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Welfare Reform: TANF Provisions Related to Marriage and Two-Parent Families

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Gene Falk and Jill Tauber
Domestic Social Policy Division

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Summary

The impact of welfare policies on discouraging or encouraging marriage has long been a topic of discussion. Welfare programs, by providing single parents with the economic means to support their children, are thought to discourage marriage. Federal policies in place before the 1996 welfare reform law restricted the use of federal funding for cash aid for needy families with children with two able-bodied parents in the home. The Temporary Assistance for Needy Families (TANF) block grant, created in the 1996 welfare reform law (P.L. 104-193), ended federal constraints on aid to two-parent families. TANF goes further, however, by establishing a statutory goal to *promote* the formation and maintenance of two-parent families. States may spend TANF funds on a wide range of activities (services) for cash welfare recipients and other families toward the achievement of this goal. Moreover, TANF has a "High Performance Bonus" that, beginning in FY2002, will pay a total of $10 million to the 10 states with the greatest increase in the percent of children living in married couple families.

TANF does, however, have an especially high work participation requirement for two-parent families receiving cash welfare: in FY2002, 90% of two-parent families, compared with 50% of all families, must be engaged in work to avoid the loss to the state of some TANF funds (though work participation standards are reduced for caseload reduction). Some states have failed FY1997-FY1999 two-parent work participation standards; some have used TANF's flexibility to move two-parent families into state-funded programs that are free of TANF requirements.

As of spring 2001, 35 states had cash welfare eligibility standards for two-parent families that are the same as for single parents. These states eliminated special restrictions in place before welfare reform that might have been a *disincentive* to marry or form a two-parent family. (However, some of these states aided two-parent families ineligible for federally funded cash welfare with their own funds before welfare reform.) Some states have special benefits for two-parent families. West Virginia pays a "marriage incentive" bonus, providing an extra $100 per month for a family formed by marriage while on welfare.

States report that they provide a wide range of services to *promote* the formation or maintenance of two-parent families. However, states reported spending only a total of $113 million on these services in FY2000, one-half of 1% of total TANF expenditures. These include services aimed not only at promoting married two-parent families, but two-parent families in general (including noncustodial parents, who live outside of the child's home). Such services include "fatherhood initiatives"; employment and training services for noncustodial parents; and mentoring, family education, and similar services.

A number of legislative proposals related to two-parent families have been raised. These include eliminating the higher two-parent family work participation rate, which might be a disincentive for states to serve two-parent families. Some have called for federal action to spur states to spend more to promote marriage, including an idea to "earmark" a portion of the block grant for marriage activities.

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Acknowledgment

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Welfare Reform: TANF Provisions Related to Marriage and Two-Parent Families

Introduction

The impact of welfare policies on discouraging or encouraging marriage has long been a topic of discussion. Welfare programs, by providing single parents with the economic means to support their children, are thought to discourage marriage by their nature.[1] The negative economic effects of single motherhood are well-known. In 2000, the poverty rate for children raised in female-headed families was 39% compared with 8% for children raised in married couple families.[2]

Federal funding for cash welfare for needy families with children was originally restricted to single parent families with children and to those in which the second parent was incapacitated. States were first given permission to aid needy families with children with two able-bodied parents in 1961, and were only required to aid them as recently as October 1990. Even so, federal policies in place before the 1996 welfare reform law restricted federal funding for cash aid for two-parent families.

The Temporary Assistance for Needy Families (TANF) block grant, created in the 1996 welfare reform law (P.L. 104-193), replaced Aid to Families with Dependent Children (AFDC) as the primary source of federal funding for cash welfare to assist families with children. Under both programs, states administered cash welfare and designed programs within federal rules. TANF, however, gives broader discretion to the states in program design. Federal rules under AFDC restricted eligibility for families with two able-bodied parents. These rules were also seen as a *disincentive* for two parents to live in the household and possibly marry. TANF permits states to set their own policies for two-parent families, allowing states to remove such disincentives (and most have done so). TANF also permits states to spend funds to *promote* marriage and two-parent families. These can be activities both within and outside of their cash welfare programs. Indeed, three of the four statutory purposes of TANF relate to either promoting marriage, reducing out-of-wedlock pregnancies, or promoting two-parent families.

This report discusses:

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[1]See: Moffitt, Robert. Incentive effects of the U.S. welfare system: A Review. *Journal of Economic Literature, 20,* p. 27-31.

[2]U.S. Bureau of the Census. *Poverty in the United States: 2000*. Report P60-214. September 2001.

- TANF goals for promoting marriage and two-parent families and their implications for the use of TANF block grant funds;
- TANF cash welfare programs as they relate to two-parent families, including special federal work participation requirements and eligibility rules for these families; and
- The degree to which states have used TANF funds for services to promote the formation and maintenance of two-parent families.

Federal TANF Law: Statutory Purposes and Accountability for Performance

The 1996 welfare law created the TANF block grant. It replaced categorical grant programs that helped states pay cash welfare benefits to needy families with children under AFDC, provided education and job training for AFDC adults (the Job Opportunity and Basic Skills Training (JOBS) program), and provided emergency assistance (EA) for families with children. TANF permits states to use their block grant funds for activities for which they were allowed to spend federal funds under pre-TANF programs, and also for other purposes that were not part of the earlier welfare programs.

TANF Goals

Federal TANF law lists four goals, two of which are considered "family formation" goals of having children within marriage or encouraging two-parent families:

- Preventing and reducing the occurrences of out-of-wedlock pregnancies; and
- Encouraging the formation and maintenance of *two-parent families.*

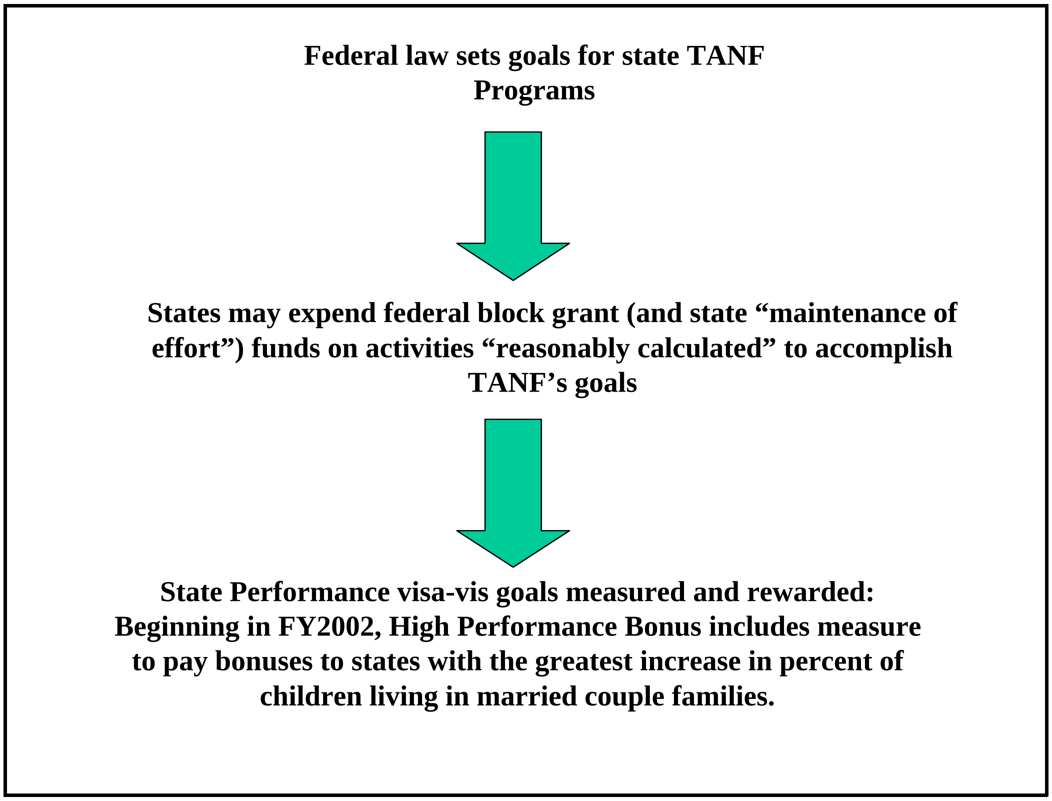
Additionally, there is a third TANF goal:

- Ending dependence of needy parents on government benefits by promoting job preparation, work, *and marriage*.

This third goal considers promoting marriage as a *means* toward achieving the goal of reducing welfare dependency.

The list of statutory goals has consequences in terms of the uses of TANF funds and consideration of a state's performance in meeting federal goals. **Figure 1** provides an overview of the relationship between TANF's statutory goals, use of TANF funds, and state accountability for performance. TANF permits states to use block grant funds (and state spending, discussed later) in "any manner reasonably calculated" to achieve any of the program's goals. States are held accountable for meeting TANF goals through penalties for failure to meet certain requirements (e.g., work participation standards). For certain measured outcomes, they may receive bonuses.

Figure 1. TANF Goals, Use of Funds, and Performance Bonuses



Source: Figure prepared by the Congressional Research Service (CRS).

Two-Parent Families or "Married Couple" Families? The goals of the program regarding two-parent families are not limited to marital unions. Not all two-parent families are married couple families. For example, two cohabiting parents of a child represent a "two-parent," but not a married couple family. Moreover, the TANF goal regarding two-parent families might not even relate to two parents living in the same household. Some states report that they advance the TANF goal to promote two-parent families through initiatives that seek to have both parents be active in their children's lives, such as responsible "fatherhood" initiatives that focus on the noncustodial parents of children.

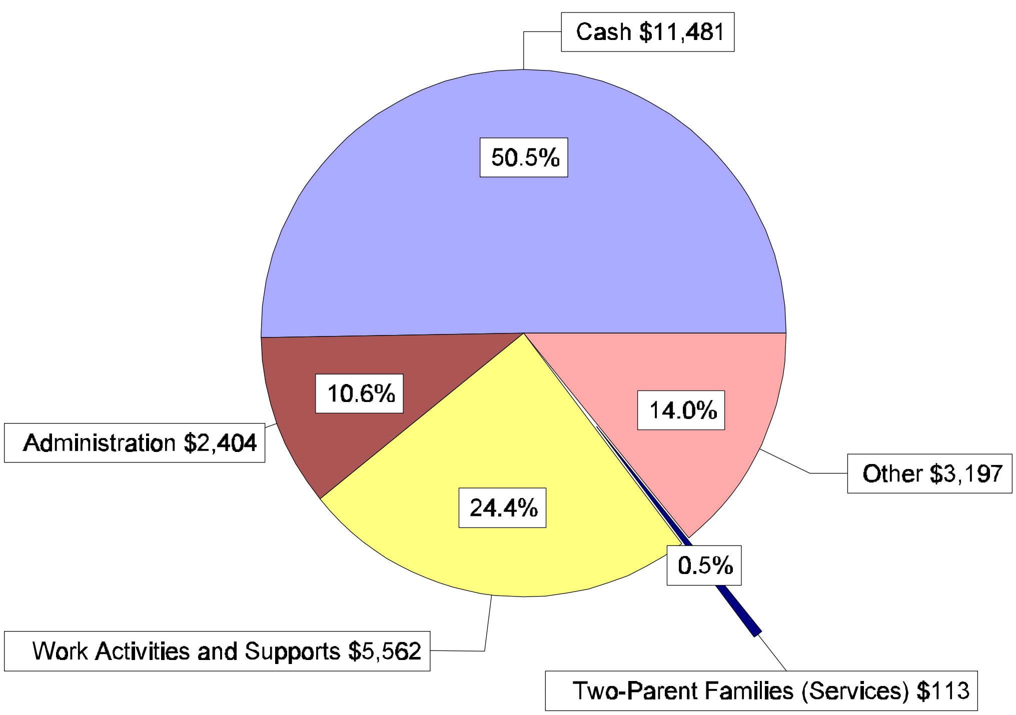
Use of Funds

TANF block grants and associated state funds are a *funding stream*, not a single program, that can be used in any number of programs and activities at the state and local level to achieve the goals of TANF law. TANF replaced AFDC as the major source of cash welfare for needy families with children. However, it gives states flexibility to both provide cash assistance and fund a wide range of activities to achieve its goals—including its goals related to promoting the formation and maintenance of two-parent families.

In FY2000, total TANF and associated state spending was $22.8 billion.[3] The largest category of spending was for ongoing cash welfare (basic assistance), which amounted to half of total expenditures. Though cash welfare was the largest category, the amount spent and share of total spending by states on cash welfare has declined substantially from the mid-1990s. Under TANF's predecessor programs, in FY1995 cash welfare expenditures totaled $21.9 billion or 73% of total spending.

As cash welfare spending declined, states allocated more funds to other activities consistent with TANF purposes. Thus, as shown in **Figure 2**, FY2000 expenditures on services to promote the formation and maintenance of two-parent families were $112.8 million, or about one-half of 1% of total TANF and associated state expenditures. Expenditure categories related to supporting work, such as child care, accounted for far more spending than those devoted to TANF's family formation goals.

Figure 2. FY2000 Federal and State TANF Expenditures ($ in millions)



Source: Figure prepared by the Congressional Research Service (CRS) based on data from the U.S. Department of Health and Human Services (HHS).

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[3]This reflects expenditures from the TANF block grant (excluding those made in the Child Care and Development Fund (CCDF), or the Social Services Block Grant from TANF transfers) plus state expenditures reported for the TANF maintenance of effort requirement (MOE). Child care expenditures reported for the TANF MOE that could be "double counted" toward an MOE in CCDF are subtracted from the expenditures shown in this report.

Even though a relatively small share of total TANF expenditures were for *services* to promote two-parent families, states did undertake initiatives within their cash welfare programs that could be interpreted as promoting two-parent families. Spending for such initiatives does not appear in TANF categories associated with services; such expenditures would be reported as cash welfare spending.

Promotion of Marriage and the "High Performance Bonus"

TANF pays bonuses for "high performing states," which are those rated most successful in achieving the goals of TANF. A state's bonus award for a fiscal year is based on its performance in the previous fiscal year, and may not exceed 5% of the state's family assistance grant. The 1996 welfare reform law appropriated $1 billion to provide bonuses for 5 years (averaging $200 million per year) for states that demonstrate "high performance" toward achieving TANF's statutory goals. The law directed the Department of Health and Human Services (HHS) to consult with state organizations and others to develop the criteria for awarding bonuses.

Through FY2001, bonuses were paid based on performance related to moving families into employment. HHS issued regulations on August 30, 2000 establishing criteria for awarding high performance bonuses beginning in FY2002. In addition to work measures, the regulations establish both work support (e.g., participation in food stamps, health insurance, and child care, and child care affordability) and a family formation measure for awarding high performance bonuses.[4] The family formation measure is the increase in the percentage of children in the state who reside in married couple families. Awards will be based on rankings of the percentage point change for states that want to compete on this measure. Data will be based on information from the U.S. Census Bureau.[5] Of the $200 million per year awarded, $10 million will be paid on this basis.

TANF Cash Welfare Programs

TANF gives states almost complete flexibility in the design and operation of their cash welfare programs. States also had considerable discretion in the design of their AFDC programs, determining standards of "need" for eligibility and benefit amounts. However, the AFDC program had federal rules that prescribed who was eligible for benefits, what types and the amount of income to consider when determining a family's eligibility and amounts of cash welfare, and special restrictions for two-parent families. TANF ended federal rules regarding categories of families eligible for assistance and the counting of income; it also ended federal rules restricting assistance for two-parent families.

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[4] See: 45 CFR 270.4(f). Regulation published in the *Federal Register*, August 30, 2000. p. 52853.

[5] In the preamble to regulations for the TANF High Performance Bonus, HHS said that it will use data from the Census Bureau's Census 2000 Supplemental Survey and the Census Long-Form transitional database for awarding bonuses in FY2002 and FY2003. It will use, if available, information from the American Community Survey for FY2004 and later years.

This section describes the rules states use under TANF to determine eligibility for two-parent families in their *cash welfare* programs. It discusses:

- Special work participation requirements that apply to two-parent families receiving cash welfare;
- Special eligibility restrictions used for two-parent families;
- Different benefit amounts provided in some states for two-parent or married couple families; and
- Rules regarding continued eligibility for benefits when a welfare recipient marries.

Federal Work Participation Standards for Two-Parent Families

Federal TANF law sets work participation standards for states. A specified percentage of families with an adult must participate in creditable work activities for a certain number of hours. The law has two sets of standards: one for all families with an adult; and a second, more stringent standard for "two parent families." The all-family participation rate is based on the activities of both single and two-parent families; the two-parent participation rate is based only on the activities of two-parent families. Federal regulations require states to define a family as two-parent if it has two adults with at least one child in common. (Two-parent family is not defined in federal law.) The two adults may or may not be married.

Participation Rates. **Table 1** shows the statutory work participation standards for all families and two-parent families. For FY1999 and later years, the law requires 90% of two-parent families to engage in creditable work activities. In contrast, the all-family rate reaches its maximum of 50% in FY2002. (The all-family participation rate started at 25% in FY1997 and has increased 5 percentage points each year.) However, the statutory participation standards for all families and two-parent families may be reduced for caseload reduction (discussed below).

Table 1. Required Participation Standards in Federal Law

(actual rates are lowered for caseload declines)

	All families with an adult recipient	Two-parent families
FY1997	25%	75%
FY1998	30%	75%
FY1999	35%	90%
FY2000	40%	90%
FY2001	45%	90%
FY2002	50%	90%

Source: Sections 407(a)(1) and 407(a)(2) of the Social Security Act.

Required Hours of Work. The two-parent participation standard has both a higher participation rate *and* a requirement for more hours of creditable activity than applies for the all-family rate. Generally, for purposes of the two-parent participation standard, one or both adults in a two-parent family must be engaged in work activities for at least 35 hours per week to be counted as a participant toward the federal work participation standards. This hour requirement rises to 55 hours if the two-parent family receives federally-subsidized child care. The two parents may "split" the hours requirement between them. That is, for a two-parent family that is required to work 35 hours, one parent may be engaged in activities for 20 hours while the other works the remaining 15 hours.

Table 2 compares the required hours for a family to be considered participating for the purposes of the all-family rate and the two-parent family rate. These are for families headed by adults; separate rules apply for teen parents. It should be noted that a two-parent family that has sufficient hours to be counted as a participant for the all-family rate, but not the two-parent family rate, *is* counted as a participant for the all-family standard.

The law enumerates 12 creditable activities that count toward the participation standards. Eight are considered "priority" activities, and generally relate to either work in a job or working off a welfare benefit (i.e., workfare). The other four are education or job training, and there are restrictions as to the circumstances under which a state may count these activities.

Table 2. Required Hours of Activity to Meet All Family and Two-Parent Family Participation Rates: FY2002[a]

Family category	Required hours of participation for all family rate	Required hours of participation for the two-parent rate
Single parent families with a child 6 or older. Two-parent families that do not receive federally subsidized child care.	30 hours a week, 20 of which must be in a priority activity (priority activities defined below).	35 hours a week, 30 of which must be in a priority activity.
Families with a child under age 6.	20 hours a week.	Same as above: 35 hours or 55 hours if a family receives federally subsidized child care.
Families that receive federally subsidized child care.	Same as above: 30 hours a week, 20 of which must be in a priority activity (priority activities defined below).	55 hours, at least 50 of which must be in a priority activity.

Note: The eight priority activities are: (1) unsubsidized employment; (2) subsidized private sector employment; (3) subsidized public sector employment; (4) work experience; (5) on-the-job training; (6) job search and readiness; (7) community service; and (8) provision of child care services to a community service participant. The four education and training activities are: (9) vocational educational training; (10) job skills training directly related to employment; (11) education directly related to employment, for those without a high school diploma or equivalent; and (12) satisfactory attendance at a secondary school, for those without a high school diploma or equivalent.

[a] Hour rules for families to count as participants for the all-family rate took effect in FY2000 (rising from 20 hours in FY1997). Hour rules for two-parent families have been the same since FY1997, the start of TANF.

The Caseload Reduction Credit. TANF law provides that work participation standards are to be reduced by 1 percentage point for each percent decline in a state's caseload that has occurred since FY1995. Only declines not attributable to more restrictive federal or state policies are creditable against work participation standards. The law did not specify whether the two-parent rate was to be reduced based on overall caseload decline for all families or the caseload decline for two-parent families. Regulations permit states to choose which caseload decline to use for determining the *effective* two-parent participation rate (the participation rate after the application of the caseload reduction credit).

Because the number of families receiving cash welfare has declined substantially (nationally by more than 50% from FY1995 through FY2000), caseload reduction credits have brought down effective participation rates well below the statutory participation rates in most states. In FY1999 (the last year for which this information has been computed), 23 states had their all-family participation rate reduced to zero (from 35%). Though caseload reduction credits have reduced two-parent participation standards as well, they remained high relative to the all-family rates.

States That Failed to Meet Two-Parent Work Requirements. TANF law requires HHS to penalize states that fail to meet federal work participation standards. The penalty is 5% of the basic block grant for the first year a state fails to meet these standards. If a state fails to meet the standard in subsequent years, its penalty is increased by 2 percentage points each year (i.e., 7% for failure in 2 consecutive years, 9% for failure in 3 consecutive years) to a maximum of 21%. However, the law gives the Secretary of HHS the authority to impose this penalty based on "degree of noncompliance." By regulation, HHS reduces the penalty for failure to meet the two-parent work participation rate based on the share of a state's total caseload that comprises two-parent families.

From FY1997 through FY1999, all states and the District of Columbia met the work participation standards for all families. However, some states failed to meet the tougher two-parent standards. **Table 3** shows the states that failed to meet the two-parent standards for FY1997 through FY1999.

Table 3. States That Failed TANF's Two-Parent Work Participation Standards, FY1997-FY1999

FY1997	FY1998	FY1999
Alabama* District of Columbia Iowa Kansas Maine Mississippi* Missouri Nevada New Jersey North Carolina Ohio Oklahoma Texas Virginia Washington West Virginia	Alaska Arizona Delaware Minnesota Nebraska New Mexico North Carolina Pennsylvania Rhode Island Texas Washington West Virginia	Alaska Arkansas Colorado District of Columbia Minnesota Nebraska New Mexico North Carolina West Virginia

*State not penalized. Penalty under the $500 threshold for imposing a penalty on the state.

Source: Table prepared by the Congressional Research Service (CRS) based on information in: U.S. Department of Health and Human Services (HHS). *Temporary Assistance for Needy Families (TANF) Program. Third Annual Report to Congress.* August 2000.

The number of states penalized for failure to meet two-parent work participation standards has decreased each year. However, this does not mean that more states are *meeting* two-parent work participation standards. An increasing number of states have moved two-parent families into *separate state programs*. This is discussed in the next section.

Separate State Programs. As previously discussed, TANF and associated state spending is a *funding stream*, not a single program. State spending associated with TANF is made under a federal MOE requirement, which requires states to spend at least 75% (80% if they fail to meet a TANF work requirement) of the amount they spent from their own funds in FY1994.

The law requires MOE spending to be made for "TANF eligible families" to provide or support cash benefits, administration, child care, job training and education (though not educational expenditures for the general population), and other activities consistent with TANF goals. These expenditures could be under *any* program–either the "state TANF program" or a separate state program.[6] The major distinction between expenditures under the TANF and a separate state program is

[6]Further, expenditures under the "state TANF program" may be either commingled with federal funds or segregated. If state expenditures are commingled with federal funds, all rules applicable to the use of federal TANF funds apply to state funds as well. However, if state expenditures under the "state TANF program" are segregated from those made with federal funds, certain rules do not apply: the federal 60-month time limit, restrictions on aid to teen parents, etc. See: CRS Report RL30723, *Welfare Reform: Federal Grants and Financing Rules Under TANF*, by Gene Falk. p. 24-34.

whether TANF requirements apply. If a family receives cash welfare under the "state TANF program" it is included in work participation calculations. On the other hand, if a family receives cash welfare under a separate state program, it is not included in work participation calculations.

According to the most recent information available, 20 jurisdictions reported that they aided two-parent families in separate state programs: Alabama, California, Connecticut, Delaware, Florida, Georgia, Hawaii, Indiana, Maryland, Nebraska, New Jersey, North Dakota, Oklahoma, Puerto Rico, Rhode Island, South Dakota, Tennessee, Utah, the Virgin Islands, and Virginia. States have not reported that they changed eligibility requirements when they moved two-parent families from the "state TANF program" to a separate state program. Additionally, many note that they still subject two-parent families to federal work requirements (i.e., more hours) even though those families were moved into separate state programs. However, there is no information available about families in separate state programs.

Evolution of Restrictions on Two-Parent Eligibility

Federally funded aid to families with two able-bodied adults has been limited for most of the period following the establishment of AFDC in 1935. States were first given the option to aid two-parent families in 1961. However, it was not until relatively recently that federally-funded welfare was available to two-parent families nationwide (1990), and even then it was under special restrictive eligibility rules. States began expanding eligibility for two-parent families under "waivers" of federal AFDC rules in the 1990s, and TANF has no federal rules and restrictions for eligibility of two-parent families.

The AFDC Unemployed Parent (UP) Program. The Aid to Dependent Children (ADC) program enacted in the Social Security Act of 1935 provided grants to states to help them assist needy children with a deceased, absent, or incapacitated parent. States could *not* receive federal funds to help assist families with two able-bodied parents. Indeed, until 1950 federally-reimbursed ADC benefits could be paid only on behalf of the child.[7]

Federal funding for cash aid to families with two able-bodied parents was first provided on a temporary basis in 1961. States were given the option to aid families with an unemployed parent from May 1, 1961 to June 30, 1962. Legislation enacted in 1962 extended federal funding for the unemployed parent (UP) program for 5 years. The Social Security Amendments of 1967 made permanent the state option to provide AFDC to two-parent families.

The AFDC two-parent program continued as a state option until the enactment of the Family Support Act of 1988. As of October 1, 1989, 29 jurisdictions had an AFDC-UP program in place while 25 did not. States newly required to operate an UP program (did not have a program operating as of September 26, 1988), were given the option to limit benefits to 6 months in any 12 month period. **Figure 3**

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[7]All ADC cases were "child-only" assistance units. The Social Security Amendments of 1950 permitted states to include the needy caretaker relative (usually the mother) in the payment.

displays federal requirements and state options under the AFDC-UP program as it was operated from October 1990 through August 1996.

Figure 3. Federal Requirements and Options for AFDC-Unemployed Parent Programs: October 1990-August 1996

Federal Law Restrictions for AFDC-UP Eligibility:

100-hour rule. Principal wage earner had to be employed fewer than 100 hours per month. More than 99 hours permitted only if work was of a temporary nature as evidenced by meeting the 100-hour standard in the previous 2 months. (This rule was by regulation.)

Work history requirement. Six or more quarters of work earning at least $50, in a 13-week calendar quarter period ending within 1 year of application for AFDC-UP. Work history requirement could also be met by receipt of unemployment compensation within the same 1-year period.

Waiting period. Unemployed for at least 30 days.

Ineligibility if refused work or training. Parent ineligible if he/she refused an offer of work or training within 30 days before the receipt of aid.

Unemployment compensation. A parent eligible for unemployment compensation required to file for and accept benefits. (Unemployment compensation benefits reduced AFDC-UP payments.)

State Options for AFDC-UP:

Time Limit. States that did not have an AFDC-UP program in operation on September 26, 1988 permitted to limit AFDC-UP benefits to 6 months in any 12-month period. States that time-limited AFDC-UP required to provide assurances that it had a program of education and training for AFDC-UP parents.

Pay-After-Performance. States permitted to require up to 40 hours of participation in education and training and pay benefits only after the performance of assigned work activities.

Waivers. Under AFDC, states could apply for "waivers" of federal requirements to conduct welfare reform experiments. In total, 41 states experimented with a waiver of at least one of the federal AFDC-UP restrictions during the period before the enactment of the 1996 welfare reform law.[8] Waivers of AFDC-UP requirements were often done with other changes to the programs (e.g., stricter work requirements, time limits, etc.).

States were required to evaluate their welfare reform experiments as a condition of waiving federal rules. Some evaluations of waivers were terminated when states converted to TANF (and no longer required waivers). Other evaluations did not report outcomes related to either being in a two-parent family or marriage (e.g., the AFDC-UP waivers were part of a larger welfare reform experiment). Those that did report outcomes related to being in a two-parent family or marriage usually found that the welfare reform program had no impact on them. One program did find a positive impact on marriage and marriage stability for some groups: Minnesota's Family Investment Program (MFIP).[9]

TANF. The 1996 welfare reform law ended the AFDC program, including its special rules for two-parent families. Under TANF:

- States determine eligibility for all needy families, including those with two able-bodied adults. The restrictions on eligibility for two-parent families that existed under the AFDC-UP program were eliminated with TANF.
- The entitlement to individuals for benefits that existed under AFDC was ended. Additionally, the requirement that states operate a program for two-parent families was eliminated.

As of spring 2001, 35 states have eliminated special restrictions on two-parent families imposed by the AFDC-UP program. However, some states had previously aided at least some families ineligible for AFDC-UP in their state-funded General Assistance (GA) programs.[10] For example, New York had a GA program for those families not eligible for federal assistance. Sometimes the GA program was more limited than the AFDC-UP program. For example, California provided up to 3 months of benefits in a year to a family that was unemployed (by the 100-hour rule) but did not qualify for AFDC-UP. Pennsylvania provided GA benefits to two-parent families with children under the age of 13 that did not qualify for AFDC-UP.

Table 4 provides information about the rules currently used for able-bodied, two-parent families by state. It first describes whether the state reports that it uses

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[8]See: U.S. Department of Health and Human Services. Office of the Assistant Secretary for Planning and Evaluation. *Setting the Baseline: A Report on State Welfare Waivers.* June 1997.

[9]See discussion in: CRS Report RL30724, *Welfare Reform Research: What Have We Learned Since the Family Support Act of 1988?* by Christine Devere, Gene Falk, and Vee Burke.

[10]AFDC-UP restricted the categories of families for whom states could claim federal financial participation in paying for their benefits, rather than categories of families states could aid with their own funds. TANF permits states to use federal funds to help pay for benefits of some families that were previously financed through state-only GA programs.

the same eligibility criteria for two-parent families versus other families. If the state had special rules for two-parent families, the table provides detail on whether it retained an "unemployment" or work history requirement or both. The table does *not* include information about higher work participation standards that states may impose on two-parent families. It also does not contain information about ineligibility for refusing work or training, waiting periods, and applicant job search requirements, because these requirements now often apply more broadly to all adult recipients.

The table shows that 35 states pay benefits to two-parent families on the same basis as for single-parent families. One state, North Dakota, does not pay benefits to families with two able-bodied adults.

Table 4. Nonfinancial Eligibility Requirements for Families with Two Able-Bodied Parents Under TANF (as of Spring 2001)

State	State pays benefits to two-parent families on same basis as single parents?	Limit on hours of work to be eligible for benefits?	Work history requirement?	Other limitations
Alabama	Yes			
Alaska	Yes			During July, August, and September the maximum benefit to two-parent families (both parents able to work) is reduced by 50%.
Arizona	No	No	Yes	Benefits limited to 6 months in a 12-month period. Benefits paid only after parents comply with assigned work activities.
Arkansas	Yes			
California	No	Yes. 100-hour rule is applied to new applicants. It is not applied to recipient families.	No	
Colorado	Yes			
Connecticut	Yes			
Delaware	Yes			
District of Columbia	No	Yes. Less than 35 hours a week for at least 60 days.	Yes. Six or more quarters of work (earning at least $50) during a 39-month period.	
Florida	Yes			
Georgia	No	No	Yes. Requires "recent connection" to the workforce.	
Hawaii	Yes			
Idaho	Yes			
Illinois	Yes			
Indiana	No	Yes. 100-hour rule applies to applicants only.	Yes	
Iowa	Yes			
Kansas	Yes			
Kentucky	No	Yes. 100-hour rule.	Yes	
Louisiana	Yes			

State	State pays benefits to two-parent families on same basis as single parents?	Limit on hours of work to be eligible for benefits?	Work history requirement?	Other limitations
Maine	No	Yes. 100 hours for new applicants (within 30 days before application or eligibility), 130 hours in each subsequent month for recipients.	Yes	
Maryland	Yes			
Massachusetts	No	No	Yes	
Michigan	Yes			
Minnesota	Yes			
Mississippi	No	Yes	Yes. Waived for parents under age 21.	
Missouri	Yes			
Montana	Yes			
Nebraska	Yes			
Nevada	Yes			
New Hampshire	No	Yes. 100 hour rule.	Yes.	
New Jersey	Yes			
New Mexico	Yes			
New York	Yes			
North Carolina	Yes			
North Dakota	No. No benefits for families with two able-bodied adults.			
Ohio	Yes			
Oklahoma	No	No	Yes	An adjustment period of continued benefits for up to 3 months is provided for families when a TANF recipient marries or no longer meets criteria as "unemployed."
Oregon	No	No	Yes. Unemployed from a job that provided more than 100 hours of work per month.	
Pennsylvania	No	No	Yes	
Rhode Island	Yes			
South Carolina	Yes			

State	State pays benefits to two-parent families on same basis as single parents?	Limit on hours of work to be eligible for benefits?	Work history requirement?	Other limitations
South Dakota	No	Yes. 100 hour rule.	Yes. Gross earnings within the past 6 months must total at least $1,500.	
Tennessee	No	Yes. 100 hour rule.		
Texas	Yes			
Utah	Yes			
Vermont	Yes			
Virginia	Yes			
Washington	Yes			
West Virginia	Yes			
Wisconsin	Yes			
Wyoming	Yes			

Source: Table prepared by the Congressional Research Service (CRS) based on information in TANF state plans, annual program reports, state regulations, state public assistance manuals, and the State Policy Documentation Project (SPDP) of the Center on Law and Social Policy (CLASP) and the Center on Budget and Policy Priorities (CBPP).

Welfare Recipients Who Marry. Marriage is one of the *routes* off of welfare. TANF "leaver" studies indicate that between 2% and 9% of those who left welfare recently did so because of marriage.[11] A new spouse often brings additional income to the family, making its income too high for further assistance. Though a TANF recipient might marry someone who is a biological parent of her children (or at least one child), she might also marry someone else who would become a step-parent to her children.

The laws determining the financial responsibility of step-parents to their step-children are determined by the states. A 1995 review of federal and state laws' treatment of step-parent's rights and obligations found that state laws did not provide uniform or clear definitions, with many states silent on the subject.[12] Some states had what was known as "the law of general applicability," which requires a step-parent, who is ceremonially married to the child's natural/adoptive parent and who is legally obligated to support such child, to support the stepchild to the same extent as a natural/adoptive parent.

Beginning in 1982, the AFDC program required that a portion of the income of a step-parent be "deemed" available to the spouse and children for purposes of AFDC eligibility and benefits. However, step-parents themselves were generally ineligible for AFDC. That is, they could not be part of the assistance unit upon which benefits were based. Some states did permit step-parents to be eligible for AFDC as persons "essential" to the well-being of a child. Further, in states that required step-parents to assume financial responsibility for the children of their new spouse (law of general applicability), the step-parent was treated by AFDC in the same manner as the biological parents.

TANF has no federal rules regarding the treatment of step-parents. States decide whether and how much to count step-parent income and assets when determining eligibility for cash aid. They also decide whether to include step-parents in the cash assistance unit. Unfortunately, the available information in state plans, annual program reports, and even state laws and regulations is insufficient to provide a state-by-state description of how step-parents are treated in determining TANF eligibility and benefits. However, some states have reported that they initiated special rules regarding step-parents. For example:

- Mississippi and Oklahoma disregard the income of a step-parent for 6 months;
- Maryland disregards the income of a step-parent whose income is less than 50% of the Federal Poverty Level (FPL); and
- Alaska, Colorado (if step-parent is not legally responsible for the child), and North Dakota fully disregard the income and assets of a step-parent.

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[11]See: CRS Report RL30882, *Welfare Reform Research: What Do We Know About Those Who Leave Welfare?* by Christine Devere. This is lower than the rates reported in studies of "welfare dynamics," such as David Ellwood and Mary Jo Bane's work in the early and mid-1980s. These studies required that a woman be off of welfare for at least a year (rather than shorter periods used in leaver studies) to be considered as having left welfare. Later studies based on monthly data also found more exits from welfare for work, rather than changes in family structure.

[12]See: Mason, Mary Ann, and David W. Simon. The Ambiguous Stepparent: Federal Legislation in Search of a Model. *Family Law Quarterly*, v. 29, no. 3, fall 1995. p. 447.

Differences in Cash Benefits for Two-Parent Versus Single-Parent Families

Most state TANF cash welfare programs still (as under AFDC) pay benefits based on family size. The larger the family, the greater will be its maximum benefit. Therefore, a two-parent family with two children will be a family of four, and generally will receive a greater benefit than a single-parent family with two children (a family of three).

According to TANF state plans and a Congressional Research Service (CRS) telephone survey of state TANF eligibility and benefit rules, five states distinguish between two-parent and single-parent families in their rules for determining financial eligibility and benefit amounts. Four of the five states are more generous for two-parent families. Among these states, only Alaska, which reduces cash payments for two-parent families during July-September, provides lower benefits for two-parent families than single parent families. Of the four remaining states, only West Virginia conditions its higher benefits on the two parents' being married. It provides a $100 "marriage bonus." **Table 5** shows the five states with special rules for two-parent or married couple families.

Table 5. Special Benefit Rules for Two-Parent or Married Couple Families (January 2001)

State	Special benefit rule for whom?	Special benefit rule
Alaska	Two-parent families.	During the months of July, August, and September, the maximum benefit to two-parent families (both parents able to work) is reduced by 50%.
Colorado	Two-parent families.	Maximum benefit for a two-parent family greater than for a single-parent family of the same size. For a family of three, the maximum for a two-parent family is $372 versus $356 for a single-parent family.
Texas	Two-parent families.	Maximum benefit for a two-parent family greater than for a single-parent family of the same size. For a family of three, the maximum for a two-parent family is $220, compared with $201 for a single-parent family.

State	Special benefit rule for whom?	Special benefit rule
Virginia	Two-parent families with an employed member.	Maximum combined earnings plus benefits greater for a two-parent than a single-parent family of the same size. For a family of three, maximum earnings plus benefits for a two-parent family is $1,769 versus $1,179 for a single-parent family.
West Virginia	Families created by marriage while on welfare.	A $100 per month "marriage incentive" is provided to families if there is a legal marriage and both individuals live in the same household.

Source: Table prepared by the Congressional Research Service (CRS) based on a CRS survey of the states and TANF state plans.

TANF Services to Promote Two-Parent Families

As discussed above, states reported that in FY2000 they spent $112.8 million on services to promote the formation and maintenance of two-parent families in TANF or associated state programs. This was about one-half of 1% of total TANF and state expenditures that year.

Activities to promote two-parent families, other than changes in cash welfare rules, are a small part of the overall TANF program. States have indicated in their state plans or annual program reports a number of services that they provide to promote either marriage or the formation and maintenance of two-parent families:

- Providing services through "Responsible Fatherhood Initiatives";
- Providing employment services to noncustodial parents; and
- Providing social services such as counseling and mediation to help families deal with crisis.

Some of the activities reported by the states as aimed at promoting the formation and maintenance of two-parent families do not address the question of marriage. For example, many responsible fatherhood initiatives and employment service programs for noncustodial parents serve parents regardless of their marital status and do not seek to promote marriage by themselves.

"Fatherhood Initiatives". Several states have implemented these programs, which are aimed at providing fathers with assistance that enables them to assume a greater, more responsible role in their children's lives. Features of these programs in many states include, but are not limited to, parenting training, job preparation, child development education, anger management, and case management. States that have, or report that they plan to have, "fatherhood initiatives" to help address the

TANF goal of the promotion of the formation and maintenance of two-parent families are: Alabama, Arizona, Florida, Georgia, Indiana, Maryland, Minnesota, Mississippi, Missouri, North Carolina, Pennsylvania, Tennessee, Virginia, and Wisconsin.

Employment Services for Noncustodial Parents. Many states provide these services, which are aimed at improving the employability of noncustodial parents so that they are able to increase their income and contribute to the financial support of their children. Service features include job skills training, case management, and job search. States that report the provision of such services in their annual reports are: Florida, Georgia, Maryland, Massachusetts, Minnesota, New Hampshire, Ohio, Pennsylvania, and Tennessee. Colorado reported that it is considering legislation that would allow TANF funds to be used locally for non-custodial parent services. In other documents (e.g., state plans), the following states have also indicated that they provide noncustodial parents with employment services: Arizona, California, Connecticut, Delaware, Idaho, Louisiana, Michigan, Missouri, Nevada, New Jersey, New York, North Carolina, Oklahoma, Oregon, Puerto Rico, South Carolina, South Dakota, Utah, Vermont, Washington, Wisconsin, and Wyoming.

Social Services. Additional programs specified by the states as addressing the TANF goal to promote two-parent families include parent education programs, family counseling, case management, family support systems, job training, and mediation.

Table 6 shows what states have reported as their activities to promote the formation and maintenance of two-parent families. Federal law does not require state plans to address activities toward this TANF goal. However, HHS regulations require that state annual program reports do address state activities to promote the formation and maintenance of two-parent families. The entries on the table, below, are those reported by the state either (voluntarily) in their state plan or in their annual program reports. Some of these activities may be funded in whole or part through programs other than the TANF grant.

Table 6. TANF Activities to Promote the Formation and Maintenance of Two-Parent Families: FY2000

State	Activity
Alabama	Fatherhood Initiative Program: Selects local projects for funding to prevent unwed fatherhood and encourage the fathers' participation in their children's lives.
Alaska	None mentioned.
Arizona	Arizona has several programs and services that encourage the maintenance and formation of two-parent families. These include supportive services such as Life Skills Training, Wheels to Work, Transportation Services, Post Employment Program, Young Fathers Program, Character Education Training, Parenting Skills Classes, Employment Transition Program, and child care services.
Arkansas	The Transitional Employment Assistance (TEA) Case Manager works with both adults addressing the needs of the family in order to move them into gainful employment and keep the family together. This starts at the assessment and is a part of the ongoing case management. In addition, TANF funds are available locally through TEA Coalitions to fund fatherhood and parenting programs.
California	None mentioned.
Colorado	The Colorado statute does not currently authorize the use of TANF funds for programs focused on services to non-custodial parents. However, the State Department of Human Services will be proposing legislation next session that would allow Colorado Works funds to be used locally for non-custodial parent services. Several local programs in the state, which are funded by various sources other than TANF, are centered on supporting responsible fatherhood by providing services to non-custodial parents.
Connecticut	Family Resource Centers: Operates through the State Department of Education to promote comprehensive, integrative, community-based systems of family support and child development. Services include adult education, childcare, families-in-training, etc. and are restricted to families with gross incomes of less than 75% of the State Median Income (SMI). Priority School Districts, Extended Hours, Transitional School Districts: Funds provided by the State Department of Education. Targets poor school districts and the neediest families. TANF funding for these programs is used to pay for services provided to children whose family's gross income is at or below 75% of the SMI. Child Welfare Prevention and Intervention Services: Includes substance abuse counseling and screening of a non-medical nature, 24-hour family preservation counseling services to families in their homes, and community-based prevention and treatment of child abuse. These services are provided when intervention by the Department of Children and Families is required. Services that are funded by the Children's Trust Fund, such as parenting programs for first-time parents, Parents Anonymous groups, and other developmental and support services, are also included in the prevention and intervention services. TANF funds are only used to cover services for children under age 19 and those with incomes at or below 75% of the state's median income.

State	Activity
Delaware	Substance abuse, counseling, and treatment as well as contracted services, including job readiness, job placement, and job retention, are available for two-parent families. *Employment Connection (Workfare) Program*: Provides job development, job readiness, and job placement services for work experience and unsubsidized work positions for two-parent families. There is also subsidized child care, child care disregard, and supportive services for work-related expenses, such as transportation, for two-parent families.
District of Columbia	None mentioned.
Florida	*Noncustodial Parents*: Provisions exist for noncustodial parents to participate in job training programs in order to improve their employability and income potential. TANF-funded operators and Welfare-to-Work funded program operators are working to train many more noncustodial parents for employment. *Responsible Fatherhood*: A commission set up to focus on fatherhood issues and make recommendations for initiatives to improve their participation.
Georgia	Broadened definition of deprivation to allow more two-parent families with marginal resources to access the benefits and support services of the TANF program, which include the enhancement of job skills, parenting skills, and general life skills, leading to self-sufficiency. *Fatherhood Initiative*: Provides non-custodial parents with job skills so that they are able to find employment and contribute to the support of their children. Also provides parenting skills training and encourages non-custodial parents to spend time with their children.
Hawaii	The Pursuit of New Opportunities (PONO) waiver encourages and supports the formation and maintenance of two-parent families. Compliance with the Child Support Enforcement Agency (CSEA) is a condition of eligibility. The state is also participating with CSEA and Welfare to Work (WTW) regarding WTW eligibility for absent parents and financial incentives to encourage participation.
Idaho	Mediation services will be provided to needy families, under 200% of the poverty guideline, involved in custody and other disputes in order to reconcile differences in an effort to promote goals of family unification and/or emotional and financial support for children.
Illinois	*Healthy Families*: Programs consist of intensive home visits to families at risk of child abuse or neglect, targeting new mothers and fathers in developing strong parent-child relationships, and reducing stress.
Indiana	*Fatherhood Initiative*: TANF funds are used to support community- based efforts which promote and restore responsible fatherhood. Effective fatherhood strategies, which are broad based and serve to promote fathers' emotional and financial involvement in their children's lives, are established and expanded. Services include child development and responsible parenting classes, supervised visitation, employment placement, and pregnancy prevention services.

State	Activity
Iowa	*Parental Responsibility Pilot Program and Other Innovative Strategies*: This TANF-funded program is intended to help parents develop and maintain relationships with their children and meet their parental responsibilities, not limited to financial support. The program is expected to use collaborations consisting of existing community resources to provide an array of services, such as family counseling, legal services, mediation, job training, substance abuse treatment, health maintenance, and personal mentoring. Benefits will not include direct cash assistance to either parent. This program remains in the developmental stage and will initially be available in Polk County, the largest metro county in the state.
Kansas	None mentioned.
Kentucky	Family Services include advocacy, communication and negotiation skills, crisis intervention, home maintenance skills, job readiness training, family counseling, individual counseling, and marriage counseling, etc. Income limits for these services are less than or equal to 200% of the federal poverty scale, adjusted annually. Services are provided without regard to length of need. Family services are funded with 100% TANF federal funds.
Louisiana	None mentioned.
Maine	None mentioned.
Maryland	*Family Support Center (FSC) Network*: Developed to establish preventative support for families during the early formative years and to encourage the formation and maintenance of two-parent families. Community-based programs that provide services to aid mothers and/or fathers with children age birth through 3, especially those in high-risk communities, raise healthy children and build productive futures. Services include outreach, parenting skills, peer support and recreational activities, infant and child stimulation, employability and literacy opportunities, health education and referral for services. Comprehensive services are provided either on-site or through referral, coordinating existing programs to benefit parents and their children, and developing new resources to satisfy unmet needs. No income criteria, although many participants receive Temporary Cash Assistance (TCA). The aim is to provide a cadre of services appropriate for each family. There are 27 FSCs in the network located in 19 counties across the state, with six FSCs located in Baltimore City. *Young Fathers Responsible Fathers Program (YFRF):* Provides services to custodial and non-custodial fathers, such as parenting education, family planning, GED instruction, job training, employment-search assistance and self-esteem building. Seven sites in six counties and Baltimore City serve young fathers, ages 16+, who have one or more children. It seeks to increase child-parent interaction, emotional support, financial responsibility, and the development of two-parent families. YFRF programs also encourage co-parenting for non-custodial fathers. Voluntary, but participants must comply with Child Support Enforcement. Serves low-income, initially unemployed fathers. *Maryland After School Opportunity Fund Program*: The program is funded by the Governor and is statewide for school age children. The program aims to have a positive measurable impact on one or more of the conditions of well-being for Maryland children.

State	**Activity**
Massachusetts	Parents Fair Share. A pilot program in western Massachusetts that provides job search services and case management to non-custodial parents of cash welfare recipients. It seeks to encourage non-custodial parents to form closer bonds with their children and support them financially.
Michigan	*Child Support Participation*: This program encourages cooperation in collection of child support by giving an additional incentive payment to the parent for up to the first $50 of current monthly child support collected on behalf of recipients of the Family Independence Program. *Zero to Three*: This TANF program provides contracted services for birth screenings, home visits, parent education/mentoring, respite, child care, and other support services. *Families First*: Offers families intensive, short-term crisis intervention and family education services in their own home for four to six weeks. Case workers use family assessments to assist families by teaching, modeling, and reinforcing parenting.
Minnesota	The Parent's Fair Share program, which is a part of the state TANF plan, encourages the involvement of non-custodial parents in the lives of their children. Hennepin County is beginning a pilot project funded by the Department of Labor's Welfare-to-Work program and the Ford Foundation, which offers services to non-custodial parents that are geared towards promoting financial and emotional responsibility of the non-custodial parents so that they can become involved in the lives of their children. It focuses on early intervention with low income young fathers to support them in efforts toward self-sufficiency. Efforts include working towards advancing in employment and increasing wages. *Male Responsibility grants*: State-funded grants are issued to nine local entities for the purposes of providing information to young fathers to encourage their involvement with their children and their responsibility to provide economic and other support to their children. Dads Make a Difference and the Minnesota Extension Service are both grantees under this initiative. Grantees must aid in increasing the establishment of paternity and child support orders.
Mississippi	*Family First Resource Centers*: The expansion of this initiative is administered by the Division of Family and Children's Services. Its purpose is to advance the development, expansion, and enhancement of a statewide network of community-based, prevention focused, parent resource centers that offer assistance to families. These centers provide early comprehensive support for parents, promote the development of parenting skills, increase family stability, improve family access to resources and opportunities for help, etc. *Fatherhood Initiative*: The Responsible Fatherhood Initiative Program is administered by the Division of Community Services. It aims to train, educate, encourage, and assist fathers in becoming knowledgeable of, and assuming responsibility for, the nurturing, growth, and developmental needs of their children.

State	Activity
	Post-Employment Assistance Program: This program, which is administered by the Division of Economic Assistance, is designed to provide pre- and post-employment services to current and former TANF and low-income working families (income at or below the 200% federal poverty level). The program will focus on providing services that promote unsubsidized long-term employment. It will also provide job development, job club/job search, job placement and job retention activities, a curriculum for basic and enhanced job readiness/life skills training and work experience placements, i.e., Alternative Work Experience Program (AWEP) and Community Services, to assist participants in obtaining and retaining employment and encourage the formation of two-parent families.
Missouri	TANF expenditures are primarily focused on three separate groups. The first group is young males who are already parents and are at risk of becoming dependent on public assistance. They are offered services, such as mentoring and job preparation, in order for them to provide for themselves and to encourage family stability. The second group consists of families who have been recipients and are currently coming off public aid. Programs are developed as supports to the families. Counseling and mentoring assist the family in maintaining strength and provide support for them to continue without welfare aid. The third group is families in which the parents have joint custody of the children. Services include mentoring, supervised visitation opportunities, and workshops. The intent of the services is to encourage positive reinforcement to the children.
Montana	None mentioned.
Nebraska	None mentioned.
Nevada	None mentioned.
New Hampshire	Programs include contracts with UNH Cooperative Extension, for the LEAP (Lifeskills for Employment, Achievement, and Purpose) program, under which parenting skills training is part of the curriculum. Discussions with the Welfare-to-Work program are underway in order to create a means by which non-custodial parents may access counseling, parent skills training, employment training, and job readiness resources.
New Jersey	None mentioned.
New Mexico	Graduation Reality and Dual Roles Skills (GRADS) Program: Funded by the State Department of Education and the Human Services Department. Program provides training in parenting skills, healthy relationships, child development, job skills, and economic independence for pregnant and parenting teens within the public school system. Participants must stay in school as their primary work requirement to meet TANF guidelines.
New York	None mentioned.
North Carolina	*Responsible Fatherhood Initiative*: Funds provided by TANF to develop and/or support responsible parenting programs. The programs are targeted at young-adult males and counties with the highest needs as determined by the North Carolina Division of Public Health.
North Dakota	None mentioned.

State	**Activity**
Ohio	*Prevention, Retention, and Contingency (PRC) Program:* Each County Department of Job and Family Services must establish a PRC program. Benefits and activities provided include parenting skills training, marriage counseling, and certain services to non-custodial parents.
Oklahoma	State programs and activities include additional months of cash assistance as an adjustment period for TANF recipients who marry, the funding of a planning document to develop a marriage initiative, and implementing a scholar-in-residence program at a state university to promote marriage by raising awareness of issues related to marriage.
Oregon	Intensive case management and employment barrier removal for parents.
Pennsylvania	*Fatherhood Initiative:* Assist non-custodial parents of minor children to return to or remain in school, obtain their high school diploma or GED, develop responsible parenting skills, become positive role models for their children, and become productive members of their communities. Services include intensive case management, parenting and child development education, decision making, self-discipline, anger management, problem-solving skills, assistance in paternity establishment, year-round programming, GED, high school, and skills training. Must have a gross annual earned income that does not exceed 235% of the Federal Poverty Income Guidelines (FPIGs) and be a non-custodial parent of a minor child to be eligible. *The Elect Initiative*: Assists parents or non-custodial parents of minor children to return or remain in school, obtain their high school diploma or GEDs, develop responsible parenting skills, become positive role models for their children, and become productive members of their communities. Services include intensive case management, parenting and child development education, decision making, year-round programming, high school, and GED. Participants must have a gross annual earned income that does not exceed 235% of the FPIGs and be a parent or a non-custodial parent of a minor child.
Puerto Rico	None mentioned.
Rhode Island	Many programs and services have been developed, working with the state's Department of Labor and Training, to help parents in two-parent families get and keep jobs.
South Carolina	Educational initiatives and marriage friendly agency policies. Specifics not mentioned.
South Dakota	Several program activities. Program continues to allow supportive services (both financial and non-financial) to families who leave TANF due to employment and reunite with their spouse or parent of child(ren). Family/marriage counseling services, which are not permitted/covered by Medicaid, are allowed under TANF to help families resolve marriage/family issues. TANF families are encouraged and financially assisted in attending parenting class, which enables parents to better deal with overall family situations and problems.
Tennessee	Institute for Responsible Fatherhood Pilot Program, Davidson County: Counseling, employment, and case management to encourage and aid fathers' participation in their children's lives through emotional and financial support. Parent's Fair Share, Shelby County: Provides job skills training programs to non-custodial parents to help them support their children.

State	Activity
	Child Support Pass-Through: Families that get cash assistance can receive child support simultaneously with their cash aid up to their unmet need. The unmet need is calculated by determining the difference between the standard of need and the family's cash assistance plus income. Child support pass-throughs are disregarded in determining eligibility and cash grant payment amounts.
Texas	None mentioned.
Utah	None mentioned.
Vermont	None mentioned.
Virgin Islands	Encourage two-parent families through counseling and public service announcements (PSAs). The territory also does so through its inter-agency relationship with the Virgin Islands Department of Justice, Division of Paternity and Child Support. All TANF recipients are required to establish paternity and take legal action to collect child support from the non-custodial parent as part of the child care eligibility protocol.
Virginia	*Virginia Fatherhood Campaign*: This program was established to address the many negative health and developmental outcomes of a father's absence from the family. It offers a program for fathers who live apart from their children and who need to increase their capacity to provide emotional and financial support for their children. The program and funding activities are devoted to involving fathers in supporting their children, keeping fathers involved with their children and families, and improving the quality of parenting in order to strengthen families in Virginia and reduce family economic dependence on government. Activities are offered through community workshops, and technical assistance for public and private non-profit family service providers.
Washington	Family planning education is built into the Work First Program, which has the goal of 100% referral of all adults.
West Virginia	None mentioned.
Wisconsin	Fatherhood initiative. TANF provides grants for community organizations such as schools, churches, police departments, and family resource centers to develop local fatherhood programs for families up to 200% of the federal poverty line, and the printing and distribution of educational materials related to parenting by fathers.
Wyoming	A "Public Health Nurse Home Visitation Services program," was to become effective October 1, 2000 and will be reported on in the next annual report.

Source: Table prepared by the Congressional Research Service (CRS) based on data from FY2000 TANF annual reports submitted by the states to the Department of Health and Human Services (HHS) and TANF state plans.

Potential Issues

Nationally, the cash welfare caseload has fallen by more than half, from its historical peak under AFDC at 5.1 million families in March 1994, to 2.1 million TANF families in March 2001. The decline in caseloads was accompanied by an increase in work among single mothers with children, with the share of single mothers in the general population working at any time during the year jumping from about 70% in the mid 1990s to 82% in 1999.[13] Though factors other than policy changes contributed to the decline in the welfare rolls, evaluations of welfare-to-work programs indicate that policy changes can affect employment and welfare receipt of those who go on welfare.[14]

To date, most of the emphasis of welfare reform programs has been to move recipients from the rolls into the workforce or prepare recipients for work. Just like welfare, successful welfare-to-work efforts can, at least in theory, lead to fewer marriages. Work, like welfare, provides women with economic resources.

However, available data and research suggest that there are limits to policy successes that can be achieved by welfare-to-work programs. On average, mothers who leave welfare have been found to command wages that, by themselves, leave them poor.[15] Evaluations of welfare-to-work programs find that those subject to welfare-to-work rules, while likely to work more than those not required to work, often do not receive an increase in income.[16] Female family heads and their children remain far more likely to be poor than married mothers and their children.

The bulk of TANF funding expires at the end of FY2002, which might prompt a more comprehensive review of the program. Since many who leave welfare remain poor, there has been discussion that this "reauthorization" of TANF should consider expanding benefits and services considered as work supports for working poor families with children. Many states have used TANF funds freed up by the decline in the cash welfare rolls to expand work supports, such as child care. However, some have called for a new focus and emphasis on the family formation goals of TANF–including promoting two-parent families and marriage.

This section examines selected policy ideas regarding two-parent families and marriage that have been discussed in the context of the TANF program. They are:

- Eliminating a potential *disincentive* for states to serve two-parent families by eliminating the special TANF work participation requirement for them;

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[13]See CRS Report RL30797, *Trends in Welfare, Work, and the Economic Well-Being of Female-Headed Families with Children*, by Thomas Gabe.

[14]See: CRS Report RL30724, *Welfare Reform Research: What Have We Learned since the Family Support Act of 1988?*, by Christine Devere, Gene Falk, and Vee Burke.

[15]See CRS Report RL30882, *Welfare Reform Research: What Do We Know about Those Who Leave Welfare?*, by Christine Devere.

[16]See CRS Report RL30724, *Welfare Reform Research: What Have We Learned since the Family Support Act of 1988?*, by Christine Devere, Gene Falk, and Vee Burke.

- Modifying the TANF statutory goal to state that it is to promote the formation and maintenance of *married* two-parent families;
- Requiring states to spend a specified percentage of their TANF block grant on activities to *promote* marriage; and
- Changing criteria for awarding the family formation part of the TANF High Performance Bonus.

The Two-Parent Family Work Requirement

The American Public Human Services Associations (APHSA), an organization representing states, has suggested that Congress eliminate the separate two-parent work participation standard in TANF.[17] TANF's requirement that 90% of two-parent families be engaged in work has been viewed as unrealistic. As discussed, some states have failed this requirement and are subject to penalties. Other states have moved their two-parent families into separate state programs, free of TANF rules, to avoid risk of failing the two-parent participation requirement.

From the perspective of promoting the formation and maintenance of two-parent families, the higher two-parent participation requirement could be seen as a *disincentive* for states to provide access to their cash welfare programs for two-parent families. This has generally not been the case, as most states have broadened rather than restricted eligibility for two-parent families since welfare reform. However, a growing number of states have done so in separate state programs: programs with expenditures countable toward the TANF MOE, but not subject to TANF rules. There is no evidence that states have changed eligibility and benefit rules, or even work requirements for individuals, when they began aiding two-parent families under separate state programs rather than TANF.

However, aiding a category of families under separate state programs, rather than TANF, might raise concerns. For example, there are no work participation standards applicable to two-parent families in separate state programs. Potentially, these families could be given lower priority in state welfare-to-work programs, since there are no federal sanctions on states for failing to serve them while there would be penalties for states failing to meet work participation requirements for single-parent families in their TANF programs. However, no information is available on participation in welfare-to-work activities for adults in two-parent families aided in separate state programs. Therefore, it is not possible to assess whether two-parent families are being served to a lesser extent than single parent families in state TANF work programs.

Modify the TANF Goals To Promote the Formation and Maintenance of *Married* Two-Parent Families

The word "marriage" appears in only one of the four statutory goals of TANF: to "end dependence of needy parents on government benefits through promoting job preparation, work, and marriage." In that goal of TANF, "marriage" is not the goal itself, but rather a means of achieving the goal of ending welfare dependency. The

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[17] American Public Human Services Association. *Crossroads: New Directions in Social Policy*. 2001.

other statutory goal commonly associated with promoting marriage actually does not mention marriage at all: "promote the formation and maintenance of two-parent families." As this goal currently stands, the two parents of such families need not be married. Some have called on Congress to amend that goal of TANF to add "married" as a restrictive modifier to two-parent families.

As discussed, the listing of TANF goals has implications for the use of federal block grant and state MOE funds. That activities can be funded to promote two-parent families—married or not—provides states with flexibility with respect to their use of TANF funds. As interpreted by some states, both parents need not even reside in the same household as the child. That is, some states serve noncustodial parents and report that the activity is intended to achieve that TANF goal. Qualifying the goal to require that an activity promote "married two-parent families" would mean that services to noncustodial parents could not be justified as being based on the goal of promoting two-parent families. Some services to cohabiting parents, if they were not determined to be working toward marriage, might also not be justifiable under an amended TANF goal, if it were restricted to promoting married two-parent families. (Of course, many services for needy noncustodial or cohabiting parents might be justified under another TANF goal—ending dependence through promoting work and job preparation.)

An "Earmark" for Marriage Activities?

Some have been disappointed by the relatively low spending priority that states have placed on TANF's family formation goals, particularly the promotion of marriage. TANF spending on *services* to promote the formation and maintenance of two-parent families totaled only one-half of 1% of FY2000 TANF and state expenditures. This has led some to advocate that states be *required* to expend a specific percentage of their TANF funds on marriage-related activities. That is, a portion of the TANF block grant would be "earmarked" for activities to promote marriage.

A "marriage earmark" for TANF has been opposed on the grounds that it reduces state flexibility in meeting the stated federal goals. There are currently no earmarks in TANF (administrative expenses are limited to 15% of TANF grants). Additionally, there are questions about what types of activities would count toward meeting the requirement that a certain percentage of TANF funds be used to promote marriage. Would states that expanded eligibility for two-parent families in their cash welfare program–removing a potential *disincentive* for marriage – be given credit for the additional expenditures that policy changes caused, and how would that be measured? Or would changes in the cash welfare program be ignored, and only expenditures on services to promote marriage count toward meeting the minimum spending requirement on promoting marriage?

The TANF High Performance Bonus

Beginning in FY2002 (FY2001 program year), a portion of the TANF high performance bonus will be based on state rankings of increases in the percentage of children in married couple families. The new measure responds to concerns that the high performance bonus should reflect all the goals of TANF, including those related to two-parent families and marriage. This portion of the bonus is being awarded on the basis of a statewide indicator covering all families in a state. This is similar to the separate bonus to reward states that achieve the greatest reduction in out-of-wedlock birth ratios while reducing abortion rates (below those of FY1995). That bonus considers information on all births and abortions in a state. It is important to note that while two of TANF's goals relate to "needy" (i.e., "low income") families, the two family formation goals–reducing out-of-wedlock pregnancies and the promotion of the formation and maintenance of two-parent families—are *not* restricted to needy families.

Still there is concern that states' bonus payments will not relate to efforts in state programs to promote the formation and maintenance of two-parent families. A large number of factors might affect the share of children in two-parent families. Some have expressed dissatisfaction with paying a bonus without regard to state program activity in promoting marriage. Moreover (as discussed below), there is little research to indicate what types of programs might be "successful" in promoting two-parent families and what types of measures of state effort could be used to assess such a program.

Information and Research

As evidenced by the information in this report, state descriptions of how they intend to achieve the goal of promoting the formation and maintenance of two parent families vary greatly. Some states provide information about their rules for two-parent families in the cash welfare program and the services they intend to provide to promote two-parent families and marriage. Others do not, or only address either features of their cash welfare program or services they provide to further TANF's goal of promoting two-parent families. Information on the potentially important treatment of step-parents in cash welfare programs is sketchy at best, both with respect to current and historical practice. Though states are required to report to HHS activities to address TANF's family formation goals in their annual program reports, this is an open ended question that permits states to greatly vary the detail they provide about their programs. Requiring states to note on their state plans how they intend to achieve the goal of promoting two-parent families and marriage has been suggested. As already noted, however, state plan entries themselves tend to provide varied level of detail.

There is a large volume of research on welfare-to-work programs and their impacts. There is no similar body of evidence to guide states toward creating "successful" programs in promoting the likelihood that children live in married couple families. The lack of research in this area also means information is unavailable about potential negative, unintended consequences of programs to promote marriage. HHS has contracted with Mathematica Policy Research (MPR) to begin the development of program models and evaluations for programs that would promote marriage