with children over age 1 are required to participate in FI activities except in the case of pregnancy or other incapacity. The first instance of noncompliance results in a 30-day conciliation period. If the client is still noncompliant at the end of the conciliation period, then a full-family sanction is imposed.

Communicating the Message

South Carolina is very proactive about notifying clients about their time limit status. Clients are told about the time limit at application and then are reminded of the time limit and their status during every encounter with staff. All notices from the welfare department, including monthly benefit checks, remind clients of how many months they have remaining. In addition, formal "staffings" — meetings with clients and all staff working on the case, including the county director, the TANF program director, the supervisor, and the case manager — are held during months 12 and 22. If a client has a job developer or a CPS worker, these workers also attend. In months 6 and 18, there are additional staff-only meetings. (In some cases, clients are also invited to attend.) In all these meetings, the focus is on the client's progress toward the goals stated in the employability plan.

In recent years, changes in the leadership of the TANF program at the state level have affected aspects of the FI program, including time limits. Most notably, the state relaxed policies about both time-limit extensions and sanctions. (Some of the specifics of these policy changes are discussed below.) It is also important to note that there were some substantial differences in how policies were changed at the county level. Staff at one office reported that the net effect of the policy changes was to rescind the time limit. Some case managers voiced frustration that they had lost credibility with clients once clients realized that their frequent admonitions about the time limit were unwarranted. At another office, staff maintained that although policy changes had resulted in a more liberal sanctioning policy, they did not feel that clients' perceptions of the time limit had changed.

South Carolina has one of the nation's lowest welfare grants. Staff report that, because of low grants, clients are much more concerned about keeping their Food Stamps and support services — in particular, child care — than about staying on cash assistance. For this reason, a large part of the time-limit message emphasizes how clients can maximize their transitional benefits and "make the most of" their time on public assistance.

Determining Who Is Exempt

South Carolina's exemption policy is clear-cut. Disabled clients and clients who are needed in the home to take care of a disabled family member are exempt, as are teenage parents. According to case managers, exemptions are not advertised; rather, if a client brings up a medical problem, the case manager gives her a state-generated form for her doctor to complete. The form has a clear list of questions that specify the nature of the client's disability and potential for work and the length of time for which an exemption should be granted. Case managers code exemptions for the length of time specified by the doctor. Clients are granted temporary exemptions from the time they report a medical problem to the time they return the completed form.

While the process is relatively cut-and-dry for case managers, it is possible that the largely client-initiated process prevents some clients from getting exemptions. Clients might be uncomfortable discussing medical problems with their case manager, or they may be unaware of the severity of their condition. Furthermore, variation in the way doctors interpret and fill out the form as well as the relationship between clients and doctors allow room for inconsistency and potential abuse of the system.

According to state policy, exemptions can also be granted if transportation or child care is not available. However, none of the staff interviewed had ever exempted a client for these reasons. In general, only clients in remote, rural areas are exempted because support services are lacking.

Working with Cases Approaching the Time Limit

Case managers in South Carolina work closely with clients to help them achieve their employment goals. Clients sign an employment plan within 45 days of having their case certified, and case managers monitor clients' attendance and progress in FI components. Since the new state director took office, case managers have been strongly discouraged from sanctioning clients. At one time, cases were routinely closed for noncompliance. Now, when clients miss classes or otherwise fail to comply with the program, case managers initiate an in-depth conciliation process. Case managers are expected to make telephone contact with the client, revise the client's employment plan, conduct a home visit, and "grab [clients] by the hand" to make sure that they participate. After taking these steps, a case manager must first meet with the supervisor and the county director before imposing a sanction. Case managers noted that, because of the red tape involved, they rarely sanction clients for nonparticipation.

Staff reported that they strongly discourage clients from accumulating 24 months of assistance. Rather, they encourage clients to leave assistance and forgo the earned income disregard once they are able to support themselves. Case managers tell clients that in the future banked months will be far more valuable than the paltry benefits that they will receive after their earnings are counted. Several staff maintained that a good case manager does not let a client use up all four enhanced disregard months. (In South Carolina, months in which a client receives the enhanced earned income disregard do count against the time limit.) Particularly when dealing with single mothers with young children, case managers encourage clients to leave assistance for two years (to exhaust their transitional child care benefits) and then to come back on welfare and repeat the process once they are again eligible for two more years of transitional child care.

Clients who do accumulate 22 months of assistance are required to attend a 22-month staffing to discuss their case. In one office, this meeting is the first time that clients hear about extensions. Staff in another office reported that "the word is out" about extensions and that a client knows well in advance of this meeting that the case will not be closed. Perhaps because of this, staff reported that client attendance is high for these meetings. At the 22-month staffing, extension options are discussed, and the purpose and duration of the extension are decided. Clients must sign a new employment plan at this meeting, specifying what they will accomplish during the extension period.

Until mid-2001, the client's entire history of compliance was taken into account during this staffing. Generally, only clients who had shown a history of compliance were granted extensions. Now, all clients who are compliant at the time of the 22-month staffing are granted extensions. Compliance with the Family Independence program is the primary factor in deciding whether an extension will be granted. Ultimately, the county director has final say regarding the approval and duration of the extension, although case managers and their supervisors can make recommendations.

It is important to note that counties have relaxed their extension policies in very different ways. One county currently offers all clients 3-month extensions during the 22-month staffing. Case managers said that they had never had occasion to ask for longer extensions or to ask for an additional extension after the initial extension expired.

By contrast, staff at another office reported that most clients were offered a 6- or 12-month extension at the 22-month staffing. The general rule, according to case managers and supervisors, is that clients who have not achieved their employment goal will be granted extensions. Clients are most often granted an initial 6-month extension to complete a training program that they are currently enrolled in and are likely to complete in that time. If at the end of this time period they are still compliant, then they are eligible for an additional 12-month extension for full cooperation. The county director has the authority to grant additional extensions, and clients whose extensions are so approved meet with the county director monthly.

After the Time Limit

Case managers in South Carolina are required to conduct a home visit within 90 days of a case closure, to check on the family's well-being. Case managers refer clients to community agencies for such matters as domestic violence and for assistance with utility bills or household items. If clients become employed, they can apply for transitional benefits. Food Stamps continue as long as the client is income-eligible.

Staff reported that, for the most part, clients are faring about as well after leaving welfare as they were while they were receiving cash assistance. No case manager had ever dealt with a client who really feared that she would not be able to get by after her case was closed. Perhaps because of the low grant in South Carolina, clients — at least according to staff — are not greatly affected by termination of their benefits.

Appendix C

Background Information on the Leaver Studies Cited in Chapter 6

Chapter 6 includes findings from eight studies of people who left welfare because of a time limit. This appendix provides background information on each of the studies. Information is first presented on the leaver studies in Connecticut, Florida, Massachusetts, North Carolina, Ohio, South Carolina, Utah, and Virginia. The second section presents information on MDRC's evaluations of Connecticut's Jobs First program and Florida's Family Transition Program (FTP), which are also discussed in Chapter 6.

Survey-Based Studies of TANF Leavers

Connecticut

Sponsor/Research Firm	Sample	Sample Size
Connecticut State Department of Social Services MDRC (survey conducted under contract by Roper Starch Worldwide)	Families in 6 sites whose cases closed in September or October 1997 when they reached the 21-month time limit on cash assistance. (The Connecticut post-time-limit study included only families who left TANF because of the time limit.) Interviews were conducted 3 and 6 months after cases closed. The 3-month survey was fielded between January 1998 and April 1998. The 6-month survey was fielded between April 1998 and July 1998. Only individuals who were still off welfare at the time of the interviews were surveyed.	3-month survey: 421 6-month survey: 448 <u>Response Rate</u> 3-month survey: 79% 6-month survey: 82% <u>Mode of Administration</u> Computer-Assisted Telephone Interviewing

Florida's Family Transition Program (FTP)

Sponsor/Research Firm	Sample	89 people received final welfare checks during the two periods, and 70 completed the initial interview. 57 completed the 6-month interview, 49 completed the 12-month interview, and 54 completed the in-depth 18-month interview. Response rates (based on the initial 70 respondents) were 81%, 70%, and 77%.
Florida Department of Children and Families and private foundations MDRC	All FTP participants who reached the time limit during certain calendar periods (November 1996 through May 1997 for those subject to a 24-month time limit, and June 1997 through February 1998 for those subject to a 36-month time limit). In-person interviews were conducted around the time benefits expired, and then 6, 12, and 18 months later. The 18-month interview was a lengthy open-ended discussion conducted by an ethnographer.	

Massachusetts

Sponsor/Research Firm	Sample	Sample Size
Massachusetts Department of Transitional Assistance Center for Survey Research (CSR) at the University of Massachusetts at Boston	Households that left welfare between December 15, 1998 (when the first families reached the state's 24-month time limit), and April 30, 1999. Approximately 2/3 of the fielded sample consisted of households that had reached month 24 of time-limited benefits (time-limit leavers). The remaining 1/3 were households that left welfare for various reasons, such as earnings, sanctions, and changes in family status (non-time-limit leavers). Respondents had to have been off welfare for at least 2 months. Respondents were interviewed 6 to 16 months after they left welfare. Individuals were included in the study regardless of whether or not they were receiving TANF at the time of the interview.	Time-limit leavers: 460 Non-time-limit leavers: 210 Response Rate 75% (full sample) Mode of Administration: Computer-Assisted Telephone Interviewing, with some in-person interviews

North Carolina

Sponsor/Research Firm	Sample	Sample size
North Carolina Department of Health and Human Services MAXIMUS	Families leaving welfare. Surveys were administered separately to those leaving because of the time limit and those leaving for other reasons. Time-limit leavers: The first cohort of families to reach the 24-month time limit in August 1998. Two rounds of surveys were conducted. The first round was administered between December 1998 and March 1999 (4 to 7 months after families reached the time limit). The second round was administered between September 1999 and December 1999 (13 to 16 months after families reached the time limit), and was targeted only at the round 1 respondents. Non-time-limit leavers: Families in 8 counties who left Work First for any reason for at least 1 month between December 1998 and April 1999. Interviews were conducted between June1999 and February 2000 (approximately 6 months after respondents left welfare).	Time-limit leavers: Round 1: 247 Round 2: 221 Non-time-limit leavers: 1,878 Response Rate Time-limit leavers: Round 1: 78% Round 2: 89.5% of round 1 respondents Non-time-limit leavers: 70.1% Mode of Administration Computer-Assisted Telephone Interviewing

Ohio

Sponsor/Research Firm	Sample	Sample Size
Ohio Department of Job and Family Services and the Cuyahoga County Board of County Commissioners Center on Urban Poverty and Social Change at Case Western Reserve University	Randomly selected individuals in Cuyahoga County who left welfare in October 2000. Leavers are defined as individuals who received assistance in the first month of a quarter and then were not part of the caseload in the second and third months of the quarter. The fielded sample included 300 time-limit leavers (individuals with a time-limit closure code) and 150 non-time-limit leavers. Interviews were conducted 6 and 13 months after individuals' initial exit. The analysis also uses administrative records.	Time-limit leavers: 204 Non-time-limit leavers: 86 Response Rate Time-limit leavers: 68% Non-time-limit leavers: 58% Mode of Administration In person

South Carolina

Sponsor/Research Firm	Sample	Sample Size
South Carolina Department of Health and Human Services MAXIMUS	Stratified random sample of families who left welfare between October 1998 and March 1999. Time-limit leavers are those who left because of the time limit, according to the state's data system. Non-time-limit leavers are those who left due to earnings, sanctions, or "other" reasons. The survey was fielded after sample members had been off welfare for approximately 10 to 14 months.	Time-limit leavers: 292 Non-time-limit leavers: 780 Response Rate Time-limit leavers: 81% Non-time-limit leavers: 73% Mode of Administration Computer-Assisted Telephone Interviewing

Utah

Sponsor/Research Firm	Sample	Sample Size
Utah Department of Workforce Services University of Utah School of Social Work	Families who had received welfare for 36 months or more and whose cases had been closed for at least 2 months as of February 2000. Time-limit leavers: Families whose cases were closed because they had reached Utah's 36-month time limit in December 1999 (the first month in which individuals reached Utah's time limit). Non-time-limit leavers: Families whose cases were closed due to increased income and other reasons – primarily sanctioning. Respondents were interviewed between February 2000 and May 2000 (approximately 2 to 5 months after the time-limit leavers had their cases closed).	Time-limit leavers: 133 Non-time-limit leavers: 274 Response Rate 73% (full sample) Mode of Administration In person

Virginia

Sponsor/Research Firm	Sample	Sample Size
Virginia Department of Social Services Mathematica Policy Research, Inc.	Time-limit leavers: Families whose cases closed because of the time limit between February 1, 1998, and June 30, 1998 (Cohort 1), and families whose cases closed because of the time limit between February 1, 1999, and June 30, 1999 (Cohort 2). Because of the staggered implementation of the state welfare reform program, Cohort 1 was selected from very limited areas of the state, while Cohort 2 was drawn from districts comprising roughly half the state. The first round of surveys were administered 6 to 14 months after cases closed. A second round of surveys was administered to Cohort 1 families 18 to 24 months after cases closed. Administrative data on all cases are also available. Non-time-limit leavers: Data on time-limit leavers come from the Virginia Closed Case Survey – a study of cases that closed because of increased income or because of a sanction in late 1997. Interviews were conducted approximately 12 months after cases closed.	Time-limit leavers: 6-month survey: 751 18-month survey: 220 Non-time-limit leavers: 779 <u>Response Rate</u> Time-limit leavers: Round 1: 78% Round 2: 72% Non-time limit leavers: 69% <u>Mode of Administration</u> Computer-assisted telephone interviews

Evaluations

Connecticut's Jobs First Program

Under a contract with the state's Department of Social Services, MDRC conducted a large-scale evaluation of Jobs First, Connecticut's welfare reform initiative. Welfare applicants and recipients in two welfare offices were randomly assigned to program and control groups from January 1996 through February 1997. Four years of follow-up data are available. As part of the evaluation, an analysis of welfare leavers was conducted using baseline demographic data and administrative records data on earnings, welfare, and Food Stamp receipt for 600 sample members randomly assigned to the program group from January through June 1996 who left welfare between study entry and March 1998.

Baseline and administrative records data are available for 477 program group members who, by March 1998, had left welfare for two or more consecutive months before reaching the state's 21-month time limit (non-time-limit leavers) and 132 program group members who, by March 1998, had their benefits discontinued as a result of time limits (time-limit leavers). Administrative records data cover the quarter prior to exit through the third quarter after exit.

As noted earlier, there was also a separate study of time-limit leavers.

Florida's FTP

There are several samples of welfare leavers available from a random assignment evaluation of Florida's Family Transition Program (FTP) — a pilot program run in Escambia County from 1994 through 1999 — conducted by MDRC under a contract with the Florida Department of Children and Families. Importantly, FTP was a pilot program implemented two years prior to the implementation of PRWORA, and the findings do not reflect the effectiveness of Florida's statewide welfare reform program. The study sample includes 1,405 single-parent cases randomly assigned to the program group from May 1994 through February 1995 who were subject to either a 24- or a 36-month time limit.

Time-limit leavers are FTP group members who received at least the time-limit amount (24 or 36 months) of TANF between date of random assignment and June 1999 (four to five years after study entry) and had their benefits fully terminated. Approximately one-quarter of the individuals subject to a time limit accumulated the time-limit amount of TANF. Of these, 237 (70 percent) reached the time limit, and 227 had their benefits fully terminated. Baseline and administrative records data are available for all 227 individuals who had their welfare benefits canceled because of time limits.

In addition, four-year client survey data are available for 136 time-limit leavers included in the four-year client survey sample. These 136 families had been off welfare for an average of 17 months at the time they were interviewed. However, since the survey was fielded based on random assignment date (not date of welfare exit), there is considerable variation in the length of time that these families had been off welfare.

Non-time-limit leavers are sample members who stopped receiving benefits before reaching the 24- or 36-month time limit within four years of study entry. Three-quarters (75.7 percent) of individuals in the FTP group left the program before reaching the time limit, primarily because of employment.[1] Baseline demographic data are available for 954 individuals who

[1] Late in the follow-up period, the state implemented full-family sanctions. It is possible that some non-time-limit leavers had their cases closed because of noncompliance.

received at least one month of welfare after study entry but did not reach the time limit within four years.

Four-year client survey data are available for 657 families who left welfare before reaching the time limit. Leavers were identified based on a survey question that asks respondents about welfare receipt in the month prior to the survey interview. Of these individuals, 84 percent had not received welfare in the year prior to the survey. The survey was administered from 48 to 61 months following respondents' entry into the study. The response rate for the entire survey sample was 80 percent. Surveys were administered in person and by telephone.

As discussed above, there was also a separate small-scale survey of families who left welfare because of the time limit.

Appendix D

Additional Reports and Studies

Reports from Random Assignment Evaluations

Arizona EMPOWER Program

Kornfeld, Robert, Laura Peck, Diane Porcari, John Straubinger, Zacharay Johnson, and Clementina Cabral. 1999. *Evaluation of the Arizona EMPOWER Welfare Reform Demonstration: Impact Study Interim Report.* Cambridge, MA: Abt Associates Inc.

Connecticut's Jobs First Program

Bloom, Dan, Mary Andes, and Claudia Nicholson. 1998. *Jobs First: Early Implementation of Connecticut's Welfare Reform Initiative.* New York: Manpower Demonstration Research Corporation.

Bloom, Dan, Laura Melton, Charles Michalopoulos, Susan Scrivener, and Johanna Walter. 2000. *Implementation and Early Impacts of Connecticut's Welfare Reform Initiative*. New York: Manpower Demonstration Research Corporation.

Bloom, Dan, Susan Scrivener, Charles Michalopoulos, Pamela Morris, Richard Hendra, Diana Adams-Ciardullo, and Johanna Walter. 2002. *Jobs First: Final Report on Connecticut's Welfare Reform Initiative*. New York: Manpower Demonstration Research Corporation.

Hendra, Richard, Charles Michalopoulos, and Dan Bloom. 2001. *Three-Year Impacts of Connecticut's Jobs First Welfare Reform Initiative*. New York: Manpower Demonstration Research Corporation.

Delaware's A Better Chance Program

Fein, David, and Jennifer Karweit. 1997. *The ABC Evaluation: The Early Economic Impacts of Delaware's A Better Chance Welfare Reform Program*. Cambridge, MA: Abt Associates Inc.

Fein, David J., and Wang S. Lee. 2000. *Impacts of Welfare Reform in Child Maltreatment*. Cambridge, MA: Abt Associates Inc.

Fein, David J., David A. Long, Joy M. Behrens, and Wang S. Lee. 2001. *Turning the Corner: Delaware's A Better Chance Welfare Reform Program at Four Years.* Cambridge, MA: Abt Associates Inc.

Florida's Family Transition Program

Bloom, Dan. 1995. *The Family Transition Program: An Early Implementation Report on Florida's Time-Limited Welfare Initiative.* New York: Manpower Demonstration Research Corporation.

Bloom, Dan, Mary Farrell, James J. Kemple, and Nandita Verma. 1998. *The Family Transition Program: Implementation and Interim Impacts of Florida's Initial Time-Limited Welfare Program.* New York: Manpower Demonstration Research Corporation.

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Indiana's Manpower Placement and Comprehensive Training Program

Fein, David J., Erik Beecroft, William Hamilton, and Wang S. Lee. 1998. *The Indiana Welfare Reform Evaluation: Program Implementation and Economic Impacts After Two Years.* Cambridge, MA: Abt Associates Inc.

Fein, David J., Eric Beecroft, and Jennifer Karweit. 1997. *The Indiana Welfare Reform Evaluation: Assessing Program Implementation and Early Impacts on Cash Assistance.* Cambridge, MA: Abt Associates Inc.

Vermont's Welfare Restructuring Project

Hendra, Richard, and Charles Michalopoulos. 1999. *Forty-Two Month Impacts of Vermont's Welfare Restructuring Project*. New York: Manpower Demonstration Research Corporation.

Virginia Independence Program

Gordon, Anne, and Roberto Agodini. 1999. *Early Impacts of the Virginia Independence Program.* Princeton, NJ: Mathematica Policy Research, Inc.

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Pavetti, LaDonna, Nancy Wemmerus, and Amy Johnson. 1999. *Implementation of Welfare Reform in Virginia: A Work in Progress.* Princeton, NJ: Mathematica Policy Research, Inc.

Texas

Schexnayder, Deanna, Jerome Olson, Daniel Schroeder, Alicia Betsinger, and Shao-Chee Sim. 1998. *Achieving Change for Texans Evaluation: Net Impacts Through December 1997.* Austin: University of Texas, Lyndon B. Johnson School of Public Affairs.

Texas Department of Human Services. 1998. *Evaluation of the Texas Welfare Reform Waiver: Achieving Change for Texans.* Austin: Author.

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