

## POLICY 5:

# Income And Work Support

NO DATA UPDATE IS AVAILABLE FOR POLICY 5  
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**Why Income and Work Support Policy Matters.** States seeking to expand their work force and effectively move families from public assistance to work can do so through effective income and work support policies. In the current economy, opportunities for earnings growth and advancement can be very limited for low-wage workers exiting public assistance, leaving them in a continuing struggle with job instability and stagnant wages.<sup>24</sup> A substantial body of research shows that state work force and public assistance policies that help increase family income can increase parents' employment stability and improve outcomes for their children.<sup>25</sup> In addition to temporary cash assistance, policies that connect families transitioning from public assistance with training opportunities are essential, especially when training focuses on good jobs in the local geographic area.<sup>26</sup>

**Key State Policy Measures.** States can strengthen their work force and promote family economic success through key state policies, which include the following:

- 5.1 Coordination of work force development and income support policies.** Research shows that job search and training support can effectively help adults transition from welfare to work, especially if work preparation activities are tied to sector-specific employment opportunities and strong partnerships with businesses.<sup>27</sup> States can coordinate these supports through various policies including strong partnerships between the Temporary Assistance for Needy Families (TANF) system and the Workforce Investment Act (WIA) system at both the state and local levels. Some states achieve full integration between these systems by merging them into the same department. Others keep the systems separate, but achieve strong collaboration. At the local level, collaboration includes the co-location of TANF and WIA services at “one-stop” employment centers. At the state level, collaboration includes the establishment of formal partnerships between TANF and WIA programs, appointing agency representatives from each agency to serve in a leadership role for the other, and using TANF funds for job training services.
- 5.2 Earned income disregards.** When families receiving cash assistance begin work and increase their earnings, they face steep reductions in cash assistance. This loss of assistance can discourage families during the difficult transition from public assistance to work. To help families succeed in this transition, states can disregard a percentage of families' earnings and allow them to continue receiving cash assistance. This policy can encourage recipients to find work, allow them to gradually replace benefits with earnings, and increase their financial well-being. States vary in their approach to an earning disregard, but for purposes of comparison, examining the percentage of earnings disregarded in the 12th month of work provides a useful measure of state policy in this area.
- 5.3 Transitional aid to legal immigrants.** States seeking to enhance work force stability can also assist legal immigrants in the transition to work. As part of the *Personal Responsibility and Work Opportunity Reconciliation Act*, the federal government withholds benefits from most legal immigrants for five years after the date of immigration, and studies have shown that this policy has resulted in significant economic hardship for these residents.<sup>28</sup> To help integrate legal immigrants into the work force, and achieve the associated benefits for the state economy and community, states can use state funds to make legal immigrants eligible for welfare-to-work assistance.<sup>29</sup>
- 5.4 Cash benefit level.** Research shows that state welfare policies that increase family income can produce increases in parental employment and positive behavioral effects on their children.<sup>30</sup> Therefore, states can promote the employment prospects of parents and enhance child well-being by increasing payments to families seeking employment.

## Income and Work Support Policy Measures

### Measure 5.1: Coordination of Work Force Development and TANF Policies

Does the state integrate the TANF and work force systems at the state and local levels?

Full integration at both levels	Fla., Texas, Utah, Wis.
Strong collaboration at both the state and local levels	Ark., Calif., Conn., Iowa, Mich., Mo., Mont., N.J., Okla., R.I., S.D., Vt., Wyo.
Strong collaboration at the local level only	Colo., Ga., La., Minn., Neb., N.H., N.C., N.D., Pa., Wash.
Limited collaboration	Ala., Alaska, Ariz., Del., D.C., Hawaii, Idaho, Ill., Ind., Kan., Ky., Maine, Md., Mass., Miss., Nev., N.M., N.Y., Ohio, Ore., S.C., Tenn., Va., W.Va.

### Measure 5.2: Earned Income Disregards

For parents working 20 hours per week at minimum wage, what percentage of earnings does the state disregard for TANF benefit calculations in the 12th month of work?

75% of earnings or above	Calif., Conn., D.C., Hawaii, Ind., Ohio
61 to 74% of earnings	Alaska, Ark., Colo., Fla., Ill., Maine, Mo., Mont., N.M., N.Y., Okla., R.I., Utah
50 to 60% of earnings	Ariz., Iowa, Kan., Mass., Mich., Nev., N.H., N.J., Ore., Pa., Vt., Wash., W.Va.
26 to 49% of earnings	Del., Idaho, Md., Minn., N.D., S.D., Va., Wyo.
0 to 25% of earnings	Neb., Wis.
No benefits if parent is working 20 hours per week at minimum wage	Ala., Ga., Ky., La., Miss., N.C., S.C., Tenn., Texas

### Measure 5.3: Transitional Aid to Legal Immigrants

Does the state provide TANF support to legal immigrants during the five year federal waiting period?

Yes	Calif., Conn., Hawaii, Ill., Iowa, Maine, Md., Minn., Neb., N.J., N.M., N.Y., Ore., Pa., R.I., Tenn., Utah, Vt., Wash., Wis., Wyo.
No	Ala., Alaska, Ariz., Ark., Colo., Del., D.C., Fla., Ga., Idaho, Ind., Kan., Ky., La., Mass., Mich., Miss., Mo., Mont., Nev., N.H., N.C., N.D., Ohio, Okla., S.C., S.D., Texas, Va., W.Va.

### Measure 5.4: Cash Benefit Level

At what percentage of the federal poverty level does the state set its TANF cash benefit levels?

40% or above	Alaska, Calif., Conn., Mass., N.H., N.Y., R.I., Vt., Wash., Wis.
30 to 39.9%	Hawaii, Iowa, Kan., Maine, Md., Mich., Minn., N.J., N.M., N.D., Ore., Pa., S.D., Utah, W.Va.
20 to 29.9%	Ariz., Colo., Del., D.C., Fla., Ga., Idaho, Ill., Ind., Mo., Mont., Neb., Nev., N.C., Ohio, Okla., Va., Wyo.
0 to 19.9%	Ala., Ark., Ky., La., Miss., S.C., Tenn., Texas

## Selected State Income and Work Support Policies

<b>STATE</b>	5.1	5.2	5.3	5.4				
	COORDINATED WORK FORCE DEVELOPMENT	EARNINGS DISREGARD	LEGAL IMMIGRANT ELIGIBILITY	TANF BENEFIT LEVELS (e)	Degree of State and Local Level Collaboration	% Disregarded Working 20 hours per week at Minimum Wage	Monthly TANF Benefit	Maximum Annual TANF Benefit
Alabama	Limited [a]	No benefits	–	\$215	\$2,580	16.0%		
Alaska	Limited	69%	–	923	11,076	55.1		
Arizona	Limited	52%	–	347	4,164	25.9		
Arkansas	Strong at Both Levels	68%	–	204	2,448	15.2		
California	Strong at Both Levels	77%	Yes	723	8,676	53.9		
Colorado	Strong at Local Level	67%	–	356	4,272	26.6		
Connecticut	Strong at Both Levels [b]	100%	Yes	543	6,516	40.5		
Delaware	Limited	29%	–	338	4,056	25.2		
District of Columbia	Limited	80%	–	379	4,548	28.3		
Florida	Fully Integrated	74%	–	303	3,636	22.6		
Georgia	Strong at Local Level	No benefits	–	280	3,360	20.9		
Hawaii	Limited [b]	80%	Yes	570	6,840	37.0		
Idaho	Limited	40%	–	309 [d]	3,708	23.0		
Illinois	Limited	67%	Yes	396	4,752	29.5		
Indiana	Limited	75%	–	288	3,456	21.5		
Iowa	Strong at Both Levels [b]	60%	Yes	426	5,112	31.8		
Kansas	Limited [b]	53%	–	429	5,148	32.0		
Kentucky	Limited	No benefits	–	262	3,144	19.5		
Louisiana	Strong at Local Level	No benefits	–	240	2,880	17.9		
Maine	Limited	63%	Yes	485	5,820	36.2		
Maryland	Limited	40%	Yes	482	5,784	35.9		
Massachusetts	Limited	53%	–	633	7,596	47.2		
Michigan	Strong at Both Levels	59%	–	459	5,508	34.2		
Minnesota	Strong at Local Level	38%	Yes	532	6,384	39.7		
Mississippi	Limited	No benefits	–	170	2,040	12.7		
Missouri	Strong at Both Levels	74%	–	292	3,504	21.8		
Montana	Strong at Both Levels	61%	–	305	3,660	22.7		
Nebraska	Strong at Local Level [b]	20%	Yes	364	4,368	27.1		
Nevada	Limited	50%	–	348	4,176	26.0		
New Hampshire	Strong at Local Level	50%	–	625	7,500	46.6		
New Jersey	Strong at Both Levels	50%	Yes	424	5,088	31.6		
New Mexico	Limited	68%	Yes	439	5,268	32.7		
New York	Limited	62%	Yes	703	8,436	52.4		
North Carolina	Strong at Local Level	No benefits	–	272	3,264	20.3		
North Dakota	Strong at Local Level	44%	–	477	5,724	35.6		
Ohio	Limited	80%	–	373	4,476	27.8		
Oklahoma	Strong at Both Levels	65%	–	292	3,504	21.8		
Oregon	Limited	50%	Yes	460	5,520	34.3		
Pennsylvania	Strong at Local Level	50%	Yes	403	4,836	30.1		
Rhode Island	Strong at Both Levels	71%	Yes	554	6,648	41.3		
South Carolina	Limited [b]	No benefits	–	240	2,880	17.9		
South Dakota	Strong at Both Levels [b]	37%	–	501	6,012	37.4		
Tennessee	Limited	No benefits	Yes	185	2,220	13.8		
Texas	Fully Integrated [c]	No benefits	–	217	2,604	16.2		
Utah	Fully Integrated [c]	62%	Yes	474	5,688	35.4		
Vermont	Strong at Both Levels	52%	Yes	709	8,508	52.9		
Virginia	Limited	29%	–	320	3,840	23.9		
Washington	Strong at Local Level	50%	Yes	546	6,552	40.7		
West Virginia	Limited	50%	–	453	5,436	33.8		
Wisconsin	Fully Integrated	0%	Yes	673 [d]	8,076	50.2		
Wyoming	Strong at Both Levels	49%	Yes	340	4,080	25.4		
<b>Year Data Collected</b>	<b>2005</b>	<b>2005</b>	<b>2004</b>	<b>2005</b>				

**Data Source:**

- 5.1 U.S. Department of Labor. “WIA Reauthorization—Policy Issuance and Documents.” *Employment and Training Administration*. 2002. Retrieved July 27, 2005. [www.doleta.gov/usworkforce/reauthorization/survey-text.htm](http://www.doleta.gov/usworkforce/reauthorization/survey-text.htm); Updated with unpublished data from the National Conference of State Legislatures, July 2005.
- 5.2 National Conference of State Legislatures. Unpublished data, July 2005.
- 5.3 *Guide to Immigrant Eligibility for Federal Programs*. 4th ed. Washington, D.C.: National Immigration Law Center, 2002; Excerpt published by the National Immigration Law Center. “State Funded TANF Replacement Programs” *Guide Updates*. Updated March 2004. Retrieved July 2005. [http://www.nilc.org/pubs/guideupdates/tbl8\\_state-tanf\\_0304\\_a.pdf](http://www.nilc.org/pubs/guideupdates/tbl8_state-tanf_0304_a.pdf).
- 5.4 National Conference of State Legislatures. Unpublished data, July 2005.

**Data Table Notes:**

- a. Alabama requires partnership, but services are not co-located.
- b. Services in Connecticut, Hawaii, Iowa, Kansas, Nebraska, South Carolina, and South Dakota have partnered, but there is no requirement for them to do so.
- c. In Texas and Utah, WIA & TANF employment and training services are administered by the same department.
- d. Idaho and Wisconsin have flat TANF grants for families regardless of the size of the family.
- e. All data are based on benefit calculations for a family of three. The maximum TANF benefits will not change for states that have a family cap policy—which means the cash benefit does not increase if a beneficiary has a child while receiving cash assistance. The following states have a family cap policy in place: Arizona, Arkansas, California, Connecticut, Delaware, Florida, Georgia, Indiana, Massachusetts, Minnesota, Mississippi, New Jersey, North Carolina, North Dakota, Oklahoma, South Carolina, Tennessee, Virginia, Wyoming.