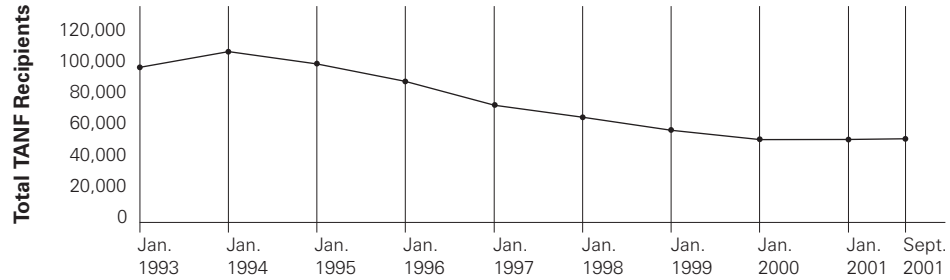


TITLE	WELFARE TO WORK: WHAT HAVE WE LEARNED?								
SUBJECT	FINDINGS FROM RESEARCH ON WELFARE REFORM IN ILLINOIS, INDIANA, IOWA, MICHIGAN, MINNESOTA, OHIO, & WISCONSIN	3-2002							
	<table border="1"><tr><td>IL</td><td>IN</td><td>IA</td><td>MI</td><td>MN</td><td>OH</td><td>WI</td></tr></table>	IL	IN	IA	MI	MN	OH	WI	
IL	IN	IA	MI	MN	OH	WI			

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IOWA IN BRIEF

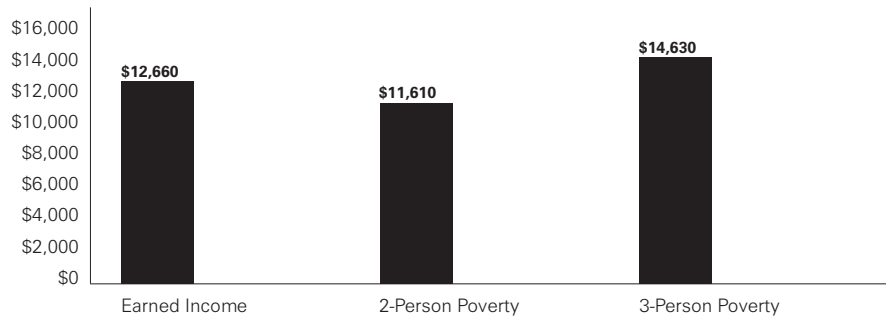
Welfare caseloads have dropped dramatically.



Most leavers work and they like it.

Employed	60%	<i>"The best thing about going back to work is feeling good about myself. And knowing that I am doing this all on my own. The self-reliance."</i>
Working 40+ Hours/Week	50%	
Average Hours/Week	34	

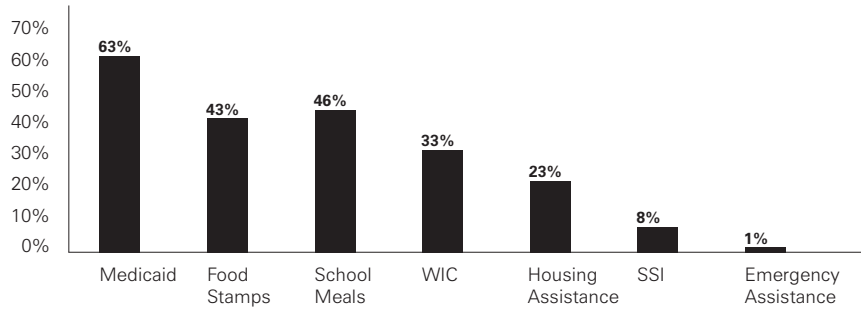
But low earnings leave many poor.



Families experience economic hardships.

	Families with More than \$500 Monthly Income	Families with Less than \$500 Monthly Income
Experienced hunger	14%	38%
Homeless	3-5%	9-24%
Unable to pay rent/mortgage	24%	41%
Moved in with others to save money	19%	38%
No phone for at least 24 hours	33%	50%
No heat for at least 24 hours	7%	12%
No electricity for at least 24 hours	5%	18%

Families still need government assistance.



Some families are still unaware of new rules and regulations.

	Not Told About Continued Eligibility After Leaving FIP		
	Medicaid	Food Stamps	Child Care
All Families	49%	50%	56%
Those Receiving These Benefits	43%	38%	39%
Those Not Receiving These Benefits	61%	59%	60%

Families face barriers to work.

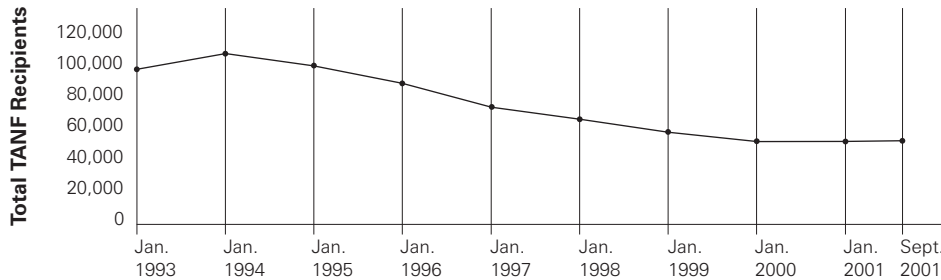
Reason for Not Working	Percentage Reporting
Physical or Mental Health Problem	23%
Unable to Find Job/Looking for a Job	16%
Child Care Problem	13%
Pregnancy	9%
Transportation	6%

WELFARE REFORM IN IOWA

On July 1, 1993, Iowa changed the name of the program that provides cash assistance to low-income families with dependent children from “Aid to Families with Dependent Children” (AFDC) to the “Family Investment Program” (FIP). Three months later, acting under waivers of federal regulations, Iowa replaced the policies that had formerly governed the provision of assistance to low-income families with a new set of policies that placed less emphasis on maintaining family incomes and more on increasing participation in employment or in employment-oriented training activities.¹

The result has been a substantial drop in welfare caseloads, from 86,146 in August of 1996 to 56,030 as of September 2001.² This 35% drop is less than the 56% decline nationally during this period, third lowest among the seven states covered in this review. The rate of decline has slowed in the last two years. However, like several other states in this region, Iowa saw the number of recipients rise between January and September 2001, by 5%.

FIGURE 1 NUMBER OF IOWA WELFARE RECIPIENTS: JANUARY 1993 TO SEPTEMBER 2001



Data Source: U.S. Department of Health and Human Services, Administration for Children and Families.

Across the nation, welfare reform observers have attributed welfare caseload declines to increased emphasis on work and also the robust economy of the 1990s. Iowa has certainly participated in the economic boom, so it is likely that while FIP moved people off of welfare and into work, this process was made possible by the increased availability of jobs. As of August 2001, Iowa’s monthly seasonally adjusted unemployment rate stood at 3.1% and for the year it was only 3.3%. This annual rate was 0.7% higher than in 2000, but still nearly 1.5% below the national unemployment rate of 4.8%, and lowest among the seven Joyce states. The findings summarized below provide a more thorough analysis of welfare reform than can be gleaned simply from caseload declines and unemployment rates.

¹ *Iowa’s Family Investment Program: Impacts During the First 3-1/2 Years of Welfare Reform*

² Latest figures available from U. S. Department of Health and Human Services, Administration for Children and Families.

WHAT THE RESEARCH TELLS US

Most people who left welfare went to work. Many took jobs that were part-time or lasted only a few months.

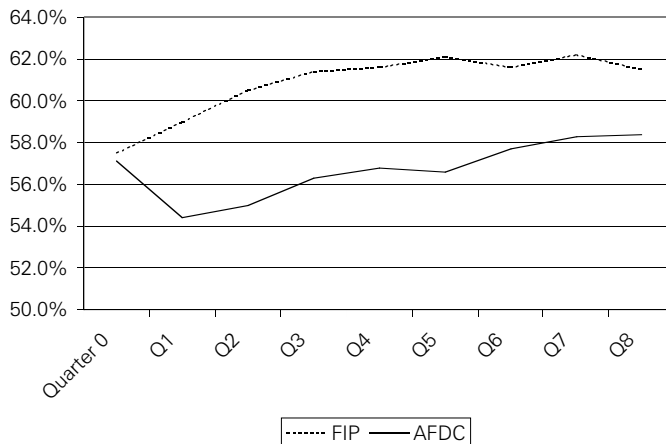
Although Iowa's caseload decline was below the national average, of those who left welfare in spring 1997, most were working within 8 to 12 months after exiting welfare, and half were employed full-time (see Table 1). In addition, it seems that the Family Investment Program played a direct part in increasing the employment rates of welfare recipients even before the 1996 federal reforms. Compared with a subset of families who applied for welfare under the old AFDC rules, more FIP applicants were working over the eight quarters from September 1993 to September 1995 (see Figure 2). However it's clear that employment rates increased for both groups over the study period suggesting that the strong economy played a part as well.

TABLE 1 WELFARE LEAVERS AND WORK

Percent employed	60%
Percent working 40 hours or more	50%
Average # hours per week	34

Kauff, J., Fowler, L., et al. *Iowa Families That Left TANF: Why Did They Leave and How Are They Faring?* February 2001.

FIGURE 2 PERCENT OF WELFARE APPLICANTS WORKING



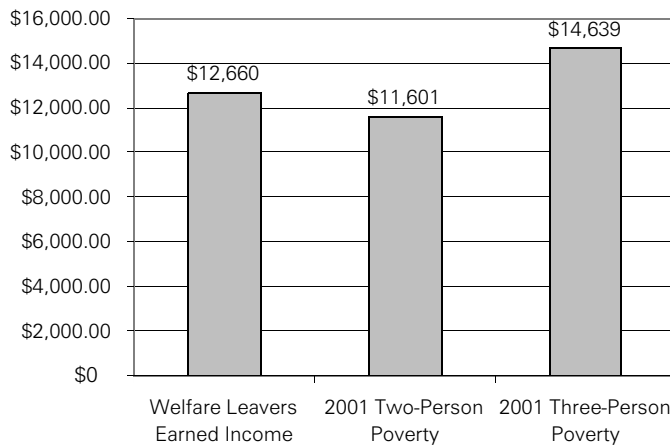
Fraker, T., & Jacobson, J. *Iowa's Family Investment Program: Impacts During the First 3-1/2 Years of Welfare Reform.* May 2000.

These figures suggest reason for optimism about the employment prospects for some welfare applicants and leavers. Still, about 40% of leavers remain unemployed, and 30% of leavers returned to FIP during the first year after exiting. One-third received FIP benefits for only one to three months in the year following exit, another third received FIP for four to six months, and slightly less than a third got FIP for seven or more months. This suggests that many families experience a pattern of short-term cycling between work, unemployment, and cash assistance.³

Many families who have moved from welfare to work remain poor because they earn low wages.

While poverty reduction itself was not an explicit goal of PRWORA, many of its advocates argued that employment, unlike welfare, offered the potential for moving out of poverty. Unfortunately, this is often not the case with Iowa welfare leavers. The typical welfare leaver in Iowa earns \$7.44 per hour. Nineteen percent of leavers earn \$9.00 or more, and 39% earn from \$7.00 to \$8.99 per hour. However, 41% earn below \$7.00.⁴ Based on the average wage, a mother with one child working full-time would earn enough to lift her family out of poverty, but a three-person family would remain poor (see Figure 3). For those who earn below the average or don't work full-time, their chances of working their way out of poverty are slim.

FIGURE 3 HOURLY WAGES AND POVERTY



Calculated Annual Income = (avg. wage) x (34 hours) x (50 weeks)

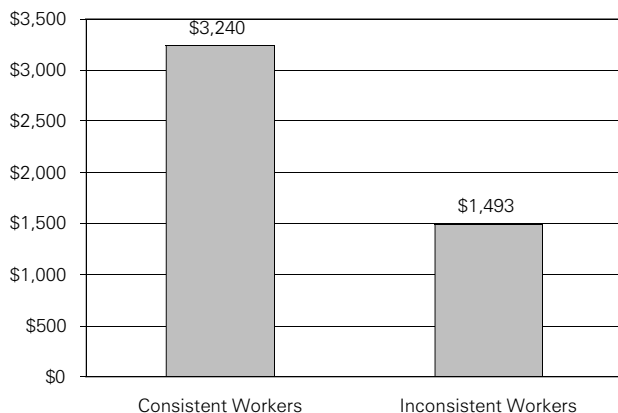
In addition, if we use average monthly earnings data, which accounts for variability in number of hours and quarters worked, it is clear that many welfare leavers who have gone to work in Iowa remain poor.

- 48% of leavers earn less than \$1,000 per month (\$12,000 per year).
- 41% of these earn \$500 or less per month (\$6,000 annually).

³ *Iowa Families That Left TANF: Why Did They Leave and How Are They Faring?*
⁴ *Ibid.*

Finally, workers who cannot maintain stable employment have slower earnings growth. In the quarter before and the quarter after exit from FIP, the average earnings of family heads who were employed consistently are about 38% higher than those of inconsistent workers, but by the end of the year after leaving FIP earnings are more than double (see Figure 4). Clearly, many who exit welfare have unstable work patterns that leave their families in poverty.⁵

FIGURE 4 STEADY WORK AND QUARTERLY EARNINGS (APRIL – JUNE 2000)



Kauff, J., Fowler, L., et al. *Iowa Families That Left TANF: Why Did They Leave and How Are They Faring?* February 2001.

Health problems, child care, lack of education, and other problems prevent some welfare recipients from getting jobs, and make it hard for others to stay employed.

One might conclude from these findings that those who leave welfare and remain poor simply need to work harder. However, personal and structural barriers often impede welfare leavers from working enough to bring their families out of poverty. Barriers reported by Iowa leavers are listed in Table 2. Lacking education skills is clearly related to lower levels of employment and higher rates of going back on welfare. Iowa has a highly rated public school system, and overall only 26% of Iowa welfare recipients had less than a high school degree. But among non-working leavers, 33% had less than a high school degree while only 23% of those who were working lacked a diploma. Among those who never returned to FIP, 23% had less than a high school degree but of returners, 36% lacked a diploma.⁶

⁵ *Iowa Families That Left TANF: Why Did They Leave and How Are They Faring?*

⁶ *Ibid.*

TABLE 2 PREVALENCE OF BARRIERS TO WORK

Reason for not working	% reporting
Physical or mental health problem	23%
Unable to find job/looking for a job	16%
Child care problem	13%
Pregnancy	9%
Transportation	6%

Kauff, J., Fowler, L. et al. *Iowa Families That Left TANF: Why Did They Leave and How Are They Faring?* February 2001.

These barriers may become exacerbated as the economy slows down and employers shed their least productive workers. Unfortunately many of the industries that employ former welfare recipients are showing increasing weakness. Labor Department data from September 2001 show that the services industry, where 44% of former FIP recipients found work, lost 41,000 jobs nationally and has shown no net gain in jobs since March 2001. Retail trade employment, where 29% of Iowan welfare leavers work, declined for the second straight month and manufacturing, where 8% of leavers in Iowa found work, has experienced job losses for fourteen consecutive months.⁷

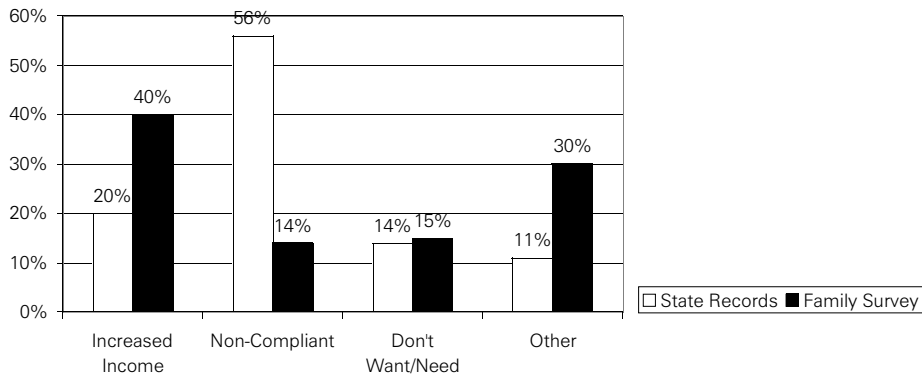
Some families are being forced off the welfare rolls, but most say they left voluntarily.

Among post-PRWORA welfare leavers in Iowa, at least a large minority cite increased income as the primary reason for exiting. However, researchers found that there is a large discrepancy between what recipients say and what state administrative records suggest about reasons for leaving (see Figure 5). A likely reason is that when families find work or experience an increase in income they may stop participating in program activities even though they may be required to do so. In their view they leave welfare due to work or income but the state sees them as non-compliant⁸ and therefore terminates their case.

⁷ *The Employment Situation: September 2001*, U.S. Department of Labor. Richer, E., Savner, S. and Greenberg, M., *Frequently Asked Questions about Working Welfare Leavers*, CLASP, November 2001.

⁸ Non-compliance occurs when welfare recipients do not follow program rules. Caseworkers can terminate or reduce a family's welfare benefits for non-compliance; this is called sanctioning (see below). Common program rule violations include missed appointment with caseworkers, failing to submit required paperwork and not fulfilling work requirements.

FIGURE 5 REASONS FOR LEAVING FIP



Kauff, J., Fowler, L. et al. *Iowa Families That Left TANF: Why Did They Leave and How Are They Faring?* February 2001.

Regardless of the specific reason they give for leaving FIP, most family heads say they left voluntarily. However, there are noticeable differences in terms of income and poverty between voluntary and involuntary leavers, suggesting that those who leave on their own terms fare better in the job market.

TABLE 3 WORK AND INCOME AMONG LEAVERS⁹

	Voluntary Leaver	Involuntary Leaver
Less than high school degree	24%	29%
Ever employed since leaving	84%	78%
Average monthly earnings	\$1,104	\$990
Total monthly income ¹⁰	\$1,551	\$1,270
At or below poverty	42%	54%

Kauff, J., Fowler, L. et al. *Iowa Families That Left TANF: Why Did They Leave and How Are They Faring?* February 2001.

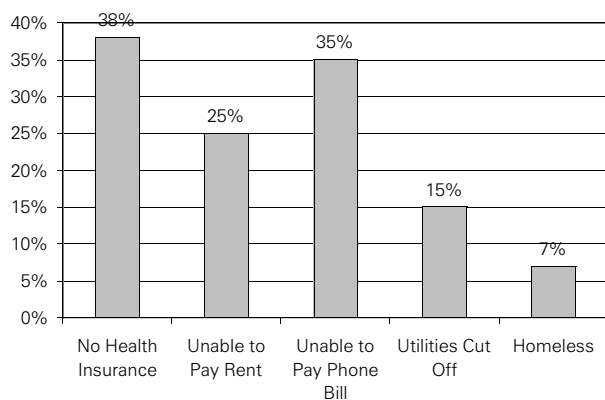
Families experience hardships.

Many of those who leave welfare in Iowa experience substantial levels of economic hardship (see Figure 6). In particular, those families whose incomes leave them in deep poverty (income of \$500 per month or lower) are much more likely to have difficulty meeting their needs (see Table 4).

⁹ Results are based on the Family Survey Results not the state administrative records.

¹⁰ Includes income from earnings, government assistance, child support and other household members.

FIGURE 6 PERCENT OF ALL LEAVERS EXPERIENCING HARDSHIP



Kauff, J., Fowler, L. et al. *Iowa Families That Left TANF: Why Did They Leave and How Are They Faring?* February 2001.
 Note: Utility shutoff figure may be slightly high due to overlap between reports of heat shutoff and electricity shutoff.

TABLE 4 HARDSHIP AFTER LEAVING FIP

Hardship	Income/Month	
	Families > \$500	Families < \$500
Experienced hunger	14%	38%
Homeless	3-5%	9-24%
Can't pay rent	24%	41%
Moved in with others to save money	19%	38%
No phone for at least 24 hours	33%	50%
No heat for at least 24 hours	7%	12%
No electricity for at least 24 hours	5%	18%

Hill, Heather, Kauff, Jacqueline. *Living on Little: Case Studies of Iowa Families with Very Low Incomes.* August 2001

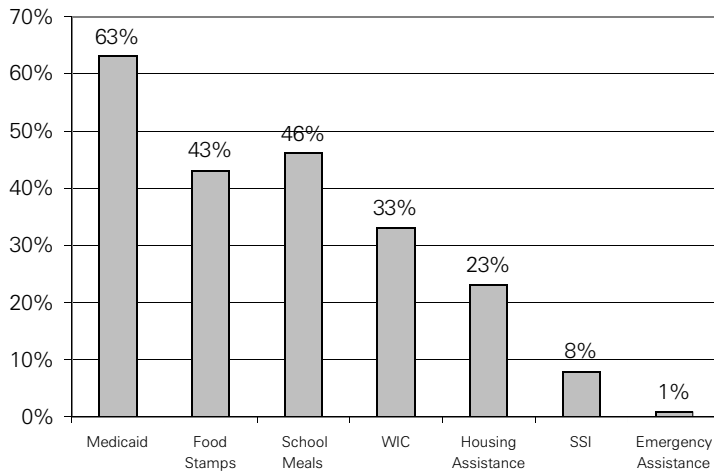
Many families continue to rely on food stamps, Medicaid, and other forms of government assistance to get by.

Although Iowa has seen welfare caseloads decrease less than many other states, the actual money paid out to recipients has declined over time. Over the 14 quarters since Iowa introduced FIP, average quarterly benefits for participants have decreased from \$1,094 to \$342.¹¹ However, many families who have left FIP still rely on government assistance (see Figure 7).

The high rate of enrollment in Medicaid likely reflects relatively high rates of eligibility, because of generous state eligibility rules and recent federal and state expansions in coverage for children. It may also suggest that families value government assistance for health insurance coverage more than they value government aid for other family needs. In addition to government help, many leavers also rely on assistance from community resources to make ends meet¹² (see Table 5).

¹¹ *Iowa's Family Investment Program: Impacts During the First 3-1/2 Years of Welfare Reform.*
¹² *Iowa Families That Left TANF: Why Did They Leave and How Are They Faring?*

FIGURE 7 USE OF GOVERNMENT PROGRAMS BY FIP LEAVERS 8 TO 12 MONTHS AFTER LEAVING



Fowler, L., et al. *Iowa Families That Left TANF: Why Did They Leave and How Are They Faring?* February 2001.

TABLE 5 USE OF COMMUNITY RESOURCES SINCE EXIT FROM FIP

Resource	Percent Using
Any community resource	41%
Food pantry	28%
Thrift shop	20%
Crisis center	6%
Soup kitchen	3%

Kauff, J., Fowler, L. et al. *Iowa Families That Left TANF: Why Did They Leave and How Are They Faring?* February 2001.

Like other Americans, welfare recipients are optimistic about work and welfare reform.

Many critics of the old AFDC welfare system suggested that it promoted dependency and created disincentives to work. Whether that was true or not, today many employed former welfare recipients in Iowa feel positively about working. Focus group respondents had the following things to say:¹³

“[The best thing about going back to work is] feeling good about myself. And knowing that I am doing this all on my own. The self-reliance.”

“Actually, I was talking with the nurse manager yesterday morning after work and she was very supportive. She told me that the staff was very glad to have me. Told me I’ve done a wonderful job and just really inspired me.”

“I’m dealing with professional people at work. So I think I’m learning to handle situations a little better at home...instead of yelling at [my son] I’ll sit him down with me and say, ‘You know, this is why we can’t do these things.’ You know, more rational, more reasoning.”

“It was a free for all before...I was not happy with myself and I just kind of let [the children] go wild...but things are more structured now. “Getting myself together into a routine has just brought us together to the point where we work well together again, and we’re a family and we were a mess before.”

In addition, many respondents felt that they had an adequate standard of living. Of families that left FIP in spring of 1999:¹⁴

- 49% considered their current standard of living to be good or very good.
- 35% considered their standard of living to be fair.
- 16% considered their standard of living to be poor or very poor.

Welfare recipients generally know that working families are still eligible for benefits that could improve their standard of living.

In Iowa many families are eligible for Medicaid, food stamps, and child care assistance programs after leaving FIP, as long as they continue to meet eligibility requirements. Families are generally aware of the availability of what they are entitled to after leaving the program.¹⁵

- 90% know that children can retain Medicaid coverage.
- 86% know that families may still be eligible for food stamps.
- 76% know that families may still be eligible for child care assistance.

In order to facilitate continuation of benefits for welfare leavers, income maintenance workers in Iowa are actually required to automatically redetermine a family’s eligibility when the family leaves FIP, as long as there is sufficient information to conduct the redetermination. However, it is incumbent on families to supply the Department of Human Services with the information necessary to redetermine eligibility. Apparently, some do not understand their part in the process. Researchers suggested that although DHS routinely provides written notification to families leaving FIP about the information they need to provide, this may not be enough. Some families may not receive the notification and others may need to be reminded about the eligibility redetermination requirements and about their role in the redetermination process. Survey responses of those who left welfare are consistent with these suggestions. Overall, about half of the heads of families that left FIP in spring 1999 claim that no one at DHS talked with them about the issue of continued eligibility for Medicaid, food stamps, or child care assistance after leaving FIP. Because they may not have fully understood the redetermination process, the

¹⁴ *Iowa Families That Left TANF: Why Did They Leave and How are They Faring?*
¹⁵ *Ibid.*

researchers suggest, some families that may have been eligible for other program benefits after leaving FIP never provided DHS with the information necessary to redetermine their eligibility.¹⁶ While there are likely various reasons why families who left FIP did not continue to get Medicaid, food stamps or child care assistance, the communication breakdown between DHS and families did seem to have an effect on whether or not families end up receiving benefits after leaving welfare. More families that were not participating in these programs claimed that no one at DHS talked with them than those who were receiving these benefits (see Table 6).

TABLE 6 FAMILIES UNAWARE OF BENEFIT ELIGIBILITY

	Medicaid	Food Stamps	Child Care
All Families	49%	50%	56%
Those Receiving These Benefits	43%	38%	39%
Those Not Receiving These Benefits	61%	59%	60%

Kauff, J., Fowler, L., et al. *Iowa Families That Left TANF: Why Did They Leave and How Are They Faring?* February 2001.

IOWA DEMOGRAPHIC CHARACTERISTICS

Iowa's population of nearly three million is nearly 94% non-Hispanic white and has grown by over 5% in the past decade. The economy has also grown with per capita income increasing from \$17,380 in 1990 to \$26,723 by 2000. This change of 53.8% is fourth highest among the seven states covered in this review. Iowa's 1999 poverty rate for female headed households was 37%, highest among the states covered in this report. On the other hand, births to women aged 15-19 were 42.6 per 1,000, second lowest among the states covered here.

Population

Population (2000)	2,926,000
Percent Change (1990-2000) ^a	5.4%
Percent Under Age 18 ^a	25.1%
Percent Hispanic ^a	2.8%
Percent Non-Hispanic Black ^a	2.1%
Percent White (non-Hispanic) ^a	93.9%
Births per 1,000 Women 15-44 (1998) ^b	61.4
Births per 1,000 Women 15-19 (1998) ^b	42.6
Percent to Unmarried Women (1997-98 avg.) ^b	26.7%

Economics

Per Capita Income (2000) ^c	\$26,723
Per Capita Income (1990) ^c	\$17,380
Percent Change in PCI (1990-2000)	53.8%
Median Income (1998-1999) ^a	\$39,537
Median Income 4-Person Family (1998-2000) ^a	\$58,075
Percent Below Poverty (1999) ^d	7.6%
Percent Children (< 18) Below Poverty (1999) ^d	10.2%
Percent Below Poverty-Fem. Fam. Head (1999) ^d	37.0%
Unemployment Rate (2000) ^e	2.6%
Unemployment Rate (2001) ^e	3.3%
Employment Rate (2000) ^e	97.4%
Total TANF Recipients August 1996 ^f	86,146
Total TANF Recipients September 2001 ^f	56,030
Percent Change ^f	-34.9%

Families (2000)

Total Households ^a	1,149,000 (100%)
Family Households ^a	769,000 (67.6%)
With Own Children under 18 years ^a	361,000 (33.0%)
Married Couple Families ^a	633,000 (51.3%)
With Own Children under 18 years ^a	274,000 (24.3%)
Female Householder, no husband present ^a	98,000 (12.3%)
With Own Children under 18 years ^a	64,000 (6.9%)
Nonfamily Households ^a	379,000 (32.4%)
Householder living alone ^a	313,000 (26.8%)
Households with individuals under 18 years ^a	382,000 (36.2%)
Average Family Size ^a	3.00
Low-Income Uninsured Children ^a	5.4%

a-U.S. Bureau of Census.

b-National Center for Health Statistics.

c-U.S. Bureau of Economic Analysis.

d-U.S. Bureau of Labor Statistics and Bureau of the Census Current Population Survey.

e-U.S. Bureau of Labor Statistics.

f-U.S. Department of Health and Human Services, Administration for Children and Families.

STATE TANF POLICIES – IOWA

Who is eligible?

Families: To be eligible for cash assistance under Iowa’s TANF program, the Family Investment Program (FIP), families must include a child under age 18 or a child age 18 who is a full-time student and will graduate by age 19. A pregnant woman with no other children is not eligible for assistance and all two-parent families are eligible for assistance based on the same eligibility criteria as single parent families.

Income: All recipients are subject to a gross income test. Gross monthly income must fall below the following amounts:

Family Size	Amount
1	\$675
2	\$1,330
3	\$1,570
4	\$1,824

In addition, an applicant’s net income must fall below the state’s standard of need for a family of its size. If net income is below the limit, the applicant is eligible for assistance. Net income equals monthly gross income less the following deductions:

- First 20% of earnings plus 50% of remaining earnings.
- Deduction for out-of-pocket child care expenses: up to \$200 per month for children age two and under, and up to \$175 a month for children over two.

Asset Limits: Applicants must have countable assets below \$2,000. Recipients must have countable assets below \$5,000. The equity value of a car above \$3,890 is treated as a countable asset. This rule applies to each car per adult or working teenage child. If recipients have more than one car per adult and working teenage child, the entire equity value of the additional car(s) is counted.

What happens when they apply?

Application: All persons have a right to file an application for cash assistance and the same application for cash assistance is used throughout the state. The statewide application is a joint application for food stamps and Medicaid. Applications must be acted upon within 30 days

and the agency is required to issue a written decision on applications. Iowa does not impose any requirements that must be met before a family can submit an application for cash assistance nor does it impose requirements (other than verification of information concerning eligibility) that a family must meet in order for its cash assistance application to be processed and approved. However, once eligibility is determined, applicants and/or recipients are required to sign a Family Investment Agreement (FIA) which identifies specific employment activities as well as other obligations, including: child school attendance requirements; minor parent school attendance requirements; participation in life skills or parenting classes; drug or alcohol provisions; agreement to reach self-sufficiency within a set period of time; participation in family development and self-sufficiency or other family development programs; education and training; and activities to overcome barriers.

Diversion: Cash Diversion Programs provide families with an up-front, lump sum payment in lieu of ongoing cash assistance payments. The goal is to help families meet an immediate need and to divert them from formally entering the TANF program. Iowa operates a formal diversion program which is unavailable to current cash assistance recipients. The maximum cash payment is determined locally and the size of a given diversion payment is calculated on a case-by-case basis. The income and asset limits used to determine diversion program eligibility are the same as those applied to applicants for ongoing cash assistance.

Declined: Clients have the right to appeal any decision and any adverse action taken by the Iowa Department of Human Services (IDHS) on their case and request a hearing. Examples of “adverse actions” include: denial of assistance; delay in acting on the client’s application within required time frames; or suspension, reduction or termination of assistance. Aggrieved people may request a review of the Department’s appeal decision or appeal the decision to the district court in the client’s county of residence. The Department has a written policy on nondiscrimination consistent with federal and state law that is included on applications, notices, and other forms. This policy includes information on where and how to file discrimination complaints.

What do they get if approved?

Cash Benefits: A recipient’s benefit equals the difference between countable income and the maximum benefit. If countable income exceeds the maximum benefit, the family is not eligible for assistance. Countable income equals gross income less these deductions in the following order:

- First 20% of earnings and 50% of remaining earnings.
- Deduction for out-of-pocket child care expenses: up to \$200 per month for children age two and under, and up to \$175 a month for children over two.

The maximum monthly benefits by family size are as follows:

Family Size	Amount
1	\$183
2	\$361
3	\$426
4	\$495

Food Stamps: Eligibility for the program is based upon various residency, income, and resource tests. Persons who are eligible for the Family Investment Program are generally deemed to be “categorically eligible” for food stamps. However, their food stamp benefit amount is adjusted based upon individual family or household income and other individual circumstances. The maximum monthly benefit for an eligible family of three in fiscal year 2000-2001 is \$341. Depending on gross monthly income, families can receive from \$238 per month for a two-person family, up to \$977 for a family of ten. Each additional family member would entitle the family to \$98 more in food stamps per month.

Health Insurance: FIP families are not automatically eligible for Medicaid. Families who cease to be eligible for Medicaid due to earnings from employment are guaranteed transitional Medicaid for up to 12 months (if they have received Medicaid for three of the past six months). In April 1998, Iowa created a child health insurance program that covers children under age 19 in families with incomes below 185% of poverty (increased to 200% on July 1, 2000).

Child Care: Child care assistance is available to FIP recipients who need care for a child under age 13 in order to accept or keep a job or to participate in work activities. FIP participants are deemed eligible for child care without regard to income, hours worked, or waiting lists. Families that leave FIP for employment must meet the eligibility requirements of the subsidized child care program in order to receive child care assistance. Subject to available funding, the state provides subsidized child care for children in families with incomes up to 140% of the federal poverty level. Parents must be in academic or vocational training, employed or looking for employment, or temporarily absent from the home due to hospitalization in order to qualify for subsidized child care. Families must make co-payments on an income-based sliding scale. Fees are waived for families with income below the federal poverty level.

Emergency Assistance: EA programs are operated at state discretion and provide funds to families to prevent such emergencies as disconnection of utilities, eviction from a home, or the loss of heat in the winter. States no longer receive funding specifically for an emergency assistance program though they generally can use their TANF block grant dollars or state funds. Iowa provides emergency assistance to families that are receiving TANF cash assistance, families that are eligible for but not receiving TANF, and families that are not eligible for TANF cash assis-

tance as follows: eviction prevention; short-term rental assistance; prevent utility shutoff or restore service; emergency housing assistance; temporary shelter for homeless families; foreclosure prevention; and purchase and repair of heating equipment.

Transportation: A monthly transportation allowance is available for participation in an approved work activity, including entrepreneurial training. Those engaged in unsubsidized employment, including self-employment, do not qualify for a transportation allowance; instead they qualify for a 20% earnings disregard for work expenses. Participants in entrepreneurial training can also qualify for a direct education allowance to cover any costs of tuition, fees, books, and basic supplies.

Housing-Related Emergency Assistance: This program provides up to \$500 per year to a family with a child under the age of 18 or expected to graduate high school or the equivalent by age 19. The program is available statewide to homeless families and those at risk of becoming homeless. Benefits are provided only during one 30-day period in any twelve consecutive months. Benefits are provided via direct vendor payment (e.g., a landlord would receive rent payment directly from the state or local department of human services) and include rent, house payments, utilities, purchase or repair of heating equipment, rent and utility deposits. In order to qualify, a family's income must be at or below 100% of the federal poverty level, and liquid resources cannot exceed \$1,000.

How long do they get these benefits?

Time Limits: FIP policy declares that TANF funds will not be used for a family with an adult who has received TANF-funded assistance for 60 months, unless the family meets the criteria for extension of the time limit. This time limit will first be applicable to persons in Iowa who continuously remained on assistance in this or any other state during the five-year period subsequent to the date the state elected to participate in TANF.

What do they have to do in return?

Work Requirements: The Family Investment Agreement (FIA) that recipients must sign includes requirements to participate in one or more of the activities listed below at a level of participation equivalent to that required for full-time employment or at a level significant enough to move the individual toward the full-time employment level. The FIA options include the following: full-time or part-time employment; active job search; participation in education or training; work experience placement; unpaid community service; participation in a safety plan to address or prevent family or domestic violence; and any other arrangement which would strengthen the individual's ability to be a better parent, including participation in a parent education program.

What if they don't follow the rules?

Sanctions: If an individual participant fails to enter into an FIA or does not fulfill the terms of the FIA, the individual, and usually the individual's family, enters into a Limited Benefit Plan (LBP). Effective June 1, 1999, an initial LBP excludes eligibility for cash assistance for an indeterminate period with cash assistance only to be reinstated if a participant complies with FIA requirements. If a person is subject to a subsequent LBP, the LBP is effective for at least six months, is followed by an indeterminate period of LBP eligibility, and will only end if the participant complies with FIA requirements (i.e., signs an FIA agreement and completes 20 hours of employment and training activities).

What if they can't follow the rules?

Exemptions: Exemptions are allowed if the presence of a disability causes an individual to be completely unable to participate in an FIA option; the individual is less than age 16 and is not a parent; or, the individual is age 16 through 18, is not a parent, and is attending school on a full-time basis. Parental leave from employment is authorized for the parent of a child who is less than three months of age.

Source: Iowa Department of Human Services and the State Policy Documentation Project, a joint project of the Center for Law and Social Policy and the Center on Budget and Policy Priorities.

IOWA STUDY SUMMARIES

Welfare Reform in Iowa*

Mathematica Policy Research, Inc.

Iowa's Family Investment Program: Impacts During the First 3-1/2 Years of Welfare Reform.

Fraker, Thomas and Jacobson, Jonathan. May 2000.

This report presents impact estimates that are based on administrative data from several state-automated systems pertaining to the first two and a half to three years following the implementation of welfare reform on October 1, 1993. The data is derived from ongoing FIP cases that were randomly assigned to treatment or control status just prior to October 1, 1993 and applicant cases that were randomly assigned between October 1, 1993 and March 31, 1995. The research sample of ongoing FIP cases contains approximately 4,500 treatment cases and 2,200 control cases. The sample of applicant FIP cases contains approximately 4,000 treatment cases and 2,000 control cases. (See also Fraker, Thomas et al. *Iowa's Family Investment Program: Two-Year Impacts*. December 1998.)

Iowa Families That Left TANF: Why Did They Leave and How Are They Faring? Kauff, Jacqueline; Fowler, Lisa; Fraker, Thomas, and Milliner-Waddell, Julita. February 2001.

This report is based on an in-depth study of 958 families that left the Iowa Family Investment Program (FIP) in the spring of 1999. Data for the study came from two sources: (1) state administrative records and (2) a telephone survey of the heads of families that left FIP. Administrative data from five systems provided information for all 958 families on reasons for leaving FIP and on employment and earnings, participation in public assistance programs, receipt of child support, and use of child welfare services before and after exit. Survey data provided information for 401 of the 958 families on reasons for leaving FIP and on economic status and family well-being after leaving (and, in some cases, compared with spring 1999 when all families in the study were receiving FIP). Telephone interviews were conducted over a 16-week period in February through June 2000, 8 to 12 months after families left FIP, with 76% of 535 randomly selected families.

Living on Little: Case Studies of Iowa Families with Very Low Incomes. * Hill, Heather and Kauff, Jacqueline. August 2001.

This report presents findings from interviews with sixteen very low income families (monthly income of \$500 or less). Interviews took place from October through December 2000, three to nine months after participants had completed telephone interviews for an earlier study (see above: *Iowa Families That Left TANF: Why Did They Leave and How Are They Faring?*).

Work and Welfare Iowa Families Tell Their Stories. Sing, Merrile; Kauff, Jacqueline, and Fraker, Thomas. November 1999.

This report is based on in-person interviews with 16 families regarding the transition from welfare to work. The sample was drawn from families in which there was a parent who was on FIP and unemployed in the summer of 1998 and who gained employment (at least 20 hours per week) in the fall of 1998. Interviews took place from March to April 1999.

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