

## OTHER STATES' TEMPORARY ASSISTANCE FOR NEEDY FAMILIES INITIATIVES

This memorandum provides information on the New Mexico "Education Works" program and the Arkansas "Work Pays" program.

### NEW MEXICO "EDUCATION WORKS" PROGRAM

The New Mexico "Education Works" program is used as an educational option for recipients of the New Mexico temporary assistance for needy families (TANF) program which is known as the "New Mexico Works" program. The "New Mexico Works" program provides cash assistance, child care, and other services to eligible benefit groups. An eligible benefit group is defined as a pregnant woman or a group of people that includes a dependent child, all of the dependent child's siblings living with the dependent child's parent or relative, and the parent with whom the children live. Benefit groups must also meet citizenship, residency, and child support enforcement requirements.

The "Education Works" option is available to eligible benefit groups that have at least one individual enrolled in a postsecondary, graduate, or postgraduate institution. An eligible individual has the option of participating in the "Education Works" program rather than the "New Mexico Works" program. Participation in "Education Works" does not count toward an individual's 60-month, lifetime limit for receipt of TANF-funded cash assistance benefits. Participant benefits received in the "Education Works" program are identical to the benefits received in the "New Mexico Works" program.

Participation in "Education Works" is generally limited to 24 months. However, a participant can receive benefits for an additional academic term following the 24-month limit if doing so will result in a degree.

Funding for "Education Works" is provided from the state general fund. For fiscal year 2007, a total of \$2 million was appropriated for the program with maximum participation limited to 500 cases. Since 2005 approximately 320 to 410 "Education Works" cases have been active each month, resulting in average fiscal year expenditures of \$1.5 million to \$1.8 million.

Participants who complete the program are expected to have higher future earnings due to the additional education completed. Another anticipated outcome is that participants will be less likely to return to assistance programs because of the potential higher wages that can be earned.

Statutory provisions for the "Education Works" program were created by the Education Works Act. The Act lists the eligibility requirements, restrictions,

and definitions for the "Education Works" program. Relevant code sections are attached as [Appendix A](#).

### ARKANSAS "WORK PAYS" PROGRAM

The Arkansas "Work Pays" program provides up to 24 months of assistance to prior participants of the Arkansas TANF program which is known as the "Transitional Employment Assistance" program.

To be eligible to participate in "Work Pays," recipients must meet the following requirements:

- Have custody of a related child.
- Meet citizenship and residency requirements.
- Apply for the program within six months of closure of the TANF case.
- Have received TANF cash assistance for three months.
- Meet the work-hour requirement of 24 hours per week or other appropriate level based on the family situation.
- Have income below the federal poverty level based on family size.
- Comply with a responsibility agreement and child support requirements.

Case managers assist "Work Pays" participants by providing job placement and advancement support as well as help with child care and transportation issues. In addition to these services, participants receive cash assistance in the same amount that would be received under the regular TANF program. Monthly payments of \$204 are provided to participants plus additional bonuses as listed in the table below:

	Bonus Criteria	Bonus Amount
Bonus 1	Stay employed for three consecutive months	\$400
Bonus 2	Stay employed for an additional six consecutive months	\$600
Bonus 3	Exit bonus for participant meeting work requirements for 21 out of the 24 months on the program	\$800
Bonus 4	Participant's earnings exceed 100 percent of the federal poverty level and the participant leaves the program	\$1,200

Funding for the "Work Pays" program is provided using TANF funds and participation in the program is counted toward an individual's 60-month, lifetime limit for TANF-funded benefits. Enrollment in the program is limited to 3,000 participants. Currently, there are approximately 1,350 participants enrolled in the program. Anticipated annual program expenditures based on 3,000 participants are \$14 million.

Because the program was implemented on July 1, 2006, results of the program cannot be effectively

determined. However, the anticipated outcomes of the program include:

- Increase the percentage of families who receive appropriate services to move from TANF cash assistance into employment and self-sufficiency.
- Increase the earnings of families who leave TANF cash assistance.
- Increase the percentage of parents leaving TANF cash assistance who stay employed.

- Increase the percentage of former TANF cash assistance recipients who move out of poverty, including the value of food stamps, the federal earned income credit, and child support.

The "Work Pays" program participant qualifications and program terms are listed in the Arkansas Code Statutes. Relevant statutes are attached as [Appendix B](#).

ATTACH:2