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TANF Sanctions – Brief Summary

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Summary

The 1996 welfare reform law (P.L. 104-193) established a block grant program for time-limited and work-conditioned aid for needy families with children called Temporary Assistance for Needy Families (TANF). TANF requires that states penalize families if a recipient refuses to engage in required work. States determine actual penalties. According to TANF state plans, for a first violation, 19 states end family benefits until compliance, or for a minimum penalty period. Others reduce benefits for a first infraction. For repeat violations, penalties are increased in size or length. Counting both first and subsequent violations, 38 jurisdictions under some circumstances have provisions to penalize work infractions by ending family benefits for a time. Ultimately, seven of those 38 jurisdictions end family benefits *for life*. In FY1999, sanctions (including some not related to work) caused the closing of 156,000 TANF cases (6 % of all closures).

Federal Rules. TANF law requires states to penalize families if a recipient refuses to engage in required work and does not have good cause. (States may define exemptions from work requirements and set standards for determining good cause for work refusal.) The state is directed to reduce the family benefit by at least a "pro rata" share or to drop the entire family from cash aid. Neither law or regulations define pro-rata. The law stipulates that the penalty cannot be imposed on a single parent with a child under age 6 if she/he demonstrates an inability to obtain needed child care for a specified reason.[1] If a state fails to reduce or end TANF benefits for refusal to work without good cause, the law requires that the state itself be penalized by loss of funds (between 1% and 5% of the state's basic TANF grant). The law explicitly permits a state to reduce a family's benefit, by an amount the state considers "appropriate," if a family member fails without good cause to comply with an individual responsibility plan (IRP) that he/she has signed. Most state TANF plans include use of IRPs that establish an employment goal, set forth obligations of the recipient and describe services to be provided by the state.

[1] Three reasons are given in the law: unavailability of appropriate child care within a reasonable distance from the person's home or work site; unavailability or unsuitability of informal child care by a relative or under other arrangements; and unavailability of appropriate and affordable formal child care arrangements.

State Sanction Policies. States determine TANF sanction procedures and policies. Before imposing a sanction, states usually send warnings. Some seek to determine whether there was a good cause for the recipient's violation, and some have a "conciliation" procedure to resolve disputes about participation in a required activity.

First Violation. **Table 1** summarizes state TANF work sanctions for a first violation, as outlined in their TANF plans and regulations. Until compliance, or for a minimum penalty period, families in 19 jurisdictions lose 100% of TANF benefits for a first work violation (this count includes two states that end benefits for quitting a job). Most of the other states reduce benefits.

Repeat Violations. If a penalized family comes into compliance with work rules but later commits another violation, the sanction is increased in size and/or duration. For a repeat violation, some 18 jurisdictions increase the penalty from a partial benefit cut to a 100% benefit cut for a minimum period.

Full Benefit Penalty. Altogether, counting both first and repeat violations, 38 jurisdictions, under some circumstances, cut families off the rolls for a period of time: Alabama, Arizona, Colorado (at county option), Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Mississippi, Nebraska, Nevada, New Jersey, New Mexico, North Carolina (at county option), North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Utah, Virginia, West Virginia, Wisconsin (for no work), Wyoming, Guam, and the Virgin Islands.

Lifetime Ineligibility. Ultimately, seven of the 38 jurisdictions above end benefits for the family permanently. These states are Georgia (upon a second [or subsequent] material violation), Delaware, Guam, Idaho, and Pennsylvania (upon a third violation); Mississippi (upon a fourth violation), and Nevada (if fail to comply after third penalty).

Interaction with Food Stamps. The 1996 welfare law provides for reinforcement of TANF sanctions by food stamps. Under the law, states may reduce food stamp benefits by up to 25% for households whose TANF benefits are reduced because of noncompliance with program rules, and states are forbidden to increase food stamps to offset some of the cash penalty. Further, those disqualified for noncompliance with TANF rules may also be disqualified for food stamps and Medicaid. A dozen states reinforce TANF penalties by also reducing food stamp benefits.[2] According to TANF state plans, Indiana, Mississippi, Ohio (after a third work violation) and the Virgin Islands end Medicaid benefits for an adult who does not comply with TANF work rules.

Data on Use of Sanctions. The third annual TANF report provided the first nationwide data concerning use of sanctions. These data are for case closures because of any sanction, including those not related to work. It said that sanctions accounted for 156,000 case closures in FY1999 (6.2% of all closings). Sanctions accounted for more than 20% of closures in six jurisdictions: Florida, 32%; Guam, 32%, Idaho, 24%; Iowa, 38%; Mississippi, 23%, and Missouri, 27%. On the other hand, 10 jurisdictions imposed

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[2] U.S. General Accounting Office. *Welfare Reform, State Sanction Policies and Number of Families Affected*, March 2000. (GAO/HEHS-00-44). p. 50.

no case closures as penalties: District of Columbia, Georgia, Massachusetts, Minnesota, North Carolina, Pennsylvania, Rhode Island, Vermont, Virgin Islands, and Wisconsin.

A General Accounting Office (GAO) summary of studies about sanctions reported that in 10 states an average of about one-third of sanctioned adults came into compliance after benefits were cut or ended, in five states from 17% to 51% of sanctioned families remained in sanction status, and 15% to 35% left TANF "voluntarily."[3] The Office of Inspector General of the Department of Health and Human Services (HHS) has recommended that the Administration for Children and Families encourage states to issue comprehensive and readily understandable sanction notices, including information on how to cure the sanction.[4]

Sanction rate data may not provide a complete picture of a state's sanction policy, and it is difficult to make comparisons across states. For example, in states with more severe penalties (i.e., a lifetime ban), a non-compliant family may be encouraged to close its case rather than face sanctioning. Moreover, some states sanction only as a very last resort, alternatively keeping cases open through a multi-stage process.

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[3] *Ibid*, p. 35.

[4] U.S. Department of Health and Human Services (HHS). Office of Inspector General. *Temporary Assistance for Needy Families, Educating Clients about Sanctions*. October 1999. (OEI-09-98-00291).

Table 1. Sanctions for First Work Violations

100% Benefit cut[a]	Adult removed from grant[b]	Partial cut in grant[c]	Flat dollar cut in grant[c]	Other
Alaska (job refusal or quit) Delaware (job quit) Florida Guam Hawaii Idaho Iowa Kansas Maryland Michigan (1st 2 months of assistance) Mississippi Nebraska Ohio Oklahoma Pennsylvania (after 24 months of assistance) South Carolina Tennessee Virginia Wyoming	Alaska California D.C. Indiana Kentucky Louisiana Maine Massachusetts Montana New Hampshire New Jersey New York North Dakota Pennsylvania (1st 24 months of assistance) Puerto Rico Rhode Island[d] Virgin Islands Washington	Alabama, 25% Arizona, 25% Arkansas, 25% Colorado, 25% Connecticut, 20% Delaware, 33% Georgia, 25% Illinois, 50% Michigan (after 2 months of assistance), 25% Minnesota, 10% Missouri, 25% Nevada, 33%[e] New Mexico, 25% North Carolina, 25% West Virginia, 33%	Oregon, $50 Texas, $78 ($125 if two-parents) Utah, $100 (parent's fixed portion) Vermont, $75 Wisconsin ($5.15 per missed hour)	South Dakota, written warning

Source: Table prepared by the Congressional Research Service (CRS) on the basis of TANF state plans, laws, and regulations.

[a] Most of these jurisdictions resume payment of benefits upon compliance, but eight specify a minimum penalty period: Guam, 3 months; Mississippi, 2 months; Idaho, Nebraska, Ohio and Virginia, 1 month; Rhode Island and South Carolina, 30 days. Also, Idaho and Kansas specify that they disqualify TANF *applicants* who have voluntarily quit a job (Idaho for 90 days).

[b] Some of these states express the penalty as a "pro-rata" share of the family benefit. Most of these states lift the sanction upon compliance, but some apply the penalty for minimum periods ranging from 1 to 3 months. If loss of the adult share of the benefit does not bring compliance within a specified time, New Hampshire, New Jersey and North Dakota increase the sanction to a 100% benefit cut.

[c] Most of these states impose the penalty for at least 1 to 3 months, and some increase the penalty to a 100% benefit cut for continued noncompliance.

[d] After 24 months of benefits, penalty is increased to exceed the parent's portion of the grant.

[e] If greater, per capita share of benefit.