

# CLASP

CENTER FOR LAW AND SOCIAL POLICY

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## **Most States Far Short of Meeting H.R. 4 Participation Requirements**

by **Mark Greenberg**<sup>1</sup>

A new analysis by the Congressional Research Service (CRS) concludes that if the participation requirements of H.R. 4 (the House TANF reauthorization bill) had been in effect in 2001, the national average participation rate would have been 32 percent. Under H.R. 4, when the requirements are fully phased in, most states would be required to meet a 70 percent participation rate. Overall, CRS concludes that two states (Wyoming and Idaho) would have met their required rates and another two states (Illinois and Montana) would have been within three percentage points of doing so. In contrast, twenty-nine states would have needed to more than double their 2001 participation levels to meet their required rates. Nine states (Georgia, Massachusetts, Pennsylvania, Delaware, Texas, Maryland, Rhode Island, the District of Columbia, and Arkansas) would have needed to increase participation by at least fifty percentage points to meet their required rates.

This document summarizes the CRS approach and discusses policy implications. All policy implications discussed reflect our own analysis and not that of CRS. A set of charts provides the CRS state-by-state analysis. An appendix discusses the CRS methodology in greater detail.

### **CRS Methodology for Calculating State Participation Rates**

The CRS analysis is entitled *TANF Work Participation Requirements Proposed in Welfare Reauthorization Legislation* (April 21, 2003). Part of the document (not discussed here) compares the extent to which education, training, and rehabilitative services could have been used to meet participation rates under last year's Senate Finance bill and H.R. 4. The rest of the document estimates what state participation rates would have been had the requirements of H.R. 4 or last year's Senate Finance bill been in effect in 2001.

Under H.R. 4, a family would need to participate for at least 160 hours a month to fully count toward the rates (40 hours times 4 weeks), of which 24 hours each week would need to be in "direct work." For adults, direct work activities are defined as unsubsidized or subsidized employment, on-the-job training, or supervised work experience or community service. Parents under age 20 could count as satisfying the direct work requirement through participation in high school completion activities. For hours in

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<sup>1</sup> Comments and assistance on this paper were provided by Hedieh Rahmanou, Sharon Parrott, Julie Strawn, and Gayle Bennett.

excess of 24, the state could count any activity reasonably calculated to accomplish a TANF purpose (in accordance with regulations to be developed by the Secretary). For up to three months in a twenty-four month period (and an additional month for completion of certain education and training programs), states could count any activity reasonably calculated to accomplish a TANF purpose toward satisfying the 24-hour direct work activity requirement. States could partially count toward work rates those families that participated in 24 hours of direct work each week but failed to meet the overall monthly requirement of 160 hours.

In its analysis, CRS applies the above rules to data about participation in 2001. For much of the analysis, CRS is able to rely on actual program participant data, for example, the number of families with hours in unsubsidized employment and the number of such hours. In some instances, CRS must make assumptions. Some of the CRS assumptions probably overstate, and others probably understate, current state participation levels. On balance, this appears to be the best available national data from which to estimate national and state-by-state participation rates.<sup>2</sup> The CRS analysis generally does not seek to estimate what state rates would have been had states modified their behavior, either to change the nature of hours and activities for families, to make greater use of sanctions or of separate state programs, or to alter eligibility rules.<sup>3</sup>

Under H.R. 4, required participation rates would reach 70 percent in 2008. Under current law, a state can receive a caseload reduction credit, calculated as a downward adjustment in its required participation rate based on the number of percentage points by which the state's caseload has fallen since 1995 for reasons other than changes in eligibility rules. Under H.R. 4, there would still be a caseload reduction credit, but the base would change each year, so that in FY 2008, for example, a state would only receive credit for caseload declines that occurred between FY 2004 and 2007. In addition, each state whose caseload fell by at least 60 percent between 1995 and 2001 would qualify for a "superachiever" credit reflecting the amount by which caseload decline exceeded 60 percent. The value of this credit in FY 2008 could not exceed 20 percentage points, i.e., the state would need to meet at least a 50 percent rate without the superachiever credit.

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<sup>2</sup> CRS notes, as the Congressional Budget Office previously noted, that states could respond to H.R. 4 requirements by placing families in "separate state programs" as a way to raise measured participation rates. However, the CRS analysis focuses on what state participation rates would be if they did not take such an approach.

<sup>3</sup> In one instance, CRS does assume a change in state behavior: Under current law, a group of states have placed two-parent families in "separate state programs" in order to assist those families without risking a failure to meet the 90 percent two-parent participation rates. CRS assumes that if the separately calculated rate for two-parent families is eliminated, states will reinstate two-parent families in their TANF programs, since such families would, on balance, help states meet participation rates and since there would no longer be any reason to provide assistance to them through separate state programs.

Under H.R. 4, sixteen states would qualify for “superachiever” credits:

<b>Amounts of “Superachiever” Credits Under H.R. 4 in FY 2008 Due to Caseload Decline Exceeding 60 Percent Between 1995-2001</b>	
<b>State</b>	
Wyoming*	20%
Idaho*	20%
Wisconsin	16%
Florida	14%
Illinois	14%
Colorado	12%
Mississippi	10%
Oklahoma	9%
Louisiana	8%
Maryland	6%
Michigan	5%
North Carolina	5%
Georgia	4%
Ohio	3%
South Carolina	2%
West Virginia	2%
*Maximum allowable credit in FY 08 is 20 percentage points; both Wyoming and Idaho had caseload declines exceeding 80 percent between 1995 and 2001.	

All other states would need to meet a 70 percent rate, less any caseload reduction credit. Since it is not known whether or how much caseloads might decline between now and FY 2008, CRS uses two scenarios to determine whether states would have met the required rates. Under one scenario, each state’s required rate in 2008 would be 70 percent unless lower due to the superachiever credit. Under a second scenario, each state would have enough caseload decline to face an adjusted participation rate in 2008 of 50 percent, i.e., this second scenario assumes that those states with no superachiever credits would have caseload declines of twenty percent between 2004 and 2007.

### **The Results: Most States Far Short of Required Participation Levels**

CRS estimates that the national participation rate in FY 2001, under H.R. 4’s rules for required hours and countable activities, would have been 32 percent,<sup>4</sup> a figure slightly below the 34 percent national rate attained in 2001 when calculated under current participation rate rules. Overall, CRS calculates that seven states (Wyoming, Montana, Washington, Idaho, Illinois, Iowa, and Maine) would have attained participation rates of

<sup>4</sup> Data was not available to make the calculation for Vermont, so all totals and numbers in this analysis are for forty-nine states and the District of Columbia. The CRS report also includes data for Puerto Rico and the Virgin Islands; data was unavailable for Guam.

50 percent or greater had the H.R. 4 rules been in effect in 2001. In contrast, twenty-two states would have had participation rates below 30 percent. Notably, nine of these lower-participation rate states would also be designated as “superachievers” because of their large caseload declines between 1995 and 2001.

When “superachiever” credits are taken into consideration, two states (Idaho and Wyoming) would have met required participation rates; two others (Montana and Illinois) were within 3 percentage points, and Wisconsin was 7 percentage points short of meeting its required rate. In contrast, thirty-four states would have had shortfalls of 30 percentage points or more, including eighteen states with shortfalls of 40 percentage points or more. (Those eighteen states are Georgia, Massachusetts, Pennsylvania, Delaware, Texas, Maryland, Rhode Island, D.C., Arkansas, Nebraska, Missouri, West Virginia, Oregon, Connecticut, Kentucky, South Carolina, Virginia, and North Carolina.)

If caseloads did decline substantially and states’ required rates were adjusted downward to 50 percent, more states would have met the required rates, though the great majority of states would still not have done so. CRS concludes that if the adjusted rate in 2001 had been 50 percent, seven states would have met the rates, and another eight would have been within ten percentage points of doing so. At the same time, twenty-two states (including nine “superachievers”) would still have been at least twenty points short of meeting the participation rates.<sup>5</sup>

### **Discussion and Policy Implications**

CRS notes that states risking falling short of meeting participation rates could respond in a range of ways, including greater use of “separate state programs” for those not meeting the rates and treating activities such as parenting as counting toward hours above the 24 hours of “direct work.” It is certainly possible that states might take such approaches. It is also possible that states could respond to the new requirements by imposing new restrictions on assistance and by terminating all assistance to families with severe employment barriers whenever families are unable to consistently participate in required activities on a 40-hour-a-week basis. In fact, the bill’s requirement that states use full-family sanctions could increase the likelihood that those not meeting the requirements are terminated rather than assisted to comply. Thus, the establishment of very high participation rates with significant penalties for states’ failure to meet the rates will not assure that states actively work with families to help them find employment. Instead, it may result in states shifting from focusing on promoting employment to focusing on penalty avoidance behavior, and may create strong disincentives against working with those families with the most serious problems.

The CRS analysis focuses on the extent to which states could meet federal participation rates under various scenarios. In structuring participation requirements, though, the most important question for Congress should be whether proposed changes will lead states to

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<sup>5</sup> The CRS document also includes an analysis of requirements of last year’s Senate Finance bill, and estimates that the average participation rate under that bill would have been 45 percent, and that 22 states would have met the increased rate.

run better programs that help more families enter and sustain employment and advance to higher wages over time. The H.R. 4 requirements fail this test for three principal reasons:

- The H.R. 4 requirements do not reflect the best judgment of states about how to run effective programs to link families with work. In response to a survey by the National Governors Association and American Public Human Services Association, 41 of 47 states reported that they would need to make fundamental changes to their programs in order to comply with H.R. 4 requirements.
- H.R. 4 would push states to require forty hours of program activity and to assign individuals to work experience programs if they are unable to find unsubsidized employment. No research suggests that requiring 40 hours of activity will be more effective than requiring 30 hours of activity. In welfare-to-work research, none of the most successful programs studied made extensive use of work experience.<sup>6</sup> Instead, the welfare-to-work research consistently finds that the most effective programs focus on employment but use a variety of services--including job search, education, and training--to help individuals reach that goal.<sup>7</sup>
- The Congressional Budget Office has estimated that states would face billions of dollars in additional costs in order to meet the work and child care costs of H.R. 4.<sup>8</sup> However, H.R. 4 provides no new TANF funding and only \$1 billion in new child care funding over that period. States would be forced to cut other TANF-funded benefits and services and redirect child care away from other low-income working families in order to meet the H.R. 4 requirements.

What would be a better approach in TANF to helping families find and keep jobs and advance in the workforce? As Congress considers changes to participation and work-related rules, the principal goals should be to reward better employment outcomes and measure participation in a way that lets states make their own judgments about effective activities to help families move into stable employment. At the same time, the focus should also be on helping those with the most serious barriers enter sustainable

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<sup>6</sup> For discussions of these points, see, e.g., Greenberg, M., & Rahmanou, H. (February 2003). *Imposing a 40-Hour Work Requirement Would Hurt State Welfare Reform Efforts*. Washington, DC: The Center for Law and Social Policy. Available at: [http://www.clasp.org/DMS/Documents/1045077554.68/40\\_hours.pdf](http://www.clasp.org/DMS/Documents/1045077554.68/40_hours.pdf); Fremstad, S., et al. (August 2002). *One Step Forward or Two Steps Back: Why the Bipartisan Senate Finance Bill Represents a Better Approach to TANF Reauthorization than the House Bill*. Washington, DC: The Center on Budget and Policy Priorities and the Center for Law and Social Policy. Available at: [http://www.clasp.org/DMS/Documents/1028928846.02/doc\\_13reasons.pdf](http://www.clasp.org/DMS/Documents/1028928846.02/doc_13reasons.pdf).

<sup>7</sup> See Martinson, K., & Strawn, J. (April 2003). *Built to Last: Why Skills Matter for Long-Run Success in Welfare Reform*. Washington, DC: The Center for Law and Social Policy. Available at: [http://www.clasp.org/DMS/Documents/1051044516.05/BTL\\_report.pdf](http://www.clasp.org/DMS/Documents/1051044516.05/BTL_report.pdf).

<sup>8</sup> CBO initially estimated that the costs of meeting the H.R. 4 requirements would be in the range of \$8 to \$11 billion. A new CBO analysis issued on May 8, 2003, concludes that the costs would be \$9 billion if the bill is interpreted as requiring 40 hours of structured and supervised activity; \$6 billion if the bill is interpreted so that everyone who meets a 24-hour requirement would be assumed to also meet a 40-hour requirement and that during a three-month period, those with at least one hour of state-reported activity in a month could be counted as meeting a 40-hour requirement that month; and \$3 billion if one assumes that for a three-month period, every recipient could be counted as participating for 40 hours without any additional costs. Apart from its revised approach to the three-month period, CBO also now assumes that if individuals are currently in activities that would not count as direct work under H.R. 4, states could shift those individuals into direct work activities at no additional cost. In addition, these cost estimates reflect adjustments for the superachiever credit and reflect use of 2001 data rather than 2000 data.

employment and helping families in low-wage jobs make ends meet. Accordingly, we recommend that Congress:

- Eliminate the caseload reduction credit, and instead provide a credit for families that leave assistance due to employment, with greater credit for higher earnings;
- Eliminate or reduce restrictions on vocational training;
- Broaden the ability to count barrier removal activities designed to address serious problems some recipients face, such as disabilities, domestic violence, and substance abuse;
- Let states exclude from or count toward the rates those caring for disabled family members;
- Adopt the “Business Links” proposal by Senators Bingaman, Rockefeller, and Breaux, which would provide dedicated federal funding for business-linked training efforts and for expanded transitional jobs programs;
- Provide a child care funding increase that will be sufficient to help states maintain current services, meet work requirements, broaden access for other working families, and strengthen quality; and
- Enact a federal option for all states to use TANF funds to assist working families without having that assistance counted against TANF time limits.

Finally, while much of the national discussion has centered around the details of participation rate calculations, it remains unclear whether states with higher participation rates are running more effective programs, and many local administrators say they would rather be accountable for employment outcomes than for participation process measures. Moreover, state efforts to coordinate and integrate workforce development initiatives across funding streams are hindered by detailed process requirements that apply only to TANF participants. Accordingly, CLASP continues to recommend that Congress give states an option to be held accountable for outcomes rather than for meeting participation rates.

It is entirely possible to enact a TANF reauthorization bill that encourages and promotes work while respecting state flexibility and drawing from relevant research. Congress should explore such approaches, rather than compel the substantial and unproductive restructuring that would be mandated by H.R. 4.

## **Appendix: CRS' Calculation of State Participation Rates Under H.R. 4**

A participation rate is calculated using a “denominator” and a “numerator.” This appendix summarizes and discusses CRS' analysis of each component.

### **The Participation Rate Denominator**

For the denominator, CRS looked at the number of families that included an adult receiving assistance in 2001. CRS added in the group of two-parent families currently in separate state programs, on the premise that since the bill would eliminate the separately-determined participation rate for two-parent families, states would find it in their interest to include these families in their TANF programs in order to help meet the participation rates. As specified by H.R. 4, CRS then adjusted downward the number of families with adults by excluding from the participation rate:

- families in their first month of receiving assistance;
- families with a child under the age of 1 that states reported that they exempted and disregarded from the participation calculation in FY 2001, adjusted by including in the calculation any such families that CRS determined would be counted as participants under the rules of H.R. 4;
- families with a member under sanction, for up to three months in a twelve-month period; and
- participants in a tribal TANF program (at state option).

Under current law, a group of states operate under rules that applied to their state waiver programs. Under H.R. 4, a state could operate under its waiver until the waiver expired, but all waivers would expire by FY 2008. Accordingly, CRS includes families in the denominator even if they would be excluded under terms of a state's waiver.

Based on this analysis, CRS concluded that 82.6 percent of all families with an adult receiving assistance would be in the participation rate denominator.

### **The Participation Rate Numerator**

Under H.R. 4, a family would need to participate for at least 160 hours a month to fully count toward the rates (40 hours times 4 weeks), and would need to have at least 24 hours a week of countable activity in order to partially count toward the rates. Generally, a family would need at least 24 hours a week of participation in “direct work” activities, defined for adults as unsubsidized or subsidized employment, on-the-job training, or supervised work experience or community service. Parents under age 20 could count as satisfying the direct work requirement through participation in high school completion activities. For hours in excess of 24, the state could count any activity reasonably calculated to accomplish a TANF purpose (in accordance with regulations to be developed by the Secretary). For up to three months in a twenty-four month period (and an additional month for completion of certain education and training programs), states could count any activity reasonably calculated to accomplish a TANF purpose toward satisfying the 24-hour direct work activity requirement.

In its analysis, CRS applies the above rules to data about participation in 2001. For much of the analysis, CRS is able to rely on actual program “microdata” about, e.g., the number of families with hours in unsubsidized employment and the number of such hours.

In some instances, CRS must make assumptions. CRS’ key assumptions, and issues presented by those assumptions, are:

- In any instance in which an individual was reported to have been in work experience or community service in 2001, CRS treats those hours as countable under H.R. 4. This may have the effect of giving states “too much” of an adjustment, since presumably some of those currently in work experience or community service would not meet a “supervised” standard.
- In any instance in which an individual in their first three months had any hours of reported participation in 2001, CRS treats that individual as having met the full 160 hours of countable participation for that month. CRS does so on the premise that states will have broad discretion in determining what activities to count in the first three months of participation, but this would appear to give states “too much” of an adjustment, as surely some of those in their initial months will not participate for all scheduled hours, and unless the process is a purely paper one, there will be program and child care costs in reaching the forty-hour level.
- In determining hours of participation after the first three months, CRS relies on hours actually reported by states in FY 2001, i.e., CRS does not simply assume that if a family was participating at the 24-hour level, the family could be deemed to be participating at the 40-hour level, even though states will have broad discretion in determining the counting of those additional hours. It may be asserted that this gives states “too little” adjustment, as presumably some of these families are currently engaged in non-reported activities that could count toward the 40-hour level.
- For anyone with reported hours in job search (not already counted as meeting the requirements during the first three months), CRS assumed that they would meet the 24-hour standard. This may give states “too much” of an adjustment, as it is assuming that all of those in job search falling short of the 24-hour standard could all meet the 24-hour standard with no additional effort.
- Other sources of data suggest that current levels of participation in states are probably higher than those that appear in federal reporting, because of limitations in how data is reported. However, CRS does not make upward adjustments in hours to adjust for these unreported activities, but rather relies on the available reported data.
- The Congressional Budget Office has noted that states could respond to new participation requirements by placing some families in state-funded “separate state programs” in order to attain higher federal participation rates. CRS acknowledges this possibility. For purposes of this analysis, though, CRS is estimating participation rates under H.R. 4 rules if states did not transfer families into separate state programs. CRS does assume that two-parent families will move from separate state programs to TANF since there would no longer be any reason to keep such families in a separate state program, and moving such families into TANF programs would help states meet rates.

**Congressional Research Service Estimates of Participation Rates Under H.R. 4**

	<b>CRS-Estimated Rate Under H.R. 4</b>	<b>CRS-Required Increase to Reach 70% Rate or Adjusted Rate (H.R. 4)*</b>	<b>CRS-Required Increase to Reach 50% Rate (H.R. 4)</b>
<b>UNITED STATES</b>	<b>32.2%</b>		<b>17.8%</b>
ALABAMA	39.2%	30.8%	10.8%
ALASKA	43.2%	26.8%	6.8%
ARIZONA	38.7%	31.3%	11.3%
ARKANSAS	19.8%	50.2%	30.2%
CALIFORNIA	34.2%	35.8%	15.8%
COLORADO	32.8%	25.2%*	17.2%
CONNECTICUT	27.1%	42.9%	22.9%
DELAWARE	16.5%	53.5%	33.5%
DIST. OF COL.	19.7%	50.3%	30.3%
FLORIDA	29.7%	26.3%*	20.3%
GEORGIA	7.2%	58.8%*	42.8%
HAWAII	36.0%	34.0%	14.0%
IDAHO	54.6%	0.0%*	0.0%
ILLINOIS	53.6%	2.4%*	0.0%
INDIANA	42.7%	27.3%	7.3%
IOWA	52.7%	17.3%	0.0%
KANSAS	47.9%	22.2%	2.1%
KENTUCKY	27.3%	42.7%	22.7%
LOUISIANA	29.7%	32.3%*	20.3%
MAINE	51.2%	18.8%	0.0%
MARYLAND	12.7%	51.3%*	37.3%
MASSACHUSETTS	12.1%	57.9%	37.9%
MICHIGAN	30.1%	34.9%*	19.9%
MINNESOTA	33.4%	36.6%	16.6%
MISSISSIPPI	20.5%	39.5%*	29.5%
MISSOURI	25.2%	44.8%	24.8%
MONTANA	69.8%	0.2%	0.0%
NEBRASKA	21.5%	48.5%	28.5%
NEVADA	43.5%	26.5%	6.5%
NEW HAMPSHIRE	30.8%	39.2%	19.2%
NEW JERSEY	30.9%	39.1%	19.1%
NEW MEXICO	44.4%	25.6%	5.6%
NEW YORK	37.2%	32.8%	12.8%
NORTH CAROLINA	24.1%	40.9%*	25.9%
NORTH DAKOTA	32.5%	37.5%	17.5%
OHIO	49.9%	17.1%*	0.1%
OKLAHOMA	28.1%	32.9%*	21.9%
OREGON	26.4%	43.6%	23.6%
PENNSYLVANIA	12.8%	57.2%	37.2%
RHODE ISLAND	19.6%	50.4%	30.4%
SOUTH CAROLINA	25.8%	42.2%*	24.2%
SOUTH DAKOTA	34.9%	35.1%	15.1%
TENNESSEE	32.6%	37.4%	17.4%
TEXAS	17.2%	52.8%	32.8%
UTAH	38.0%	32.0%	12.0%
VERMONT	NA	NA	NA
VIRGINIA	28.7%	41.3%	21.3%
WASHINGTON	59.4%	10.6%	0.0%
WEST VIRGINIA	23.4%	44.6%*	26.6%
WISCONSIN	46.6%	7.4%*	3.4%
WYOMING	77.9%	0.0%*	0.0%

\*For "superachiever states" the effective rate is less than 70%

Source: Estimates prepared by Congressional Research Service, applying H.R. 4 rules to data from the FY 2001 National TANF Data Files. See Gene Falk and Shannon Harper, TANF Work Participation Requirements Proposed in Welfare Reform Legislation (April 21, 2003).

**Congressional Research Service Estimates of Participation Rates Under H.R. 4, State Rankings**

	CRS Estimates of Participation Rates Under H.R. 4
<b>UNITED STATES</b>	<b>32.2%</b>
WYOMING	77.9%
MONTANA	69.8%
WASHINGTON	59.4%
IDAHO	54.6%
ILLINOIS	53.6%
IOWA	52.7%
MAINE	51.2%
OHIO	49.9%
KANSAS	47.9%
WISCONSIN	46.6%
NEW MEXICO	44.4%
NEVADA	43.5%
ALASKA	43.2%
INDIANA	42.7%
ALABAMA	39.2%
ARIZONA	38.7%
UTAH	38.0%
NEW YORK	37.2%
HAWAII	36.0%
SOUTH DAKOTA	34.9%
CALIFORNIA	34.2%
MINNESOTA	33.4%
COLORADO	32.8%
TENNESSEE	32.6%
NORTH DAKOTA	32.5%
NEW JERSEY	30.9%
NEW HAMPSHIRE	30.8%
MICHIGAN	30.1%
FLORIDA	29.7%
LOUISIANA	29.7%
VIRGINIA	28.7%
OKLAHOMA	28.1%
KENTUCKY	27.3%
CONNECTICUT	27.1%
OREGON	26.4%
SOUTH CAROLINA	25.8%
MISSOURI	25.2%
NORTH CAROLINA	24.1%
WEST VIRGINIA	23.4%
NEBRASKA	21.5%
MISSISSIPPI	20.5%
ARKANSAS	19.8%
DIST. OF COL.	19.7%
RHODE ISLAND	19.6%
TEXAS	17.2%
DELAWARE	16.5%
PENNSYLVANIA	12.8%
MARYLAND	12.7%
MASSACHUSETTS	12.1%
GEORGIA	7.2%

	CRS-Required Increase to Reach 70% Rate or Adjusted rate (H.R. 4)*
IDAHO	0.0%*
WYOMING	0.0%*
MONTANA	0.2%
ILLINOIS	2.4%*
WISCONSIN	7.4%*
WASHINGTON	10.6%
OHIO	17.1%*
IOWA	17.3%
MAINE	18.8%
KANSAS	22.2%
COLORADO	25.2%*
NEW MEXICO	25.6%
FLORIDA	26.3%*
NEVADA	26.5%
ALASKA	26.8%
INDIANA	27.3%
ALABAMA	30.8%
ARIZONA	31.3%
UTAH	32.0%
LOUISIANA	32.3%*
NEW YORK	32.8%
OKLAHOMA	32.9%*
HAWAII	34.0%
MICHIGAN	34.9%*
SOUTH DAKOTA	35.1%
CALIFORNIA	35.8%
MINNESOTA	36.6%
TENNESSEE	37.4%
NORTH DAKOTA	37.5%
NEW JERSEY	39.1%
NEW HAMPSHIRE	39.2%
MISSISSIPPI	39.5%*
NORTH CAROLINA	40.9%*
VIRGINIA	41.3%
SOUTH CAROLINA	42.2%*
KENTUCKY	42.7%
CONNECTICUT	42.9%
OREGON	43.6%
WEST VIRGINIA	44.6%*
MISSOURI	44.8%
NEBRASKA	48.5%
ARKANSAS	50.2%
DIST. OF COL.	50.3%
RHODE ISLAND	50.4%
MARYLAND	51.3%*
TEXAS	52.8%
DELAWARE	53.5%
PENNSYLVANIA	57.2%
MASSACHUSETTS	57.9%
GEORGIA	58.8%*

	CRS-Required Increase to Reach 50% Rate (H.R. 4)
<b>UNITED STATES</b>	<b>17.8%</b>
IDAHO	0.0%
ILLINOIS	0.0%
IOWA	0.0%
MAINE	0.0%
MONTANA	0.0%
WASHINGTON	0.0%
WYOMING	0.0%
OHIO	0.1%
KANSAS	2.1%
WISCONSIN	3.4%
NEW MEXICO	5.6%
NEVADA	6.5%
ALASKA	6.8%
INDIANA	7.3%
ALABAMA	10.8%
ARIZONA	11.3%
UTAH	12.0%
NEW YORK	12.8%
HAWAII	14.0%
SOUTH DAKOTA	15.1%
CALIFORNIA	15.8%
MINNESOTA	16.6%
COLORADO	17.2%
TENNESSEE	17.4%
NORTH DAKOTA	17.5%
NEW JERSEY	19.1%
NEW HAMPSHIRE	19.2%
MICHIGAN	19.9%
FLORIDA	20.3%
LOUISIANA	20.3%
VIRGINIA	21.3%
OKLAHOMA	21.9%
KENTUCKY	22.7%
CONNECTICUT	22.9%
OREGON	23.6%
SOUTH CAROLINA	24.2%
MISSOURI	24.8%
NORTH CAROLINA	25.9%
WEST VIRGINIA	26.6%
NEBRASKA	28.5%
MISSISSIPPI	29.5%
ARKANSAS	30.2%
DIST. OF COL.	30.3%
RHODE ISLAND	30.4%
TEXAS	32.8%
DELAWARE	33.5%
PENNSYLVANIA	37.2%
MARYLAND	37.3%
MASSACHUSETTS	37.9%
GEORGIA	42.8%

\*For "superachiever states" the effective rate is less than 70%

Source: Estimates prepared by Congressional Research Service, applying H.R. 4 rules to data from the FY 2001 National TANF Data Files; CLASP rankings using CRS-reported data.