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The Status of Welfare Reform in the District of Columbia

by Ed Lazere

Summary

The District of Columbia enacted legislation implementing provisions of the 1996 federal welfare law in March 1997. The District's law, like those of many other states, includes a five-year lifetime limit on receipt of welfare benefits under the federal Temporary Assistance for Needy Families (TANF) block grant, which means that families could begin reaching the time limit in March 2002. District officials estimate that as many as 2,652 families could reach the time limit that month and that an additional 2,511 families could hit the time limit by December 2002. Policymakers, interest groups, the media, and concerned citizens have raised questions regarding what the District will do to assist families facing time limits.

The approaching time limit creates an opportunity to assess the status of welfare reform in the District. This analysis finds that the District's experience under welfare reform, while distinct, has been similar in some fundamental ways to the experiences of other states.[1] Welfare caseloads have fallen substantially in the District and other states, and a relatively high percentage of former welfare recipient are working. At the same time, a significant share of families have not left assistance and are approaching time limits. Like a number of other states, the District is taking steps to identify employment barriers among the latter group and to provide appropriate services to help families move to employment. In addition, the District has decided to use the flexibility in the federal law to continue providing cash assistance to families reaching the time limit that do not earn enough to be self-sufficient. This reflects the District's intent to support family stability while continuing efforts to help families seek meaningful employment. In making this choice, the District is following other states that have used the flexibility in the federal welfare law to design time limit policies without creating widespread financial hardship.

The key findings related to the performance of the District's welfare reform to date include the following.

- The District has experienced a substantial decline in its welfare caseload. The number of families receiving welfare benefits has fallen 41 percent since 1994, and the caseload is now at its lowest level since the early 1970s.

[1] D.C. is treated like a state under the federal welfare law. As a result, this paper refers to "other states" when describing the 50 states.

- Three of five families that leave welfare in the District are employed a year later, and an additional 20 percent worked at some point during the year but not at the time of the survey. These are similar to the employment experiences of former welfare recipients in other states. Former welfare recipients in the District who are employed typically work 40 hours per week and earn $8.13 an hour, which is somewhat higher than the earnings of similar families in other states.

- The decline in the District's caseload is somewhat less than in the nation as a whole, where the number of families on welfare fell 57 percent from 1994 to June 2000. In part, this difference reflects the fact that the District, as a city, has a more disadvantaged population than most states; cities generally have experienced smaller welfare caseload declines than the national average. In addition, the District has not adopted some of the more stringent policies that have contributed to caseload decline in other states. For example, while many states terminate an entire family's assistance when adults do not comply with work requirements, the District and 12 other states reduce, but do not terminate, benefits in instances of non-compliance.

- Delays and under-utilization of some welfare policies may have contributed to the pace of the District's caseload decline and to the number of families reaching time limits, since appropriate services to help families become employed have not always been available. For example, the first round of contracts with private providers of employment services was not established until November 1998, and a second round of contracts — which has received broad praise for improving the delivery of these services — was completed in July 2000. Moreover, the District has a program to provide services to adult welfare recipients with severe physical or mental health problems or substance abuse problems, without subjecting them to a time limit, yet fewer than 300 families now participate in it. This suggests that a large share of the families approaching time limits may have serious employment barriers that have not been identified. (As described below, new policies being implemented may improve the identification of these barriers.)

- While a significant share of families still receiving cash assistance in the District is approaching the 60-month limit on receipt of federal benefits, this phenomenon is not unique. Administrative data indicate that a large share of welfare recipients in the nation as a whole may be nearing time limits.

Like other states, the District is adopting some new policies to intensify services for families that have been on welfare all or most of the time since 1997.

- The District is enhancing a home visiting program intended to identify barriers to work and then link families with services. The District also is expanding a jobs program that will provide short-term publicly subsidized jobs for individuals unable to find other work. Similar programs, in states such as Washington state, have proven to be effective in giving long-term welfare recipients work experience.

- The District has decided to use the flexibility provided in the federal welfare law to continue providing cash assistance to families that reach the time limits. While the federal welfare law includes a basic 60-month limit on the receipt of federal assistance, it also allows — and even anticipates — that at least some families will receive assistance beyond 60 months. Many other states have used this flexibility, resulting in a wide variety of policies to ensure that time limits do not result in severe financial hardships. Some states — Michigan, New York, and Vermont — effectively have no time limit. Six states — Arizona, California, Indiana, Maine, Maryland, and Rhode Island — continue to provide assistance after families reach time limits but reduce benefit amounts. Other state welfare programs include exemptions from the time limit that cover broad sections of their welfare caseloads. Other states have established criteria to provide extensions to families reaching time limits, including extensions when adults are making good faith efforts to move from welfare to work.

- These policies represent an effort by the District to improve its ability to serve long-term welfare recipients — both to address employment barriers and to provide meaningful work services — while also recognizing the importance of maintaining a safety net for vulnerable families, many of whom face serious employment barriers. These steps appear to be consistent with efforts in many other states to combine aggressive promotion of employment with flexible policies that assure support for the neediest families.

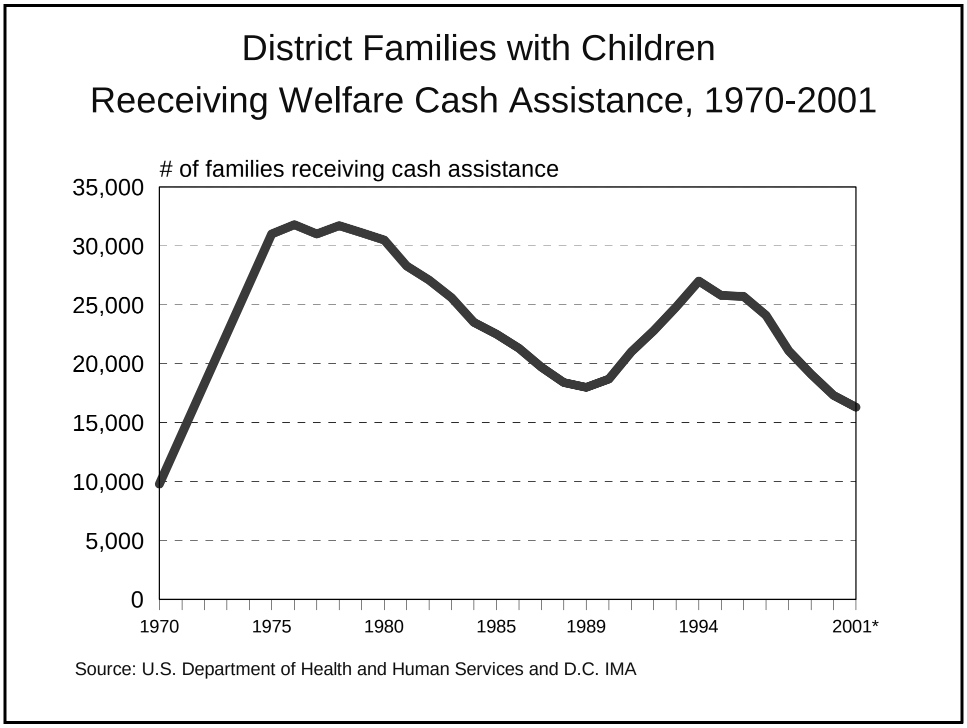
Welfare Caseload Trends in the District

Welfare caseloads increased sharply in D.C. in the early 1990s, as they did in most states, due largely to the national recession. The number of families on welfare peaked in early 1994 and then began to fall significantly. The caseload declines reflect both economic improvements and welfare reform policies.

- Between early 1994 and January 2001, the number of families on welfare in the District fell from 27,400 to 16,300, a decline of 41 percent.

- The District's welfare caseload decline since 1994 has more than offset the caseload increase that occurred in the early 1990s. In fact, the number of District families receiving welfare is lower than at any point since the early 1970s.

At the same time, the welfare caseload decline in the District is smaller than in the nation as a whole. Between early 1994 and June 2000, the number of families on welfare in the nation as a whole dropped 57 percent, while the number of welfare recipients in the District fell 37 percent.[2] The more modest decline in caseloads in the District is likely to reflect a number of factors, although two particular factors appear significant.



First, the District appears to have a more disadvantaged welfare population than the nation as a whole. A recent study by the Urban Institute found that welfare recipients in the District are more likely than welfare recipients nationally to have been on welfare for an extended period and to never have been married.[3] A 1999 study found that 85 percent of the District's welfare recipients have low literacy skills, somewhat higher than the 76 percent of welfare recipients nationally with low literacy skills.[4]

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[2] National data are not available to compare caseload declines through January 2001, the most recent period for which D.C. data are available.

[3] Gregory Acs and Pamela Loprest, *The Status of TANF Leavers in the District of Columbia, Final Report,* Urban Institute, January 2001 (http://www.urban.org/dc/dc_tanf_leavers.html).

[4] Alan Levinson, et. al, Welfare, Jobs, and Basic Skills: The Employment Prospects of Welfare Recipients in the Most Populous U.S. Counties, National Center for the Study of Adult Learning and Literacy, Report #10B, April 1999.

In general, cities have experienced smaller welfare caseload declines than the national average. A report by the Brookings Institution found that between 1994 and 1999, the number of families on welfare in urban counties fell 41 percent, compared with a 52 percent decline in the nation as a whole.[5]

Second, the District does not have a full-family sanction policy. The federal welfare law requires states to sanction families, by reducing their benefits, when the adults do not comply with work requirements. Some 37 states have gone beyond the federal requirement and terminate benefits entirely for a family when adults are not in compliance, which is called a full-family sanction. The District and 12 states have chosen to reduce, but not terminate benefits in these instances. Research suggests that families that receive a full-family sanction are among the most disadvantaged welfare recipients and typically have very low earnings and rates of employment after being sanctioned.[6]

There are some indications that full-family sanctions have contributed significantly to caseload declines in at least some states.

- In South Carolina, for example, welfare caseloads fell 62 percent from 1995 through 1999. Yet according to state officials, full-family sanctions accounted for more than a quarter of the decline. Without the impact of full-family sanctions, the caseload decline in South Carolina during this period would have been 45 percent, rather than 62 percent.

- In general, caseload declines in states without full-family sanctions, while substantial, have not been as large as in the states with full-family sanctions. Of the 12 states that do not impose full-family sanctions, the decline in welfare caseloads has ranged from 28 percent to 55 percent, and the average decline was 46 percent.

Table 1
Welfare Caseload Declines Since 1994 in States without Full-Family Sanctions

	Caseload Decline*
Alaska	41%
California	46%
District of Columbia	37%
Indiana	53%
Maine	54%
Minnesota	38%
Missouri	50%
New Hampshire	50%
New York	45%
Rhode Island	28%
Texas	55%
Vermont	41%
Washington	47%

*This reflects caseload decline from early 1994 through June 2000.

5 Katherine Allen and Maria Kirby, *Unfinished Business: Why Cities Matter to Welfare Reform*, The Brookings Institution Center on Urban and Metropolitan Policy, July 2000 (http://www.brookings.org/es/urban/welfarecaseloads/2000report.htm).

6 Heidi Goldberg and Liz Schott, *A Compliance-oriented Approach to Sanctions in State and County TANF Programs*, Center on Budget and Policy Priorities, October 2000 (http://www.cbpp.org/10-1-00sliip.htm).

In addition to these factors, caseload declines in the District may have been slowed by the way it implemented welfare reform. While many states initiated welfare reform programs prior to the 1996 welfare law, and many other states implemented the federal law by early 1997, the District did not pass comprehensive reform legislation until 1999, and final regulations for this legislation have not yet been promulgated. (The District enacted welfare reform legislation in March 1997 that was very modest and limited primarily to the elements required under federal law). Moreover, as a result of the District's fiscal crisis in the mid-1990s, some services provided outside of the welfare agency that nonetheless support welfare reform goals were under-funded. For example, the public schools offered virtually no adult basic education services in 1997.

Beyond that, the District government has received some criticism for its performance under welfare reform, and, in particular, for failing to provide services families need to move from welfare to work.

- *Delayed Implementation of Program Components:* For a variety of reasons, including a cumbersome contracting process in the District government, contracts with providers of work services ("vendors") were not established until November 1998. A second round of contracts, which set more rigorous requirements for the services to be provided and included technical assistance for the vendors from a national welfare expert, was not issued until the summer of 2000.

- *Under-utilization of Program Components:* The TAPIT program would allow as many as 400 adult welfare recipients to participate in post-secondary education, but it now has only 180 participants. More significantly, a program for adults with physical or mental disabilities or substance abuse problems (the POWER program) has fewer than 300 participants. The limited use of these programs in part reflects the inadequate assessments by the District government of the employment barriers and service needs of the District's welfare recipients. As described below, an enhanced home visiting program that will be implemented in the near future may improve the identification of these barriers.

The Circumstances of Former Welfare Recipients

The District of Columbia and most states have conducted studies to track the experiences of families that have left welfare in recent years. All of the so-called "leavers" studies include information on employment and earnings, while some also include information on fringe benefits for employed leavers, receipt of food stamps and Medicaid among leavers that remain eligible for those programs, and the extent to which former welfare recipients are facing financial hardship. These studies represent the primary source of information on the status of former welfare recipients.

In January 2001, the Urban Institute released a study commissioned by the District that focused on D.C. families that left welfare in 1997 and 1998.[7] Among the major findings of the study are:

- Some 60 percent of the welfare "leavers" were employed a year after their exit from welfare. An additional 20 percent had worked at some point but were unemployed at the time of the interview, and 20 percent had not worked at all in the year after leaving welfare. (Some of the unemployed leavers had returned to welfare by the time of the survey.)

- The adults that were working typically earned $8.13 an hour and worked 40 hours per week. The typical working parent earned $3,934 in the fourth quarter after leaving welfare.[8]

- Roughly one of four families that left welfare returned to assistance within a year.

- Families that left welfare continued to face high rates of hardship. Roughly one-third of leavers were behind on rent and utility bills, the same as the percentage of families that faced this problem while they had been on welfare.

While these findings suggest that most welfare leavers in the District continue to have low incomes and to be financially vulnerable, the Urban Institute study notes that the status of welfare leavers in the District is roughly the same — and in some cases better — than the status of welfare leavers in other states. The study notes that the 60 percent employment rate of former welfare recipients is "similar to those found in studies of TANF leavers in other jurisdictions" and that the earnings of the District's welfare leavers are "among the highest" when compared with other states.[9] Most leaver studies indicate that a sizable share of families return to welfare, and most find that the incidence of material hardship does not change significantly when families leave welfare.

The District Is Not Unique In Having Many Families Nearing Time Limits

Of the 16,300 families receiving TANF assistance in the District, 10,800 are subject to the city's time limit. Most of the remaining families are "child-only"cases, families in which a

[7] Acs and Loprest, op. cit.

[8] A worker employed full-time at $8.13 an hour would earn $4,228 per quarter. The slightly lower figure for the District's TANF leavers indicates that some of the these workers are not able to work full-time every week. This could reflect variations in work hours offered by an employer or time taken off due to illness or other factors, since many former welfare recipients do not receive paid leave benefits.

[9] Id., pp. i and 14.

child is being cared for by someone who is not receiving TANF assistance. Examples of child-only cases include families in which children being cared for by a grandparent who receives assistance only for the children, and families in which a parent with a disability receives SSI and the children receive TANF assistance.

The District's Income Maintenance Administration, its welfare agency, has calculated that 2,652 families have received TANF cash assistance continuously since March 1997. These families will reach the 60-month time limit by March 2002 if they do not leave welfare before then.[10] An additional 2,511 families could reach the time limit by the end of 2002 if they continue to remain on welfare. Together, these families represent 48 percent of the 10,800 families subject to a time limit, or 32 percent of all 16,300 families receiving assistance.

While the share of the District's welfare caseload that could reach a time limit next year is substantial, a number of states may be facing similar circumstances. A recent study by the Congressional Research Service analyzed administrative data from the U.S. Department of Health and Human Services for fiscal year 1999 — the most recent data available — and found that a substantial share of welfare recipients in a number of states may be approaching time limits as well.[11] The study assessed the months families had received assistance in 1999 as a percentage of the total months of TANF assistance they could have received by 1999.[12] The study examined data for 34 states, not including the District, that appeared to have the most reliable data. It found that:

- In 9 of the 34 states, at least one-third of the welfare recipients had received TANF assistance continuously since the state implemented its TANF program. In three of these states — Illinois, New York, and Rhode Island — more than half of all recipients had been on assistance continuously.

- In 21 states, at least one-third of recipients had received TANF assistance for 75 percent or more of the time since the state's implementation of TANF.

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[10] The number of families that have received assistance continuously actually has dropped sharply in recent years. According to the Income Maintenance Administration, the number of these long-term welfare recipients declined 43.5 percent since January 2000.

[11] Gene Falk, et al., *Welfare Reform: Time Limits Under TANF*, Congressional Research Service, February 2001, pp. 50-52. The study includes data showing that in 21 of 34 states studied, at least one-third of TANF recipients had been on assistance for 75 percent or more of the months since TANF was initiated.

[12] State implementation of TANF programs occurred between October 1996 and July 1997. Because states implemented TANF at different times, the number of months a family could have received TANF cash assistance by 1999 varies from state to state. Measuring months of assistance received as a percentage of the total possible months of TANF assistance, as the study did, compensates for this variation.

These data suggest the District is not alone in having a large share of its welfare population nearing the five-year time limit.

What Services is D.C. Providing to Assist Long-Term Recipients to Move to Work?

The District government has recently announced a third phase of welfare reform, policies aimed at providing intensive services to families that have received welfare benefits for all or most of the time since March 1997 and to support families who are moving into the workforce. The new initiatives, some of which will be implemented in April 2001, include the following:

- *Intensive Job Services and Subsidized Transitional Jobs:* Project Empowerment will provide intensive case management and education and training for 1,000 families per year for 2001 and 2002. For those parents who are unable to secure a job after receiving these services, the District will provide a short-term subsidized job. By giving recipients meaningful experience in a job setting, well-crafted transitional job programs have been shown to increase the likelihood that welfare recipients will move on to unsubsidized employment.[13] This program will be operated by the Department of Employment Services.

- *Enhanced Home Visiting Program:* In 2000, the District established a program to send staff from non-profit organizations (under contract with the District) to the homes of families that had been sanctioned for not complying with work rules. The home visit program — which is similar to programs in other states, such as Tennessee — is intended to ensure that families understand program rules and are able to participate. The city soon will enlarge that program so that home visits can be made to all families approaching the 60-month time limit. The new home visitors will attempt to assess employment barriers and to determine whether long-term recipients have a disability or substance abuse problem that may make them eligible for the POWER program, which provides specialized services and does not subject participants to a time limit. In those cases, the home visitor will help the family prepare to apply for the POWER program.

- *Enhanced Earned Income Disregard:* The District is changing welfare benefit rules so that families will continue to be eligible for some assistance until their income reaches the poverty line, or about $1,200 per month. Under current rules, a single-parent family of three in the District becomes ineligible for assistance

[13] See, for example, Clifford M. Johnson and Ana Carricchi Lopez, *Shattering the Myth of Failure: Promising Findings from Ten Public Job Creation Initiatives*, Center on Budget and Policy Priorities, December 22, 1997; or Economic Opportunity Institute, *Washington Community Jobs Outcomes Assessment and Program Evaluation*, September 2000 (www.eoionline.org).

when income exceeds $860, or 70 percent of the poverty line. Allowing families to receive some assistance until their earnings reach poverty, as 10 other states do, is intended to ease the transition to work and reward employment.[14] Research has shown that welfare programs combining work requirements and financial incentives result in increases in employment.[15]

What Will Happen to Families that Reach Time Limits?

No matter how successful the District's new efforts turn out to be, there will be some families — and perhaps many — that will reach time limits over the next few years. In a recognition of the hardship that families could face if they lose assistance — and the possible adverse impacts on neighborhoods and the entire city if thousands of families reach time limits and lose assistance — the District has decided to provide continued cash assistance to families that reach the time limit while maintaining efforts to help parents obtain employment. When families reach the time limit, they will be required to be participating fully in assigned work activities unless they are exempt. If they are not participating (and not exempt), the family will receive a reduced amount of cash assistance, with the reduction equal to the parent's share of the welfare benefit.

In taking this step, the District is using the discretion and flexibility over the design of time limits that all states were given in the 1996 federal welfare law. While that law has a basic 60- month limit on the receipt of federal assistance, it allows — and even anticipates — that at least some families will receive assistance beyond 60 months. Many other states have used this flexibility, resulting in a wide variety of time limit policies and various methods of ensuring that time limits do not result in severe financial hardships. Some states effectively have no time limit. Some states continue to provide assistance after families reach time limits but reduce benefit amounts. Other state welfare programs include exemptions from the time limit that cover broad sections of their welfare caseloads. Other states have established criteria to provide extensions to families reaching time limits, including extensions when adults are participating in good faith in program activities.

The welfare time limit choices states have made include the following:

- **Michigan** and **Vermont** have no time limit on assistance. **New York** has a state-funded "Safety Net Assistance" program for families that reach the state's 60-

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[14] The 10 states in which the eligibility limit for cash assistance is equal to or higher than the poverty line are Alaska, California, Connecticut, Hawaii, Indiana, Minnesota, New Hampshire, New York, Rhode Island, and Virginia.

[15] See, for example, Gordon Berlin, *Encouraging Work, Reducing Poverty: The Impact of Work Incentive Programs*, Manpower Demonstration Research Corporation, March 2000. (http://www.mdrc.org/WorkingPoor.htm)

month time limit. In the New York program, benefit levels remain the same as those in the state's TANF program, but the benefits are provided primarily by vendor payments rather than in cash.

- **Oregon** does not subject families to its 24-month time limit when they are participating in all program requirements. (Families that are not participating are terminated from the program and can return only when they are back in compliance.) Thus, while families could have started reaching the state's time limit in July 1998, no families have lost assistance due to the time limit.

- Six states — **Arizona, California, Indiana, Maine, Maryland, and Rhode Island** — reduce benefits but do not terminate them when time limits hit. These states remove the parent's share of the welfare grant and thus provide assistance only to the children.

- Many states exempt certain categories of families from time limits. For example, 26 states exempt families from the time limit when the caretaker is disabled (as defined by the state), 22 states exempt families in which the caretaker is caring for a household member with a disability, 18 states exempt families experiencing domestic violence, and 17 states exempt families with an elderly caretaker. Exemptions can cover a wide share of a state's welfare caseload. In **Massachusetts**, for example, roughly 50 percent of welfare recipients were exempted from the time limit when the state implemented its TANF program. Because the state's caseload decline has been concentrated among families subject to the time limit (those the state considers ready to work), the share of the caseload that is exempt from the time limit has risen since then and reached 74 percent in early 2001.[16]

- Most states provide extensions to at least some categories of families reaching time limits. For example, 20 states provide extensions to families in which the adult has made a good faith effort to find employment but remains unemployed — or underemployed — when the family reaches a time limit. Most of these states set no limit on the number of families that can receive an extension. In **Connecticut**, for example, all families that reach time limits but have low or no earnings are eligible for an extension if they are meeting all program requirements. In **Utah**, six out of every ten families that reach the state's 36 month limit are granted extensions of time.

- Several states provide intensive services to families who have reached or are at risk of reaching the time limit. **Connecticut** has a state Safety Net program which serves families that have reached the state's time limit and do not qualify for an

[16] See http://www.state.ma.us/dta/dtatoday/reform/WelfareReform-Chapter5.htm for more information.

extension. Families participating in the safety net program receive a comprehensive assessment of work readiness and intensive case management as well as vouchers or vendor payments to meet basic needs. **Minnesota** recently established a $75 million intervention fund to provide intensive services to families at risk of reaching the time limit. **Cuyahoga County** in **Ohio** provides wage-based, transitional jobs to families who reach the limit without employment.

In sum, some states have decided that they can operate successful welfare reform programs without a time limit. Many other states have adopted time limit policies in an effort to send the message that assistance should be temporary and that recipients are expected to seek work aggressively. At the same time, these states recognize that time limits do not make sense for all families, and that time limits should be flexible enough to avoid causing significant hardship to families with children.

How the Federal Welfare Law Gives States Flexibility Over Time Limit Policies

As noted, the federal welfare law established a 60-month limit on the receipt of federal assistance. But the law also anticipates that some families will receive assistance beyond 60 months. And as highlighted by the examples above, it also gives states flexibility to design time limit policies as they see fit. There are three provisions in the law that create this flexibility.

- The federal law allows states to provide federal TANF-funded assistance beyond 60 months to up to 20 percent of its welfare recipients.

- Federal law does not require a time limit when state maintenance-of-effort (MOE) funds — the funds states must spend as a condition of receiving federal TANF block grant funds — are used to provide assistance to families. In fact, the law explicitly notes that states can use their MOE funds to provide assistance beyond 60 months.[17] This is what the District plans to do.

- States can use TANF funds to provide various work supports to families — including work expense allowances, transitional jobs, and employment services — regardless of whether they have reached the 60 month limit.

The extent to which the exemption for 20 percent of a state's caseload will be sufficient to cover all welfare recipients that a state finds necessary to exempt has not yet been tested. Because the earliest state TANF programs were implemented in October 1996, no families will reach 60 months of assistance before October 2001. As states make these assessments, it is likely that many will find that the federal provision allowing states to provide assistance beyond

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[17] The law notes that MOE funds can be used to serve that would be eligible for TANF-funded assistance "but for the application" of the 60-month time limit. See 42 U.S. C. §609 (a)(7)(B)(i)(IV).

60 months to 20 percent of the caseload is inadequate to maintain the state's existing exemption and extension policies. A key problem with the 20-percent exception is that the number of families that can be assisted beyond 60 months declines as job-ready recipients leave welfare. If the number of families with severe employment barriers has not fallen significantly, the proportion of the caseload that is made up of families with employment barriers will have risen.. Because welfare caseloads have fallen by nearly half since the federal welfare law was passed, the number of families states can cover using the 20-percent exception also has fallen by half.[18]

The provision of the federal welfare law that does not apply time limits to assistance supported with state MOE funds gives states broad flexibility to design time limit policies. States with policies that may lead to more than 20 percent of its welfare recipients receiving assistance beyond 60 months can use state MOE funds to assist families beyond the limits on use of federal TANF funds. This is what the District has decided to do.

A few states already have decided to use state MOE funds for the purpose of providing assistance to families that may receive assistance beyond 60 months. Massachusetts uses state MOE funds for all families that are exempt from the time limit, California's welfare program calls for the use of MOE funds for families that cannot be served with TANF funds due to the 60-month limit and 20-percent exception, and New York intends to use state MOE funds for all families it will serve beyond 60 months.[19] It is not clear at this time how other states will address the need to serve families that have been exempted from time limits or that have received time limit extensions. But the choices many states have made to ensure that time limit policies do not result in widespread hardship suggest that other states will choose to use MOE funds states if needed to continue those policies.

Conclusion

As a large city, the District faces a larger challenge than the average state in helping needy families move from welfare to work. The District's welfare reform efforts also appear to have been hampered somewhat by delayed and incomplete implementation of some welfare reform components. Nevertheless, the District has experienced a substantial decline in its welfare caseload in recent years, and families leaving welfare appear to be faring as well as or better than families leaving welfare in other states. The approaching 60-month time limit has focused attention on the fact that a substantial number of families may reach the time limit, as

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[18] In addition, the 20-percent exception was not based on estimates of the number of families that might need continued assistance. Research conducted shortly after the welfare law and based on past receipt of public assistance under the AFDC program estimated that 41 percent of families nationally would reach a cumulative 60 months of benefits within an eight year period.

[19] This information is drawn from the State Policy Documentation Project, a project of the Center for Law and Social Policy and the Center on Budget and Policy Priorities (http://www.spdp.org/tanf/separate_state_programs.htm).

appears to be the case in the nation as a whole. Like other states, the District is providing enhanced services to families nearing the time limit to help them find employment. The District has decided that when families reach the time limit, they should continue to receive assistance until they are able to leave welfare rather than being terminated from assistance. In making this choice, the District is following other states that have used the flexibility in the federal welfare law to design time limit policies without creating widespread financial hardship.