POLICY MATTERS

2008 DATA UPDATE

TWENTY STATE POLICIES

to Enhance States' Prosperity and
Create Bright Futures for America's Children,
Families and Communities

March 2008

Center
for the
Study
of
Social
Policy

About the Center for the Study of Social Policy

The Center for the Study of Social Policy (CSSP) is a non-profit public policy and technical assistance organization based in Washington, D.C. and New York City. CSSP's mission is to develop public policies and practices that strengthen families and communities to produce equal opportunities and a better future for all children. For more information on the work of CSSP, visit our website at www.cssp.org or call (202) 371-1565.

About the *Policy Matters* Project

Policy Matters develops and disseminates evidence-based information to assess the effectiveness of state policies affecting children, families, and communities. The project seeks to establish consensus among state leaders and policy experts regarding the mix of policies shown to improve child and family well-being.

The *Policy Matters* project is managed at CSSP by Noel Bravo. This report's content is based on extensive policy research presented in six previously published volumes, each of which benefited from the knowledge and contribution of non-partisan working groups of policy experts in relevant fields.

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Policy Matters 2008 Update

As of March 2008, over half of U.S. states are facing projected budget shortfalls for the coming fiscal year.[1] During economic downturns such as this, opportunities available to hard-working, low-wage families are diminished. These conditions create growing concerns for policymakers who must, with fewer state resources, enhance opportunities and provide relief to the affected families in their states.

Policymakers want to know that the budgetary choices they make will be wise investments and accomplish their intended goals. To this end, the *Policy Matters* report can be a useful tool because it identifies evidence-based policies and assembles the most recent state data available in order to assist legislators, governors, and other leaders in making these critical decisions. The *2008 update* provides new information on policy measures and highlights key policy changes made by states since the 2007 *Policy Matters* update was published.

By providing current information and data, *Policy Matters* can help policymakers, advocates, and researchers:

- Identify opportunities for additional policy change within states; and
- Compare policy and policy changes across states; and
- Examine trends by policy area.

For more detailed policy information and research summaries on the policies presented in this report, please refer to six more detailed publications on the following topics:

1. Family Health
2. Economic Success of Families
3. Educational Achievement
4. Readiness of Children for School
5. Engaging Youth in Positive, Productive Roles
6. Strong Family Relationships

All *Policy Matters* materials can be accessed at no cost at www.policymatters.us.

The Center for the Study of Social Policy (CSSP) also provides technical assistance to policymakers, advocates, and researchers seeking to use these materials most effectively. For more information on this work, please contact:

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Overview

Policy Matters begins with a central premise that policies to promote child and family well-being cannot be viewed in isolation of each other. Rather, these policies must be pursued as part of a broader and more integrated policy agenda. This approach translates into a focused set of state policies that have been identified and tracked through this project, as explained below.

An Integrated Strategy: The Two-Generation Approach

Research shows that for children with limited opportunities, state policies can help level the playing field by investing in education, health care, and other essential supports that help them grow up healthy and ready for success in life. Research also shows that a critical determinant of children's well-being is the well-being of their parents, which includes parental education, income, and emotional health.[2] Parental well-being drives a child's experience in the home and determines how effectively a child can access opportunities and services available outside of the home. Given this influence, policies to promote parental well-being are essential. States and the federal government have begun taking steps to enact policies that address not only the needs of children, but also focus on the well-being of hard working, low-wage parents. For example:

- The **Earned Income Tax Credit** (EITC) allows low-wage parents to retain a greater portion of their income, and is considered one of the most effective policies in history for lifting children out of poverty. Each year, the EITC lifts approximately 4 million people out of poverty, including approximately 2 million children.[3]
- **Medicaid** allows for coverage of low-wage parents as well as their children, and research shows that parental health insurance coverage is not only important for a parent's own health, it is also is a strong predictor of a child's use of health services.[4]
- Policies that support **paid parental leave** from work not only enhance parents' ability to retain employment while effectively caring for children, they also result in increased parental bonds and better health outcomes for both mothers and infants.[5]

These examples illustrate how a strategy for enhancing child well-being becomes much more likely to succeed when it integrates policies that affect parents' health, employment, and economic opportunity.

An Effective Strategy: Focus on Early Investment

Too often, state policy provides costly remedies to problems that may be avoidable through early investments in expanding opportunities for children and families. The policies selected for inclusion in this report take the opposite approach reflecting three main characteristics that define an early investment strategy:

- **Promoting opportunities for families to work and earn adequate incomes.** State policy can enhance work and earning opportunities significantly through measures to enhance access to job training and higher education, ensure that affordable housing exists close to jobs, and establish tax and benefit rules that allow families to retain their earnings and assets as they work their way out of poverty and into the middle class.
- **Preventing temporary crises from becoming major setbacks.** For hard-working, low-wage families, temporary crises for one family member, such as illness or job loss, can become a major, extended hardship for the entire family. State policy can help prevent a temporary setback from becoming a descent into long-term financial instability by investing in immediate and time-limited supports such as unemployment benefits, subsidized health insurance, and nutrition assistance.
- **Strengthening the next generation.** Today's children are tomorrow's parents, community members, and workforce, and it is in the interest of all to ensure that this generation grows to be healthy and productive. Research shows that nurturing early brain development is essential to successful adulthood, and state policy can ensure that every child has a fair opportunity to succeed by investing in quality early care and education, access to children's health insurance, and a strong education system.

Government's early investments in child and family well-being can yield significant savings in public dollars over time. This "return on investment" is documented in research in many cases, and provides strong justification for enhancing state investments in effective policy. For example, a recent study by the Minneapolis Federal Reserve Bank calculated that investment in early childhood programs brings in a real (inflation-adjusted) public return of 12 percent and a real total (public + private) return of 16 percent. The real rate of return on investments in the stock market is 7 percent. In this report, the Bank noted that "We are unaware of any other economic development effort that has such a public return."[6]

By pursuing an investment approach instead of a remediation approach, as described above, state policy-makers can more effectively promote the well-being of children and families.

A Broad Strategy: Multi-faceted Solutions for Multi-faceted Challenges

This third part of the *Policy Matters* framework is the inclusion of a broad set of policies that address the increased number of complex challenges faced by children and families. These policies address five key factors that are essential to the stability of families and the opportunities available to children: employment, income and asset growth, health, education, and healthy family relationships.

This framework also reflects the fact that child and family well-being is a desirable end in itself, and is also a means to other broad social goals, including a stronger work force, healthier communities, and effective investment of government resources. These connections, illustrated below, are defined in the policy descriptions in the main body of this report.

Effective State Policy Promoting:

Employment Income and Asset Growth Health Education Healthy Family Relationships	→	Child and Family Well-Being	→	• Stronger Work Force • Healthier Communities • More Efficient Government Investment

Through these connections, state policymakers can enhance the well-being of children and families while at the same time enhancing the strength of the state's work force, communities, and state government.

Tracking Policy Changes Over Time

In 2006, CSSP published the first 50-state *Policy Matters* report presenting the status of selected state policies in the five areas presented above. Annual updates are now being published. These reports summarize research demonstrating the effectiveness of specific policy measures, and present 50-state data for each policy measure. While the policy measures and data presented are not intended to provide a comprehensive assessment of state policy in a given area, they provide an important framework and starting point for discussions of a state family-strengthening policy agenda. Where available, the *2008 Update* includes new data reflecting changes in state policy in 2007.

Trends Reflected in Selected Policy Changes

The changes in the policy measures discussed in this report can be categorized in three groups: (1) policy areas where states expanded policies promoting opportunity, (2) policy areas where states diminished or reduced these policies, and (3) policy areas where states made no changes. For those policy areas seeing a mixture of expansions and reductions, no summary is included in this section. The following discussion highlights selected policy changes within these categories.

Enhancement of policies promoting opportunity. This section highlights policy areas that saw notable expansions among states:

- **Earned Income Tax Credit** (EITC) – In 2007, ten states enacted or expanded a state EITC, compared with four states the year before. No states reduced this support, although Colorado continued its suspension of an existing EITC.
- **State minimum wage** (SMW) – In 2007, a series of federal minimum wage increases were enacted, and 12 states enacted commensurate increases in order to consistently maintain a higher SMW. The remaining states are scheduled to match the federal minimum wage.
- **Cigarette taxes** – Eleven states increased their cigarette taxes in 2007, as compared to eight states that did so in 2006. No state reduced this tax in either year.
- **Health care benefit parity for mental health and substance abuse** – In 2007, four states expanded requirements that private health insurers provide coverage for mental health and substance abuse treatment at a level comparable to coverage for physical ailments. No states did so in 2006.
- **Prekindergarten for three-year-olds** – Between 2004-05 and 2005-06, 18 states increased prekindergarten funding for three-year olds, whereas seven states reduced funding.

Reductions in policies promoting opportunity. This section highlights policy areas that saw significantly more state reductions than expansions of these policies:

- **Income tax thresholds.** In 2006 (as in 2005), all states saw their thresholds decline except for 11 states and the District of Columbia, which increased the threshold at which they begin levying taxes on lower-income families (when measured as a percentage of the federal poverty level).
- **Education funding adequacy** – Using the proportion of school district funding provided by the state as a proxy measure of funding adequacy, all states reduced funding adequacy except for 15 states that increased this funding.

Minimal or No Policy Changes. The following policy areas saw minimal or no changes among states:

- **Protection against predatory lending** – In 2007, as in 2006, only two states adopted new laws that provide significant protection against predatory mortgage lending, and no states reduced this protection. The same is true for predatory payday lending.
- **Unemployment insurance eligibility and extended benefits** – In 2007, as in 2006, no state changed the use of an alternate base period or the eligibility of workers seeking only part-time work. Nor did any state adopt the extended benefits of a children's allowance, indexed benefit levels, or extended benefit triggers in either year.
- **School health requirements for physical education** – No state changed requirements for the inclusion of physical education in school curriculum, as was the case in 2006.
- **Alcohol taxes** – No state changed excise taxes for beer, wine, or liquor in 2007, as was the case in 2006.

Other policy issues tracked in this report either saw a combination of states expanding and reducing protections and supports, or had no data available for comparison. For all policy areas, 50-state data is included in the relevant sections of this report.

This work is work is presented with several caveats. First, data and research limitations prohibited the inclusion of some key policy measures, although the importance of these missing measures is noted and discussed in the corresponding policy descriptions. Second, this work recognizes that the adoption of policy is only the first step toward improving results for families. The successful implementation of policies presents a host of additional challenges and considerations, which, for the sake of brevity, are not discussed here. At a minimum, however, the policies presented in this document offer a critical point of entry for discussions of state-level policy to promote opportunities for children and families.

Technical Assistance Available

As state policymakers and advocates seek to learn more about these policy options, *Policy Matters* staff is available to provide various forms of technical assistance:

- **State policy scans.** As policymakers develop a legislative agenda, *Policy Matters* staff can help by identifying opportunities for strengthening state policy. Staff can prepare state-specific reports that include assessments of state policy based on current research, and based on comparisons with neighboring or similar states.
- **Facilitating an agenda-setting process.** *Policy Matters* staff have worked with policymakers and community leaders in multiple states to convene a caucus or coalition and facilitate discussions on developing a shared policy agenda. In these processes, *Policy Matters* staff serve only as an information resource and facilitator.
- **Policy focus on specific populations.** For policymakers focused on specific populations within their state, *Policy Matters* can provide a focused set of policies. For example, target populations may include families involved in the child welfare system or formerly incarcerated individuals returning to their communities.
- **More detailed information in a specific policy area.** As policymakers seek more detailed information in a particular policy area, *Policy Matters* staff can engage issue-area experts to provide more detailed data, policy research, or in-depth technical assistance.

The next section of the report presents a research summary for each policy area, a detailed profile of each policy measure, data on each state's corresponding policy status, and a description of policy changes that have occurred recently.

INTRODUCTION–ENDNOTES

[1] Elizabeth C. McNichol and Iris Lav, “22 States Face Total Budget Shortfall of at Least $39 Billion in 2009; 6 Others Expect Budet Problems,” (Washington, D.C.: Center on Budget and Policy Priorities, March 14, 2008).

[2] Lynn White, “Economic Circumstances and Family Outcomes: A Review of the 1990s,” *Journal of Marriage and Family* 62, no. 4 (2000): 1035-1051.

[3] Ifie Okwuje and Nicholas Johnson, *A Rising Number of State Earned Income Tax Credits are Helping Working Families Escape Poverty* (Washington, D.C.: Center on Budget and Policy Priorities, October 20, 2006).

[4] Institute of Medicine, *Health Insurance Is a Family Matter* (Washington, D.C.: National Academy Press, September 2002).

[5] Jodi Grant, Taylor Hatcher, and Nirali Patel, *Expecting Better: A State-by-State Analysis of Parental Leave Programs* (Washington, D.C.: National Partnership for Women and Families, May 2005).

[6] Art Rolnick and Rob Grunewald, “Early Childhood Development: Economic Development with a High Public Return,” *Fed Gazette* (Minneapolis Federal Reserve, December 2003): 6-12.

50-STATE POLICY OVERVIEW

INCOME AND ASSET GROWTH POLICIES

POLICY 1:

Protection Against Predatory Lending

Why Protection Against Predatory Lending Matters. States seeking to promote a more stable work force and financial opportunity for families can do so through policies that protect working families from abusive lending practices. Research shows that communities where residents have significant assets are more stable and community participation is more positive.[1] Two types of predatory lending dominate the market: predatory mortgage lending and "payday" lending.

Predatory mortgage lenders take advantage of uninformed borrowers or those with limited credit histories by using unfair lending practices such as negative amortization and prepayment penalties. These practices can strip a family's hard-earned home equity, and also can lead to mortgage foreclosure. Every year, predatory mortgage lenders cost America's families an estimated $9.1 billion.[2]

Payday lending is the practice of providing short-term, often high-interest loans, typically secured by a check or authorization for automatic withdrawal from the borrower's bank account. The fees range from 10 to 25 percent of the loan or check amount, which translate to annual interest rates ranging from 391 percent to 443 percent.[3] Commonly, a payday borrower pays an average of $855 in interest and fees to borrow $255.[4] Borrowers who cannot repay their loan are flipped into a series of repeat transactions to avoid bouncing the check securing the loan.[5] Most payday borrowers end up in a downward economic spiral from growing interest payments, making them less likely to qualify for conventional loans and more dependent on additional high-interest payday loans. One estimate is that payday lending costs low-wage families $3.4 billion per year.[6]

Key State Policy Measures. To help hard-working, low-wage families retain their earnings and assets, states can enact the following regulations that ban unfair and abusive lending practices:

1.1 Predatory mortgage lending prohibitions. States can prohibit lending practices that result in the loss of home equity by unsuspecting consumers. These practices include negative amortization, prepayment penalties, credit insurance financing, home loan refinancing to the detriment of the consumer, high interest rates not justified by risk factors, and excessive foreclosures. Some states have enacted laws that provide families with only minimal protection beyond what is included in federal law. Other states have enacted no protection. The most effective state policies are those that include specific restrictions on unfair practices that supplement restrictions included in federal law.

Changes in 2007: The following policy changes occurred in 2007:

- Maine law now provides significant protection beyond that provided in federal law. Previously, Maine's protections only minimally exceeded those in federal law.
- Minnesota law now provides significant protection beyond that provided in federal law. Previously, Minnesota's protections only minimally exceeded those in federal law.

1.2 Payday lending restrictions. States can restrict the abuses of payday lenders by prohibiting payday loans through small-loan interest rate caps, anti-usury laws, or specific prohibitions on check cashing.[7] In previous years, lenders could circumvent in-state prohibitions by partnering with a bank in another state, but this practice has been curtailed by new federal regulations.

Changes in 2007:

- The District of Columbia enacted a 24 percent cap on payday loans.
- Oregon enacted a 36 percent cap on payday loans.

Protection Against Predatory Lending

Measure 1.1: Predatory Mortgage Lending Prohibitions

Does state law include prohibitions against predatory mortgage lending that exceed basic protections in federal law? *Table reflects policy as of December 2007.*

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

Measure 1.2: Payday Lending Restrictions

Does state law restrict payday lending under current law?
Table reflects policy as of December 2007.

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

Selected State Policies on Protection Against Predatory Lending

State	1.1 Predatory Mortgage Lending Protection Beyond Federal Law	1.2 Payday Lending Restrictions
Alabama	-	-
Alaska	-	-
Arizona	-	-
Arkansas	Significant	Yes
California	Minimal	-
Colorado	Minimal	-
Connecticut	Minimal	Yes
Delaware	-	-
District of Columbia	Minimal	↑ Yes
Florida	Minimal	-
Georgia	Significant	Yes
Hawaii	-	-
Idaho	-	-
Illinois	Significant	-
Indiana	Minimal	-
Iowa	-	-
Kansas	-	-
Kentucky	Minimal	-
Louisiana	-	-
Maine	↑ Significant	Yes
Maryland	Minimal	Yes
Massachusetts		Yes
Michigan	Minimal	-
Minnesota	↑ Significant	-
Mississippi	-	-
Missouri	-	-
Montana	-	-
Nebraska	-	-
Nevada	Minimal	-
New Hampshire	-	-
New Jersey	Significant	Yes
New Mexico	Significant	-
New York	Significant	Yes
North Carolina	Significant	Yes
North Dakota	-	-
Ohio	Significant	-
Oklahoma	Minimal	-
Oregon	-	↑ Yes
Pennsylvania	Minimal	Yes
Rhode Island	Significant	-
South Carolina	Significant	-
South Dakota	-	-
Tennessee	-	-
Texas	Minimal	-
Utah	Minimal	-
Vermont	-	Yes
Virginia	-	-
Washington	Minimal	-
West Virginia	Significant	Yes
Wisconsin	Minimal	-
Wyoming	-	-
Year Data Collected	**Dec. 2007**	**Dec. 2007**

Data Source:

1.1 The Corporation for Enterprise Development. "Predatory Lending Norms and Standards." Assets and Opportunity Scorecard. Retrieved August 5, 2005. http://www.cfed.org. Updated through unpublished data from the Center for Responsible Lending, December 2007.

1.2 Consumer Federation of America. "Legal Status of Payday Lending by State". http://www.paydayloaninfo.org/lstatus.cfm. Retrieved December 18, 2007.

POLICY 2:

Targeted Tax Relief

Why State Tax Policy Matters. To access economic opportunity and provide a brighter future for their children, low-wage families need to retain more of their earnings. States can promote these outcomes through policies such as targeted tax relief, which encourages and rewards work. The advantages of family-friendly tax policy are especially important to low-wage workers who, under the tax structures of most states, pay a higher proportion of their income in taxes than wealthier families pay.[8] The ability of low-wage families to retain more of their income has major implications for their well-being as well as the prosperity of a state. Research demonstrates a strong connection between a family's economic advancement and their general quality of life, which includes marital happiness, fewer divorces and higher levels of child well-being. These studies show that an increase in family income is strongly related to their children's outcomes, including graduating from high school and avoiding teen pregnancy.[9]

Key State Policy Measures. States can help working families retain more of their earnings by enacting the following tax policies that reward, rather than discourage, work (all amounts cited are estimated for a two-parent family of four):

2.1 Refundable Earned Income Tax Credit (EITC). The EITC is considered the most effective tax policy in history for lifting working families out of poverty. Each year, approximately 4 million people, including 2 million children, escaped poverty as a result of this credit.[10] States can provide a state EITC to supplement the federal EITC. States also can make the state tax credit refundable (like the federal EITC), thereby increasing tax refunds for low-wage working families.

Changes in 2007: During 2007, states made the following policy changes:

- Iowa increased its state EITC from 6.5 percent to 7 percent of the federal credit, and made it refundable.
- Kansas increased its state EITC from 15 percent to 17 percent of the federal credit.
- Louisiana enacted a refundable state EITC equal to 3.5 percent of the federal credit.
- Maryland increased the refundable portion of its state EITC from 20 percent to 25 percent of the federal credit, and extended the credit to filers without qualifying children.
- Michigan enacted a refundable state EITC equal to 10 percent of the federal credit for 2008 and 20 percent of the federal credit for 2009.
- Nebraska increased its state EITC from 8 percent to 10 percent of the federal credit.
- New Jersey increased its state EITC from 20 percent to 22.5 percent of the federal credit for 2008, and will increase it again to 25 percent of the federal credit for 2009.
- New Mexico enacted a refundable state EITC equal to 8 percent of the federal credit.
- North Carolina enacted a refundable state EITC equal to 3.5 percent of the federal credit
- Oregon will increase its EITC to 6 percent of the federal credit effective January 2008, but this credit is set to expire at the end of 2011.

2.2 Child and Dependent Care Tax Credits (CADC). States can provide tax relief to low-wage families with expenses for child care or the care of other family members. Child care and dependent care expenses can take up a large share of families' income. A state tax credit can help ensure that children and other family members receive quality care, while reducing the financial burden for low-wage families.[11] As with the EITC, the impact of these credits is greater when states make them refundable.

Changes in 2006: During 2006, the following policy changes were made:

- **Georgia** enacted a non-refundable CADC with a maximum value of $210 for 2006, $420 for 2007, and $630 for 2008.
- **Louisiana** reduced the maximum value of its refundable CADC from $1,050 to $525 for 2006, after which it will return to its previous level.
- **Maine** increased the maximum value of its CADC from $903 to $1,050 for 2006.
- **North Carolina** increased the maximum value of its non-refundable CADC from $624 to $780 for 2006.

2.3 Income tax threshold (ITT) at a higher level. States seeking to ensure their tax structure encourages and rewards work can reduce the tax burden on families with incomes near the federal poverty level (FPL).[12] A key method for doing so is to raise the income threshold at which family income becomes subject to the state income tax. This policy also reduces the tax burden for other low-wage families by eliminating the tax liability for the portion of their income that falls below the income tax threshold.

Many states increase their income tax threshold on an annual basis to account for inflation and increases in the cost of living. These increases do not always keep pace with increases in the FPL, however, which also increases annually to reflect higher costs of living. As a result, a state can increase the dollar amount of its income tax threshold, but if this increase is less than the increase in the FPL, the threshold will actually decrease as a percentage of the FPL, meaning that more low-wage families will face a higher tax burden in that state.

Changes in 2006: For tax year 2006, the following states changed their income tax thresholds as follows:

Threshold increased in dollar terms and as a percentage of the FPL. The following states increased their income tax thresholds both in terms of dollar amounts and as a percentage of the federal poverty level, meaning that fewer low-wage families will be subject to the state income tax.

California
Delaware
District of Columbia
Idaho
Minnesota
Montana
Nebraska
New Mexico
New York
Oklahoma
Oregon
Virginia

In addition, **Alabama** enacted an increase in its income tax threshold in 2006, raising it from $4,600 to $12,600, effective in 2007. The state also expanded its standard and dependent deductions for incomes under $20,000, which will provide tax relief similar to that provided by a non-refundable EITC.

Also in 2006, **West Virginia** enacted an increase in its income tax threshold to equal the federal poverty level. This change will be partially implemented in 2007, and fully implemented in 2008.

Threshold increased in dollar terms, but decreased as a percentage of the FPL. These states increased their income tax thresholds in terms of dollar amounts, but the increase was not sufficient to offset the increase in the federal poverty level. As a result, more low-wage families will be subject to these states' income tax, despite the increase in the dollar amount of the threshold.

Arkansas	Louisiana	Ohio
Colorado	Maine	Rhode Island
Illinois	Maryland	Utah
Indiana	Massachusetts	Vermont
Iowa	Michigan	West Virginia
Kansas	Missouri	Wisconsin
Kentucky	North Dakota	

Threshold remained the same in dollar terms, but decreased as a percentage of the FPL. These states did not change the dollar amount of their threshold, and therefore saw a decrease in their threshold when measured as a percentage of the federal poverty level, due to the increase in the FPL. As a result, more low-wage families will be subject to these states' income tax.

Alabama	Georgia	New Jersey
Arizona	Hawaii	North Carolina
Connecticut	Mississippi	Pennsylvania

Threshold decreased in dollar terms and as a percentage of the FPL. Only **South Carolina** reduced its income tax threshold in dollar terms, making more low-wage families subject to income tax.

Targeted Tax Relief

Measure 2.1: Earned Income Tax Credit

At what percentage of the federal Earned Income Tax Credit (EITC) does the state offer a refundable state EITC? *Table reflects policy as of January 2008.*

Above 20% of the federal EITC	D.C., Md., Minn., N.J., N.Y., Vt.
11 to 20% of the federal EITC	Kan., Mass., Mich., Wis.
Up to 10% of the federal EITC	Colo.,* Iowa, Ill., Ind., La., N.C., N.M., Neb., Okla., Ore., R.I.
Non-refundable EITC only	Del., Maine, Va.
No state EITC offered	Ala., Ariz., Ark., Calif., Conn., Ga., Hawaii, Idaho, Ky., Miss., Mo., Mont., N.D., Ohio, Pa., S.C., Utah, W.Va.
No state income tax	Alaska, Fla., Nev., N.H., S.D., Tenn., Texas, Wash., Wyo.

* Colorado Colorado has suspended its EITC.

Measure 2.2: Child and Dependent Care Tax Credit

At what percentage of the federal Child and Dependent Care (CADC) Tax Credit does the state offer a refundable state CADC tax credit? *Table reflects policy as of tax year 2006.*

100% or more of the federal CADC credit	N.Y., Neb.
50 to 99% of the federal CADC credit	Calif., Colo., Hawaii, Iowa, Minn., Vt.
1 to 49% of the federal CADC credit	Ark., La., Maine, N.M.
Non-refundable CADC credit or deduction only	Del., D.C., Ga., Idaho, Kan., Ky., Md., Mass., Mont., N.C., Ohio, Okla., Ore., R.I., S.C., Va.
No CADC offered	Ala., Ariz., Conn., Ill., Ind., Mich., Miss., Mo., N.J., N.D., Pa., Utah, W.Va., Wis.
No state income tax	Alaska, Fla., Nev., N.H., S.D., Tenn., Texas, Wash., Wyo.

Measure 2.3: Income Tax Thresholds

At what percentage of the federal poverty level does the state set its personal income tax threshold? *Table reflects policy as of tax year 2006.*

Above 150% of the federal poverty level	Calif., Minn., N.Y., Pa., R.I., Vt.
101 to 150% of the federal poverty level	Ariz., Colo., Conn., Del., D.C., Idaho, Kan., Maine, Mass., Md., Neb., N.M., N.D., S.C., Utah, Va., Wis.
76 to 100% of the federal poverty level	Ark., Ga., Ill., Iowa, Ky., La., Miss., Mo., N.C., N.J., Ohio, Okla., Ore.
Up to 75% of the federal poverty level	Ala.,* Hawaii, Ind., Mich., Mont., W.Va.**
No state income tax	Alaska, Fla., Nev., N.H., S.D., Tenn., Texas, Wash., Wyo.

* Alabama increased its threshold to $12,600, effective in 2007.

**West Virginia increased its threshold to equal the federal poverty level, partially effective in 2007 and fully effective in 2008.

Selected State Income Tax Policies (for Two-Parent Family with Two Children)

State	2.1 EITC as a % of Federal Credit (NR = Non-Refundable)	2.2 Maximum Value of Child and Dependent Care Credit (NR = Non-Refundable): Dollar Amount	2.2 As A % of Federal Credit*	2.3 Personal Income Tax Threshold: Threshold	2.3 Threshold as A % of Federal Poverty Level**
Alabama	[k]	Not Offered	-	$12,600 [k]	↑ 61%
Alaska	No state income tax	No state income tax	-	-	
Arizona	-	Not Offered	-	23,600	↓ 114.4%
Arkansas	-	$420 [m]	20%	↑ 16,000	↓ 77.6%
California	-	$1,050	50%	↑ 44,700	↑ 216.8%
Colorado	[a]	$1,050	50%	↑ 23,500	↓ 114%
Connecticut	-	Not Offered	-	24,100	↓ 116.9%
Delaware	20% NR	$1,050 (NR)	-	↑ 28,600	↑ 138.7%
District of Columbia	35%	$672 (NR)	-	↑ 25,600	↑ 124.1%
Florida	No state income tax	No state income tax	-	No state income tax	
Georgia	-	↑ $210 (NR) [s]	-	15,900	↓ 77.1%
Hawaii	-	$1,200	58%	11,500	↓ 55.7%
Idaho	-	$468 (deduction, NR)	-	↑ 23,600	↑ 114.4%
Illinois	5%	Not Offered	-	↑ 15,600	↓ 75.6%
Indiana	6% [l]	Not Offered	-	↑ 15,000	↓ 72.7%
Iowa	↑ 7%	157500%	75%	↑ 18,300	↓ 88.7%
Kansas	↑ 17%	$525 (NR)	-	↑ 26,100	↓ 126.6%
Kentucky	-	$420 (NR)	-	↓ 19,900	↓ 96.5%
Louisiana	↑ 3.5%	↓ $525 child care [n], $2,100 (NR) dependent care	↓ 25%	↑ 16,900	↓ 81.9%
Maine	5% NR	↑ $1,050 (of which up to $500 refundable)	24%	↑ 26,400	↓ 128%
Maryland	↑ 25% (and 50% NR)	$683 (credit, NR); $285 (deduction, NR) [g]	-	↑ 31,000	↓ 150.3%
Massachusetts	15%	$509 (deduction,NR)	-	↑ 26,200	↓ 127%
Michigan	↑ 10% [j]	Not Offered	-	↑ 14,400	↓ 69.8%
Minnesota	33% [b]	$1,440	69%	↑ 33,200	↑ 161%
Mississippi	-	Not Offered	-	19,600	↓ 95%
Missouri	-	Not Offered	-	↑ 17,000	↓ 82.4%
Montana	-	$180 (deduction, NR) [p]	-	↑ 11,300	↑ 54.8%
Nebraska	↑ 10%	$2,100 [o]	100%	↑ 25,600	↑ 124.1%
Nevada	No state income tax	No state income tax	-	No state income tax	
New Hampshire	No state income tax	No state income tax	-	No state income tax	
New Jersey	↑ 22.5% [c]	Not Offered	-	20,000	↓ 97%
New Mexico	↑ 8%	$960 [e]	46%	↑ 30,800	↑ 149.4%
New York	30%	$2,310	110%	↑ 36,300	↑ 176%
North Carolina	↑ 3.5%	↑ $780 (NR)	-	19,400	↓ 94.1%
North Dakota	-	Not Offered	-	↑ 24,000	↓ 116.4%
Ohio	-	$2,100 (NR)	-	↑ 15,600	↓ 75.6%
Oklahoma	5%	$420 (NR)	-	↑ 18,200	↑ 88.2%
Oregon	↑ 6% [d]	$1,800 (NR) [h]	-	↑ 17,500	↑ 84.8%
Pennsylvania	-	Not Offered	-	32,000	↓ 155.2%
Rhode Island	10% (and 25% NR)	$525 (NR)	-	↑ 31,500	↓ 152.8%
South Carolina	-	$420 (NR)	-	↓ 26,800	↓ 130%
South Dakota	No state income tax	No state income tax	-	No state income tax	
Tennessee	No state income tax	No state income tax	-	No state income tax	
Texas	No state income tax	No state income tax	-	No state income tax	
Utah	[r]	Not Offered	-	↑ 23,500	↓ 114%
Vermont	32%	$1,050 [i]	50%	↑ 33,200	↓ 161%
Virginia	20% NR	$345 (deduction, NR)	-	↑ 24,200	↑ 117.3%
Washington	No state income tax	No state income tax	-	No state income tax	
West Virginia	-	Not Offered	-	↑ 10,000 [q]	↓ 48.5%
Wisconsin	14% [f]	Not Offered	-	↑ 25,000	↓ 121.2%
Wyoming	No state income tax	No state income tax	-	No state income tax	
Year Data Collected	**Jan. 2008**	**2006**		**2006**	

*The federal credit for two children or more is $2,100. Percentages are calculated here for refundable credits only.

** The 2006 federal poverty level for a two-parent family with two children was $20,614.

Data Source:

2.1 The Hatcher Group. "50 State Resource Map." *State EITC Online Resource Center.* Retrieved December 2007.

2.2 Nancy Duff Campbell, Joan Entmacher, Amy K. Matsui, Cristina Martin Firvida, Christie Love. *Making Care Less Taxing: Improving State Child and Dependent Care Tax Provisions — 2007 Supplement.* Washington, D.C.: National Women's Law Center, January 2007.

2.3 Source for income tax thresholds: Jason, A. Levitis. *The Impact of State Income Taxes on Low-Income Families in 2006.* Washington, D.C.: Center on Budget and Policy Priorities, March 27, 2007. Percentages of the federal poverty level computed by the Center for the Study of Social Policy.

Data Table Notes:

a. Colorado suspended its EITC in 2003 through a voter referendum. The EITC is contingent on the state having surplus revenue, and no surplus is currently forecast.

b. The value of the EITC in Minnesota varies with earnings, but averages 33 percent.

c. New Jersey has restricted its EITC to families with annual income below $20,000, but will raise this limit to equal the federal income limit. New Jersey will also raise its state EITC to 25 percent of the federal credit in 2009.

d. Oregon has set this credit to expire on Jan. 1, 2014.

e. New Mexico also offers a deduction of $1,200 for three or more children.

f. Wisconsin sets its EITC at 4 percent of the federal credit for a family with one child, 14 percent with two, and 43 percent with three or more.

g. Maryland has both a credit and deduction for child care and dependent expenses, both of which are non-refundable.

h. Oregon also offers a refundable working family child care credit.

i. Vermont also offers another non-refundable credit that is 24 percent of the federal credit with a maximum of $504.

j. Michigan will increase its EITC to 20% in 2009.

k. Alabama raised its income tax threshold to $12,600 beginning in tax year 2007. In addition, the state will expand the dependent and standard deductions for incomes under $20,000, which will provide tax relief similar to that provided by a non-refundable EITC.

l. Indiana will sunset its EITC in tax year 2011.

m. Arkansas makes its CADC tax credit refundable for children under age 6 in selected early childhood programs.

n. Louisiana makes its CADC tax credit refundable for incomes of $25,000 or less.

o. Nebraska makes its CADC tax credit refundable for incomes of $29,000 or less.

p. Montana also offers a deduction of $144 for three or more children.

q. West Virginia enacted legislation to increase its income tax threshold to equal the federal poverty level. This change will be partially implemented for 2007, and fully implemented for 2008.

r. Utah enacted a tax simplification in 2007 that functions much like a non-refundable EITC.

POLICY 3:

State Minimum Wage

Why Minimum Wage Policy Matters. States seeking to improve economic opportunity for families can do so by increasing compensation for low-wage workers. Currently, the U.S. economy is losing high-wage jobs that do not require specialized training and skills. As a result, many parents can only obtain low-wage jobs,[13] making it difficult for them to support their families. For example, the cost of housing alone is estimated to exceed the income of two parents working full time earning the federal minimum wage.[14] Research indicates that moderate increases in the minimum wage have positive benefits for minimum wage earners and those just above the minimum wage, and can be enacted without significant job loss, even during economic downturns.[15]

Key State Policy Measures. States can improve the well-being of low-wage workers and their families by setting minimum wages above the federal minimum wage (FMW) and by including automatic adjustments as the cost of living increases or as the federal minimum wage increases.

3.1 State minimum wage (SMW) level. States seeking to promote economic stability among families can encourage and reward work by increasing the state minimum wage above the federal minimum wage.

Changes in 2007: In 2007 the federal minimum wage increased from $5.15 per hour to 5.85 per hour. This wage is set to increase to 6.55 per hour on July 24, 2008, and again to 7.25 on July 24, 2009.

States That Consistently Exceed FMW Increases. The following states have enacted SMW increases to ensure that their SMW consistently exceeds the FMW:

California	Massachusetts	Oregon
Connecticut	Michigan	Rhode Island
District of Columbia	Nevada	Vermont
Illinois	New Mexico	Washington

States That Accelerate Adoption of FMW Increases. The following states set a SMW equal to the FMW by July 24, 2009, but prior to that date, SMW rate increases occur earlier than FMW increases:

Alaska	Iowa	New Jersey
Arizona	Maine	New York
Arkansas	Maryland	North Carolina
Colorado	Minnesota	Ohio
Delaware	Missouri	Pennsylvania
Florida	Montana	Wisconsin
Hawaii	New Hampshire	

States That Match FMW Increases. The following states set a SMW rate equal to the FMW rate at all times:

- Idaho
- Indiana
- Kansas
- Kentucky
- Nebraska
- North Dakota
- Oklahoma
- South Dakota
- Texas
- Utah
- Virginia
- West Virginia
- Wyoming

*Georgia maintains a SMW of $5.15

3.2 Adjustment policy. As inflation rises and the cost of living increases, minimum wages fail to keep pace with inflation. States can prevent this erosion by establishing laws that automatically increase the state minimum wage to keep pace with increases in inflation, which is measured by the Consumer Price Index (CPI). Alternatively, states can index the state minimum wage to an amount incrementally higher than the federal minimum wage (e.g., $1 above the federal minimum wage), or to the federal minimum wage itself, ensuring that the state minimum wage is not lower than the federal minimum wage.

Changes in 2007: No Changes

State Minimum Wage Policy Measures

Measure 3.1: State Minimum Wage Level

How does the state minimum wage compare to the federal minimum wage (FMW)?
Table reflects wage increases effective July 24, 2007 through July 24, 2009.

Consistently exceeds the FMW	Calif., Conn., D.C., Ill., Mass., Mich., Nev.,** N.M., Ore., R.I., Vt., Wash.
Adopts the maximum FMW for 2009, but more quickly	Alaska, Ariz., Ark., Colo., Del., Fla., Hawaii, Iowa, Maine, Md., Minn., Mo., Mont., N.C., N.H., N.J., N.Y., Ohio, Pa., Wis.
Matches increases in the FMW	Idaho, Ind., Kan., Ky., Neb., N.D., Okla., S.D., Texas, Utah, Va., W.Va., Wyo.
No state minimum wage*	Ala., La., Miss., S.C., Tenn.

*In these states, the vast majority of workers are covered by the federal minimum wage.
**Nevada's state minimum wage exceeds the federal minimum wage where employers do not offer health benefits.

Measure 3.2: Adjustment Policy

What adjustment method does the state use to automatically update the state minimum wage (SMW)? *Table reflects status as of June 2007.*

Index SMW to inflation and match federal minimum wage (FMW) if increased above SMW	Mo., Mont., Nev.*, Vt.
Index SMW to inflation	Ariz., Colo., Fla., Ohio, Ore., Wash
Index to some amount above the FMW	Conn., D.C., Mass.
Index to the FMW	Del., Iowa, Ky., Maine, Md., N.C., N.H., N.Y., Okla., Pa., Texas, Utah, Va., W.Va.
None	Alaska, Ark., Calif., Ga., Hawaii, Idaho, Ill., Ind., Kan., Mich., Minn., N.J.,** N.D., Neb., N.M., R.I., S.D., Wis., Wyo.
No state minimum wage	Ala., La., Miss., S.C., Tenn.

* Nevada limits increases to no more than three percent per year.
** New Jersey will establish a Minimum Wage Advisory Commission to advise on future updates.

Selected State Minimum Wage Policies

State	3.1 State Minimum Wage ($/hr.)					3.2 General Policy for Adjusting Minimum Wage*
Date Effective	July 24, 2007	Jan. 1, 2008	July 24, 2008	Jan. 1, 2009	July 24, 2009	
Alabama	-	-	-	-	-	N/A
Alaska	7.15	7.15	7.15	7.15	↑ 7.25	No policy
Arizona	6.75	↑ 6.90	6.90	↑ 7.05	↑ 7.25	Adjusts annually to reflect cost of living. [c]
Arkansas [a]	6.25	6.25	↑ 6.55	6.55	↑ 7.25	No policy
California	7.50	↑ 8.00	8.00	8.00	8.00	No policy
Colorado [b]	6.85	↑ 6.98	6.98	↑ 7.14	↑ 7.25	Adjusts annually for inflation. [c]
Connecticut	7.65	7.65	7.65	7.65	7.65	Automatically set at 0.5% above FMW
Delaware	6.65	↑ 7.15	7.15	7.15	↑ 7.25	Automatically replaced by FMW if FMW is raised above SMW
District of Columbia	7.00	7.00	↑ 7.55	7.55	↑ 8.25	Automatically set at $1 above FMW if FMW is raised above SMW
Florida	6.67	↑ 6.80	6.80	↑ 6.95	↑ 7.25	Adjusts annually for inflation using CPI-W
Georgia [e]	5.15	5.15	5.15	5.15	5.15	No policy
Hawaii [f]	7.25	7.25	7.25	7.25	7.25	No policy
Idaho	5.85	5.85	↑ 6.55	6.55	↑ 7.25	No policy
Illinois [g]	7.50	7.50	↑ 7.75	7.75	↑ 8.00	No policy
Indiana [a,h]	5.85	5.85	↑ 6.55	6.55	↑ 7.25	No policy
Iowa	6.20	↑ 7.25	7.25	7.25	7.25	Automatically replaced by FMW if FMW is raised above SMW
Kansas [a]	5.85	5.85	↑ 6.55	6.55	↑ 7.25	No policy
Kentucky	5.85	5.85	↑ 6.55	6.55	↑ 7.25	Automatically replaced by FMW if FMW is raised above SMW
Louisiana	-	-	-	-	-	N/A
Maine	6.75	↑ 7.00	7.00	7.00	↑ 7.25	Automatically replaced by FMW if FMW is raised no more than $1 above SMW
Maryland	6.15	6.15	↑ 6.55	6.55	↑ 7.25	Automatically adopts FMW
Massachusetts	7.50	↑ 8.00	8.00	8.00	8.00	Automatically set at $0.10 above FMW if FMW is raised to or above SMW
Michigan [i]	7.15	7.15	↑ 7.40	7.40	7.40	No policy
Minnesota	6.15	6.15	↑ 6.55	6.55	↑ 7.25	No policy
Mississippi	-	-	-	-	-	N/A
Missouri [a,k]	6.50	↑ 6.62	6.62	↑ 6.77	↑ 7.25	Automatically adopts FMW if FMW is raised above SMW, and adjusts annually for inflation using CPI. [c]
Montana [l]	6.15	↑ 6.25	↑ 6.55	↑ 6.70	↑ 7.25	Automatically adopts FMW if FMW is raised above SMW, and adjusts annually for inflation. [c]
Nebraska	5.85	5.85	↑ 6.55	6.55	↑ 7.25	No policy
Nevada	6.33	6.33	↑ 7.03	7.03	↑ 7.73	Automatically adopts FMW if FMW is raised above SMW, and adjusts annually for inflation using CPI up to 3 percent per year. [c]
New Hampshire	5.85	↑ 6.50	↑ 6.55	↑ 7.25	7.25	Automatically replaced by FMW if FMW is raised above SMW
New Jersey [m]	7.15	7.15	7.15	7.15	↑ 7.25	Advisory committee will be established to review SMW annually
New Mexico	5.85	↑ 6.50	6.50	↑ 7.50	7.50	No policy
New York	7.15	7.15	7.15	7.15	↑ 7.25	Automatically replaced by FMW if FMW is raised above SMW
North Carolina [a]	6.15	6.15	↑ 6.55	6.55	↑ 7.25	Automatically adopts FMW
North Dakota	5.85	5.85	↑ 6.55	6.55	↑ 7.25	No policy
Ohio	6.85	↑ 7.00	7.00	↑ 7.15	↑ 7.25	Adjusts annually for inflation using CPI [c]
Oklahoma [a]	5.85	5.85	↑ 6.55	6.55	↑ 7.25	Automatically adopts FMW
Oregon	7.80	↑ 7.95	7.95	↑ 8.15	8.15	Adjusts annually for inflation using CPI-U
Pennsylvania [d]	7.15	7.15	7.15	7.15	↑ 7.25	Automatically adopts FMW
Rhode Island	7.40	7.40	7.40	7.40	7.40	No policy
South Carolina	-	-	-	-	-	N/A
South Dakota	5.85	5.85	↑ 6.55	6.55	↑ 7.25	No policy
Tennessee	-	-	-	-	-	N/A
Texas [a]	5.85	5.85	↑ 6.55	6.55	↑ 7.25	Automatically adopts FMW
Utah [a]	5.85	5.85	↑ 6.55		↑ 7.25	Automatically adopts FMW
Vermont [a,n]	7.53	↑ 7.67	7.67	↑ 7.85	7.85	Automatically replaced by FMW if FMW is raised above SMW, and adjusts anually for inflation and cost of living. [v]
Virginia [o]	5.85	5.85	↑ 6.55	6.55	↑ 7.25	Automatically adopts FMW
Washington	7.93	↑ 8.08	8.08	↑ 8.27	8.27	Adjusts annually for inflation using CPI-W
West Virginia [p]	5.85	5.85	↑ 6.55	6.55	↑ 7.25	Automatically adopts FMW if FMW is raised above SMW
Wisconsin	6.50	6.50	↑ 6.55	6.55	↑ 7.25	No policy
Wyoming	5.85	5.85	↑ 6.55	6.55	↑ 7.25	No policy

* FMW = Federal Minimum Wage; SMW = State Minimum Wage; CPI = Consumer Price Index

Data Source:

Liana Fox, "What a New Federal Minimum Wage Means for the States," *EPI Issue Brief #234*. Washington, DC: Economic Policy Institute, June 1, 2007.

Data Table Notes:

a. These states include all employees covered under the Fair Labor Standards Act (FLSA).

b. Colorado law applies to retail and service, commercial support service, food and beverage, and health and medical industries.

c. These changes resulted from ballot initiatives in November 2006.

d. Pennsylvania law allows employers to pay employees under 20 years of age a training wage of $5.15 per hour for the first sixty days of employment. For employers with 10 or fewer full-time employees, Pennsylvania has enacted a modified wage increase schedule. For these employers, the SMW will increase to $5.65 on January 1, 2007, to $6.65 on July 1, 2007, and to $7.15 on July 1, 2008.

e. Georgia law applies to employers to six or more employees, and excludes employees subject to FLSA when FMW is higher than SMW.

f. Hawaii law exempts employees earning a guaranteed monthly income of $2,000 or more, and excludes employment subject to FLSA when SMW is higher than FMW.

g. Illinois law applies to employers of four or more employees, excluding family members.

h. Indiana law applies to employers of two or more employees.

i. Michigan law applies to employers of two or more employees, and excludes employment subject to FLSA unless the SMW is higher than the FMW.

k. Missouri law excludes employers with gross annual sales or business of less than $500,000.

l. Montana law excludes employment subject to FLSA unless the SMW is higher than the FMW. For businesses whose annual gross sales are $110,000 or less, the SMW is $4.00 per hour.

m. To advise on future updates, New Jersey will establish a Minimum Wage Advisory Commission.

n. Vermont law applies to employers of two or more employees.

o. Virginia law applies to employers of four or more employees.

p. The SMW in West Virginia is limited to employers with 6 or more employees, gross annual income greater than $500,000, and no engagement in interstate commerce, and therefore covers very few workers relative to other state minimum wages. (Data obtained through personal correspondence with the Economic Policy Institute and the West Virginia Department of Labor, December 2006.)

50-STATE POLICY OVERVIEW

EMPLOYMENT POLICIES

POLICY 4:

Child Care Subsidies

Why Child Care Policy Matters. For states seeking to strengthen their current and future work force, child care subsidies can serve as an important tool. Research shows that access to high-quality, affordable child care improves the employment stability of workers.[16] Studies also show that low-wage families are much less likely to return to the welfare rolls if they have access to child care assistance.[17]

High-quality child care also can promote child development. The brain architecture of a child is developed most in the first years of life,[18] and research shows that quality child care can offer the important physical, language, social and cognitive training that helps develop this brain architecture effectively.[19] Research also shows that the positive effects of early development continue into regular schooling,[20] and that the benefits of early childhood education have been found to improve the education, employment and positive life outcomes of participants throughout life – providing far greater economic gains for society than the original cost of the investment.[21] Therefore, child care serves not only as a work support for parents, but also as part of a broad approach to child development aimed at helping children become healthy, eager to learn, and prepared to succeed as productive members of society.

Key State Policy Measures. States can achieve the benefits of child care assistance through the following policies that enhance access to – and the quality of – child care.

4.1 Income eligibility levels. The federal government allows states to determine the income level at which families are eligible to access child care subsidies, but sets a maximum eligibility level equal to 85 percent of a state's median income (SMI). States can expand access to child care by increasing eligibility up to that level. Raising the income eligibility level will not improve access to child care unless the state also provides adequate funding to ensure that all eligible families receive the assistance.

Changes in 2007:

States increasing eligibility levels in dollar terms and as a percentage of the SMI. When states raise eligibility levels in dollar terms and as a percentage of SMI, families receiving subsidies are more likely to maintain their eligibility even as inflation and other factors cause wages to rise. Increasing eligibility as a percentage of SMI helps combat the "benefit cliff" effect, where low-wage families who see small wage increases may suddenly lose their child care subsidy because their wages have crossed the eligibility threshold. Raising the threshold relative to SMI does not eliminate this effect, but can reduce the number of low-wage workers who experience it. The following states increased their eligibility levels both in terms of dollar amounts and as a percentage of the state median income:

Arizona
Arkansas
California
Delaware
Florida
Georgia
Indiana
Kansas
Massachusetts
Nebraska
Nevada
New York
Ohio
Oregon
Pennsylvania
South Carolina

States keeping eligibility levels constant in dollar terms, and seeing increases as a percentage of SMI. One state made no change to eligibility levels, but saw these levels increase when measured as a percentage of SMI, due to declining SMI.

- **Illinois** held its eligibility level constant in dollar terms, but when measured as a percentage of state median income, this level increased from 50 percent to 51 percent of SMI.

States increasing eligibility levels in dollar terms, with no notable change as a percentage of SMI. The following states increased their eligibility in terms of dollar amounts, but the increase only kept pace with increases in SMI. As a result, low-wage workers with average wage growth in these states may continue to be eligible for child care subsidies.

Connecticut	Minnesota*	Utah
Florida	New Hampshire	Washington
Iowa	New Jersey	Wisconsin
Maine	Tennessee	

* For FY 2008 these rates were reduced.

States keeping eligibility levels constant in dollar terms, with no change as a percentage of SMI.

- **Missouri** made no change to the dollar threshold of its eligibility level, and saw no change in this level measured as a percentage of SMI.

States increasing or keeping eligibility levels constant in dollar terms, and seeing decreases as a percentage of SMI. These states did not change the dollar amount of their eligibility threshold, but due to rising income levels, saw these eligibility levels decline when measured as a percentage of SMI.

Alabama	Louisiana	North Carolina
Alaska	Maryland	North Dakota
District of Columbia	Michigan	South Dakota
Hawaii	Mississippi	Vermont
Idaho	Montana	West Virginia
Kentucky	New Mexico	Wyoming

States with local or regional variations in eligibility levels

- Colorado
- Texas
- Virginia

4.2 Reimbursement rates. If child care reimbursement rates are not consistent with fees charged in the child care market, families using subsidies may not have access to high-quality care, and many will struggle to find a suitable provider. Federal guidelines recommend that states conduct a market rate survey of private child care providers every two years, and set reimbursement rates at the 75th percentile of the current market rate (or above).

Changes in 2007: For 2007, the following policy changes were made:

- **California and North Carolina** raised their reimbursement rates to a level that now meets the federal guideline, which is set at the 75th percentile of the current market rate (or above).
- **South Carolina and Wyoming** *ceased* to meet the federal guideline, which is set at the 75th percentile of the current market rate (or above).

4.3 – 4.4 Co-payment requirements. States often require low-wage families to share in the cost of child care by requiring co-payments, which can make it difficult for these families to afford child care and make ends meet.[22] States generally set co-payments as a percentage of a family's income, and set different rates for families at 100 percent ($17,170 in 2007) and 150 percent ($25,755 in 2007) of the federal poverty level. In the United States, families with child care expenses on average pay seven percent of their earnings towards child care.[23]

Changes in 2007:

For families with earnings equal to 100 percent of the FPL, the following policy changes were made:

Reduced Co-payments	No change		Increased Co-payments
Alabama	Alaska	Nebraska	Delaware
Arkansas	Arizona	Nevada	Florida
Iowa	California	New Hampshire	Illinois
New Jersey	Colorado	New Mexico	Kentucky
Texas	Connecticut	New York	Louisiana
Washington	District of Columbia	North Carolina	Massachusetts
	Georgia	North Dakota	Ohio
	Hawaii	Oklahoma	Oregon
	Idaho	Pennsylvania	South Dakota
	Indiana	Rhode Island	Vermont
	Maine	South Carolina	Wisconsin
	Maryland	Tennessee	
	Minnesota	Utah	
	Mississippi	Virginia	
	Missouri	West Virginia	
	Montana	Wyoming	

For families with earnings equal to 150 percent of the FPL, the following policy changes were made:

Reduced copays	No change	Increased copays	Eliminated eligibility
Alaska	Alabama	Delaware	Georgia
Arkansas	Arizona	Florida	
Illinois	California	Kentucky	
Nevada	Colorado	Louisiana	
New Jersey	Connecticut	Minnesota	
Texas	District of Columbia	North Dakota	
Wyoming	Hawaii	Oregon	
	Idaho	Rhode Island	
	Indiana	South Dakota	
	Iowa	Vermont	
	Maine	West Virginia	
	Maryland	Wisconsin	
	Massachusetts		
	Michigan		
	Mississippi		
	Missouri		
	Montana		
	Nebraska		
	New Hampshire		
	New Mexico		
	New York		
	North Carolina		
	Ohio		
	Oklahoma		
	Pennsylvania		
	South Carolina		
	Tennessee		
	Utah		
	Virginia		
	Washington		

Child Care Subsidies Policy Measures

Measure 4.1: Income Eligibility Levels

At what percentage of the state's median income (SMI) does the state set eligibility levels for child care assistance? *Table reflects policy as of February 2007.*

75% of SMI or above, *with no waiting list*	Hawaii, Nev.
50 to 74% of SMI, *with no waiting list*	Alaska, Ariz., Conn., D.C., Del., Ga., Ill., Kan., Ky., La., Mont., N.M., N.D., Ohio, Okla., Ore., R.I., S.C., S.D., Utah, Vt., Wash., W.Va., Wis., Wyo.
Below 50% of SMI, *with no waiting list*	Colo.,* Fla., Idaho, Ind., Iowa, Md., Mich., Mo., Neb., N.H.
States with waiting lists for child care	Ala., Ark., Calif., Fla., Ga., Ind., Maine, Mass., Minn., Miss., N.J., N.C., N.Y.,** Pa., Tenn.,*** Texas,* Va.*

*In Colorado, Texas and Virginia eligibility varies by county or region.
**New York experienced waiting lists at the county level.
***Tennessee did not report a waiting list, but froze intake during 2007.

Measure 4.2: Reimbursement Rates

In setting reimbursement rates for child care, does the state meet the federal guideline of the 75th percentile of a recent market rate survey or above? *Table reflects policy as of February 2007.*

Yes	Ark., Calif., Ind., Maine, Mont., N.C., N.Y., S.D., Wis.
No	Ala., Alaska, Ariz., Colo., Conn., Del., D.C., Fla., Ga., Hawaii, Idaho, Ill., Iowa, Kan., Ky., La., Md., Mass., Mich., Minn., Miss., Mo., Neb., Nev., N.D., N.H., N.J., Ohio, Okla., Ore., Pa., R.I., S.C., Tenn., Utah, Vt., Va., Wash., W.Va., Wyo.
Surveys are not used to set reimbursement rates	N.M., Texas

Measure 4.3: Co-payments for Families at 100 Percent of the Federal Poverty Level

What percentage of families' income does the state charge as a co-payment for families with earnings equal to 100 percent of the federal poverty level ($17,170 for a two-parent family with one child)? *Table reflects policy as of February 2007.*

No co-payments	Ark., Calif., Hawaii, Iowa
Less than 3.5% of earnings (i.e., less than half the national average for unsubsidized child care expenses)	Alaska, D.C., Minn., N.H., N.Y., R.I., S.C., S.D., Utah, Wash., W.Va., Wyo.,
3.5 to 7% of earnings	Ala., Ariz., Conn., Fla., Idaho, Ill., Ind., Miss., Mo., Mont., Neb., Nev., N.J., N.M., Okla., Pa., Tenn., Vt.
Above 7% of earnings (i.e., more than the national average for unsubsidized child care expenses)	Colo., Del., Ga., Ky., La., Mass., Maine, Md., N.C., N.D., Ohio, Ore., Texas, Va., Wis.

Measure 4.4: Co-payments for Families at 150 Percent of the Federal Poverty Level

What percentage of families' income does the state charge as a co-payment for families with earnings equal to 150 percent of the federal poverty level ($25,755 for a two-parent family with one child)? *Table reflects policy as of February 2007.*

Up to 7% of earnings (i.e., up to the national average for unsubsidized child care expenses)	Alaska, Ariz., Ark., Calif., Conn., D.C., Hawaii, Ill., Minn., Miss., N.J., N.H., N.M., R.I., S.C., Utah, Wash., W.Va., Wyo.
8 to 13% of earnings	Ala., Colo., Fla., Ga., Ky., La., Maine, Mass., Nev., N.Y., N.C., Ohio, Okla., Pa., Tenn., Texas, Va., Wis.
14% or above (i.e., at or above twice the national average for unsubsidized child care expenses)	Del., Md., N.D., Ore., S.D., Vt.
Families not eligible for subsidies at this income level	Idaho, Ind., Iowa, Mich., Mo., Mont., Neb.

Selected State Child Care Policies (For a Two-Parent Family with One Child)

State	4.1 Income Eligibility: Income Eligibility (As a % of SMI*) [a]	4.1 Income Eligibility: Eligible Families Served Without Waiting List [e]	4.2 Reimbursement Rate Based on Current Survey [b]	4.3 % Family Income Paid in Co-Payment (At 100% FPL) [c]	4.4 % Family Income Paid in Co-Payment (150% of FPL) [c]
Alabama	↓ 42	-	[r]	↓ 5	10
Alaska	↓ 71	Yes	[r,y]	1	↓ 1
Arizona	↑ 57	Yes	[j]	5	7
Arkansas	↑ 83	-	Yes	↓ 0	↓ 5
California	↑ 75	-	↑ Yes	0	3
Colorado	↑ 35-61 [d]	Yes	[s,r]	10	11
Connecticut	50	Yes	-	4	6
Delaware	↑ 55	Yes	-	↑ 11	↑ 18
District of Columbia	↓ 74	Yes	[s]	3	5
Florida	↑ 49	-	[r]	↑ 7	↑ 8
Georgia	↑ 52	-	[j]	9	9 [i]
Hawaii	↓ 76	Yes	-	0	2
Idaho	↓ 42	Yes	-	7	Not eligible
Illinois	↑ 51	Yes	[t,r]	↑ 6	↓ 7
Indiana	↑ 38	-	Yes	5	Not eligible
Iowa	43	Yes	[t]	↓ 0	Not eligible
Kansas	↑ 58	Yes	[t]	n/a	n/a
Kentucky	↓ 52	Yes	-	↑ 8	↑ 11
Louisiana	↓ 70	Yes	[t]	↑ 11	↑ 11
Maine	85	-	Yes	8	10
Maryland	↓ 41	Yes	[j]	11	14
Massachusetts	↑ 48	-	[t,r]	↑ 8	9
Michigan	↓ 40	Yes	-	n/a	Not eligible
Minnesota	44	-	[r]	3 [k]	↑ 5 [k]
Mississippi	↓ 82	-	-	5	6
Missouri	34	Yes	[s,t]	6	Not eligible
Montana	↓ 53	Yes	Yes	4	Not eligible
Nebraska	↑ 37	Yes	-	4	Not eligible
Nevada	↑ 75	Yes	[t,r]	4	↓ 10
New Hampshire	46	Yes	-	<1	<1
New Jersey	44	-	-	↓ 6	↓ 7
New Mexico	↓ 60	Yes	[s,t]	4	6
New York	↑ 58	[h]	Yes [j]	1	12
North Carolina	↓ 70	-	↑ Yes [s]	10	10
North Dakota	↓ 51	Yes	[t]	13	↑ 15
Ohio	↑ 56	Yes	-	↑ 9	9
Oklahoma	62	Yes	[r,t,y]	7	8
Oregon	↑ 50	Yes	[j]	↑ 11	↑ 27
Pennsylvania	↑ 57	-	[r,t,y]	6	8
Rhode Island	61	Yes	-	1	↑ 7
South Carolina	↑ 52	Yes	↓ [s,j]	3	3
South Dakota	↓ 66	Yes	Yes	↑ 1	↑ 15
Tennessee	60	[g]	[r,t,y]	6	8
Texas	↑ 52-85 [d]	-	[r]	↓ 9-11	↓ 9-11
Utah	58	Yes	[s,y]	1	7
Vermont	↓ 51	Yes	[f]	↑ 5	↑ 15
Virginia	40-67 [d]	-	-	10	10
Washington	55	Yes	[t]	↓ 3	7
West Virginia	↓ 55	Yes	[t,y]	3	↑ 5
Wisconsin	53	Yes	Yes	↑ 10	↑ 9
Wyoming	↓ 59	Yes	↓ [f]	1	↓ 2
Year Data Collected	**2007**	**2007**	**2007**	**2007**	**2007**

* SMI = State Median Income

Data Source:

Karen Schulman and Helen Blank. *State Child Care Assistance Policies 2007: Some Steps Forward, More Progress Needed.* Washington, D.C.: National Women's Law Center, September 2007.

Data Table Notes:

a. Income eligibility limits shown in the table represent the maximum income a family can receive when they apply for child care assistance. Some states allow families, once receiving assistance, to continue receiving assistance up to a higher income level.

b. For 2006 reimbursement rates, a survey conducted in 2004-2005 was considered current. For 2007 reimbursement rates, a survey conducted in 2005-2006 is considered current.

c. Co-payments are calculated for a hypothetical family of three with one child in care at specific income levels. Some states shown to charge co-payments at 100 percent of FPL do not charge co-payment to families just under that income level. The 2007 Federal Poverty Level for a family of three is $17,170. At 150 percent of the federal poverty level, a family of three earns $25,755.

d. Colorado, Texas and Virginia have local or regional variation in their income eligibility limits.

e. Waiting lists are reported as of early 2007.

f. Wyoming and Vermont planned to implement new rates effective July 2007.

g. Tennessee did not report a waiting list, but froze intake during 2007.

h. New York experienced waiting lists at the county level.

i. Georgia expanded its income eligibility in 2007 to include families at this income level.

j. Reimbursement rates reflect a sample set of jurisdictions within these states.

k. For FY 2008 these rates were reduced.

r. Reimbursement rates vary by region in these states.

s. Reimbursement rates vary according to rating standards met by providers these states.

t. Reimbursement rates vary by type of care in these states.

y. Reimbursement rates vary by age of child in these states.

POLICY 5:

Income And Work Support

NO DATA UPDATE IS AVAILABLE FOR POLICY 5
THIS SECTION IS REPRINTED FROM THE 2006 POLICY MATTERS REPORT

Why Income and Work Support Policy Matters. States seeking to expand their work force and effectively move families from public assistance to work can do so through effective income and work support policies. In the current economy, opportunities for earnings growth and advancement can be very limited for low-wage workers exiting public assistance, leaving them in a continuing struggle with job instability and stagnant wages.[24] A substantial body of research shows that state work force and public assistance policies that help increase family income can increase parents' employment stability and improve outcomes for their children.[25] In addition to temporary cash assistance, policies that connect families transitioning from public assistance with training opportunities are essential, especially when training focuses on good jobs in the local geographic area.[26]

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

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

Income and Work Support Policy Measures

Measure 5.1: Coordination of Work Force Development and TANF Policies

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

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

Measure 5.2: Earned Income Disregards

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

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

Measure 5.3: Transitional Aid to Legal Immigrants

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

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

Measure 5.4: Cash Benefit Level

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

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

Selected State Income and Work Support Policies

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

Data Source:

5.1 U.S. Department of Labor. "WIA Reauthorization–Policy Issuance and Documents." *Employment and Training Administration.* 2002. Retrieved July 27, 2005. www.doleta.gov/usworkforce/reauthorization/survey-text.htm; Updated with unpublished data from the National Conference of State Legislatures, July 2005.

5.2 National Conference of State Legislatures. Unpublished data, July 2005.

5.3 *Guide to Immigrant Eligibility for Federal Programs.* 4th ed. Washington, D.C.: National Immigration Law Center, 2002; Excerpt published by the National Immigration Law Center. "State Funded TANF Replacement Programs" *Guide Updates.* Updated March 2004. Retrieved July 2005. http://www.nilc.org/pubs/guideupdates/tbl8_state-tanf_0304_a.pdf.

5.4 National Conference of State Legislatures. Unpublished data, July 2005.

Data Table Notes:

a. Alabama requires partnership, but services are not co-located.

b. Services in Connecticut, Hawaii, Iowa, Kansas, Nebraska, South Carolina, and South Dakota have partnered, but there is no requirement for them to do so.

c. In Texas and Utah, WIA & TANF employment and training services are administrated by the same department.

d. Idaho and Wisconsin have flat TANF grants for families regardless of the size of the family.

e. All data are based on benefit calculations for a family of three. The maximum TANF benefits will not change for states that have a family cap policy—which means the cash benefit does not increase if a beneficiary has a child while receiving cash assistance. The following states have a family cap policy in place: Arizona, Arkansas, California, Connecticut, Delaware, Florida, Georgia, Indiana, Massachusetts, Minnesota, Mississippi, New Jersey, North Carolina, North Dakota, Oklahoma, South Carolina, Tennessee, Virginia, Wyoming.

POLICY 6:

Food Security

NO DATA UPDATE IS AVAILABLE FOR POLICY 6
THIS SECTION IS REPRINTED FROM THE 2006 POLICY MATTERS REPORT

Why Food Security Policy Matters. A state can achieve a stronger work force by ensuring that low-wage families have enough to eat. Research shows that providing low-wage families with critical work support such as food subsidies, child care and health care assistance significantly reduces the likelihood that they will return to public assistance.[31] In 2002, nearly 35 million people in the United States were hungry or living on the edge of hunger,[32] and research estimates that more than one-half of those who struggled to pay for food lived in households where at least one person was employed.[33] State policies regarding food security, such as the provision of food stamps, can play a major role in reducing the number of low-wage families who go hungry.[34]

Key State Policy Measures. Key policy initiatives to promote the effectiveness of food security programs include the following:

- **6.1 Improved access to food stamps for working families.** States can improve access to food stamps for working families by adopting two of the federal *Farm Security Act* options: a) providing automatic transitional benefits for families leaving public assistance, and b) simplifying the application process for food stamps by using the same definitions for income and/or resources that are used for the Temporary Assistance for Needy Families (TANF) and Medicaid programs. This measure reduces the complexity of these applications, which often serve as a barrier for low-wage families to access food benefit assistance, and can reduce state administrative costs.
- **6.2 Food stamp replacement program for legal immigrants.** The 1996 public assistance reform act allows states to utilize state funds to aid legal immigrant families during the five-year period when they are not eligible for federal funds.[35] Research shows that without this assistance, immigrant families face an increased risk of hunger.[36]

Food Security Policy Measures

Measure 6.1: Improved Access to Food Stamps for Working Families

Does the state promote access to food stamps through a) transitional benefits for families leaving cash assistance or b) the use of simplified definitions of income and/or resources for eligibility?

Both transitional benefits and simplified definitions	Ariz., Md., Mass., Neb., N.Y., N.C., Pa., Va., Wis.,
Transitional benefits only	Calif., Colo., Minn., N.M., Ore.
Simplified definitions only	Ala., Ark., Fla., Ga., Hawaii, Idaho, Ill., Ind., Iowa, Kan., Ky., La., Mich., Mo., N.H., N.D., Ohio, Okla., S.C., S.D., Tenn., Wyo.
Neither	Alaska, Conn., Del., D.C., Maine, Miss., Mont., Nev., N.J., R.I., Texas, Utah, Vt., Wash., W.Va.

Measure 6.2: Food Stamp Replacement Program for Legal Immigrants

Does the state operate a food stamp replacement program for legal immigrants?

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

Selected State Food Security Policies

State	6.1 State Improves Access to Food Stamps Through: Simplified Definitions of Income and/or Resources in the Application Process	6.1 State Improves Access to Food Stamps Through: Transitional Benefits	6.2 Food Stamp Replacement Program for Legal Immigrants
Alabama	Both	–	–
Alaska	–	–	–
Arizona	Both	Yes	–
Arkansas	Resources Only	–	–
California	–	Yes [a]	Yes
Colorado	–	Yes	–
Connecticut	–	–	Yes
Delaware	–	–	–
District of Columbia	–	–	–
Florida	Income Only	–	–
Georgia	Both	–	–
Hawaii	Income Only	–	–
Idaho	Income Only	–	–
Illinois	Both	–	–
Indiana	Both	–	–
Iowa	Both	–	–
Kansas	Income Only	–	–
Kentucky	Both	–	–
Louisiana	Resources Only	–	–
Maine	–	–	Yes
Maryland	Both	Yes [a]	–
Massachusetts	Both	Yes [a]	–
Michigan	Income Only	–	–
Minnesota	–	Yes [b]	Yes
Mississippi	–	–	–
Missouri	Both	–	–
Montana	–	–	–
Nebraska	Both	Yes	Yes
Nevada	–	–	–
New Hampshire	Both	–	–
New Jersey	–	–	–
New Mexico	–	Yes	–
New York	Both	Yes [a]	–
North Carolina	Both	Yes	–
North Dakota	Both	–	–
Ohio	Both	–	–
Oklahoma	Both	–	–
Oregon	–	Yes [a]	–
Pennsylvania	Both	Yes [a]	–
Rhode Island	–	–	–
South Carolina	Both	–	–
South Dakota	Both	–	–
Tennessee	Both	–	–
Texas	–	–	–
Utah	–	–	–
Vermont	–	–	–
Virginia	Both	Yes [a]	–
Washington	–	–	Yes
West Virginia	–	–	–
Wisconsin	Both	Yes	Yes
Wyoming	Both	–	–
Year Data Collected	**2005**		**2004**

Data Source:

6.1 U.S. Department of Agriculture. Food and Nutrition Service. *Food Stamp Program: State Options Report.* 4th ed. Washington, D.C., September 2004; Updated with unpublished data from the National Conference of State Legislatures, July 2005.

6.2 *Guide to Immigrant Eligibility for Federal Programs.* 4th ed. Washington, D.C.: National Immigration Law Center, 2002; Excerpt published by the National Immigration Law Center. "State Funded Food Programs" *Guide Updates.* Updated January 2004. Retrieved July 2005. http://www.nilc.org/pubs/guideupdates/tbl8_state-tanf_0304_a.pdf.

Data Table Notes:

a. States provide five-month transitional benefit to families leaving cash assistance but with stricter exclusions than the federal law.

b. Minnesota combines both cash assistance and food stamps together in the TANF benefits provided to families on public assistance. This allows some TANF families to receive just the food benefit portion, which is similar to receiving transitional food stamp benefits.

POLICY 7:

Unemployment Insurance

Why Unemployment Insurance Policy Matters. States can promote a stronger work force and healthier families by enhancing the ability of families to withstand and recover from temporary periods of unemployment. Recent trends in the U.S. economy have shown that even in times of economic recovery, job growth can be very limited, leaving many families in a continuing struggle with unemployment.[37] Research shows that during periods of unemployment, laid-off workers experience much higher rates of physical and emotional health problems, including substance abuse.[38] These problems can be detrimental to families and communities.

State unemployment insurance (UI) policy can positively affect the well-being of families and communities. Some studies indicate that temporary UI assistance not only helps families obtain basic necessities, but that more effective UI policies can allow workers the time to find subsequent employment at higher wages, with better health insurance benefits, and with longer job duration.[39] Research also shows that unemployment insurance has a larger economic benefit by moderately increasing consumer spending during recessions.[40]

Key State Policy Measures. States can provide critical support to families struggling in an unstable labor market through the following key policies:

7.1 Eligibility of part-time workers. Many states exclude workers seeking part-time employment from eligibility for UI, although their wages are subject to UI taxes and their earnings may qualify them for benefits. These workers are for the most part parents, and primarily are women.[41] To expand the family and community benefits of unemployment insurance states can modify their UI eligibility policies to include part-time workers. States may provide *full* eligibility to workers seeking part-time work, or may provide *limited* eligibility, covering only workers with restrictive health conditions or a history of part-time work.

Changes in 2007: *Policy Matters* is now using new data classifications for this measure, therefore no changes are reflected.

7.2 Consideration of applicant's most recent quarter of work. Many unemployed workers have sufficient work history to qualify for benefits, but in states that do not recognize work completed in the most recent quarter of the year, these applicants cannot receive benefits. States can adjust their eligibility policies to create an "alternate base period," (ABP) which allows recent work history to be counted toward the requirement for receiving unemployment benefits. Research indicates that six to eight percent of all UI claimants would be affected by this policy.[42]

Changes in 2007: Illinois has enacted an alternate base period policy, effective in 2008.

7.3 Benefit levels. Once workers become eligible for benefits, assistance levels must be adequate to assist with the transition back to employment. There are several policies that can assist with this process:

- **Children's allowance.** Because families with children are more likely to be negatively affected by periods of unemployment, states can promote family well-being by enhancing UI payments to unemployed workers with children.
- **Indexed benefit levels.** States can ensure that benefit levels keep pace with inflation by indexing them to the growth of wages in the state.
- **Extended benefit triggers.** During protracted economic downturns, benefit payments sometimes expire before the economy begins to regain a sufficient number of jobs. To extend UI benefits during these times, states have an option of implementing a "trigger" policy that automatically extends unemployment benefits during periods of high unemployment, thereby providing greater access to federal funds. A key measure for extending unemployment insurance

benefits is the use of a trigger that reflects the "total unemployment rate" (TUR), i.e., the rate of unemployment among the total population, as opposed to the "insured unemployment rate," which only measures unemployment among those eligible for unemployment insurance.[43]

Changes in 2007: None.

Unemployment Insurance Policy Measures

Measure 7.1: Eligibility of Part-time Workers

Does the state extend unemployment benefit eligibility to workers seeking part-time work?
Table reflects policy as of 2007.

Full	Calif., Del., Kan., Neb., N.M., Pa., S.D., Vt., Wyo.
Limited	Ark., Colo., Conn., D.C., Fla., Hawaii, Ill., Iowa, La., Maine, Mass., Minn., Mont., N.H., N.J., N.Y., N.C., Okla., R.I., Texas, Wash., Wis.
None	Ala., Alaska, Ariz., Ga., Idaho, Ind., Ky., Md., Mich., Miss., Mo., Nev., N.D., Ohio, Ore., S.C., Tenn., Utah, Va., W.Va.

Measure 7.2: Consideration of Applicant's Most Recent Quarter of Work

Does the state extend unemployment benefit eligibility to cover an alternate base period?
An alternate base period (ABP) allows recent work history to be counted toward the requirement for receiving unemployment benefits. Table reflects policy as of 2007.

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

Measure 7.3: Benefit Levels

Does the state ensure that families with unemployed workers have adequate resources to assist with the transition from unemployment by: 1) providing a children's allowance; 2) indexing benefit levels; and 3) adopting extended benefit triggers?
Table reflects policy as of 2007.

All 3 provisions	Conn., N.J., N.M., R.I.
2 of 3 provisions	Alaska, D.C., Ill., Iowa, Maine, Mass., N.C., Ohio, Ore., Pa., Vt., Wash.
1 of 3 provisions	Ark., Colo., Hawaii, Idaho, Kan., Ky., La., Md., Mich., Minn., Mont., Nev., N.H., N.D., Okla., S.C., S.D., Utah, W.Va., Wyo.
No provisions	Ala., Ariz., Calif., Del., Fla., Ga., Ind., Miss., Mo., Neb., N.Y., Tenn., Texas, Va., Wis.

Selected State Unemployment Insurance Policies

State	7.1 Eligible if Seeking Only Part-Time Work	7.2 Alternate Base Period Used to Recognize Most Recent Quarter of Work	7.3 Benefit Policy Includes: Children's Allowance	Index for State Wage Growth	TUR Extended Benefit Trigger*
Alabama	-	-	-	-	-
Alaska	-	-	Yes	-	Yes
Arizona	-	-	-	-	-
Arkansas	Limited	-	-	Yes	-
California	Full	-	-	-	-
Colorado	Limited	-	-	Yes	-
Connecticut	Limited	Yes [a]	Yes	Yes	Yes
Delaware	Full	-	-	-	-
District of Columbia	Limited	Yes	Yes	Yes	-
Florida	Limited	-	-	-	-
Georgia	-	Yes	-	-	-
Hawaii	Limited	Yes	-	Yes	-
Idaho	-	-	-	Yes	-
Illinois	Limited	Yes	Yes	Yes	-
Indiana	-	-	-	-	-
Iowa	Limited	-	Yes	Yes	-
Kansas	Full	-	-	Yes	Yes [b]
Kentucky	-	-	-	Yes	-
Louisiana	Limited	-	-	Yes	-
Maine	Limited	Yes	Yes	Yes	-
Maryland	-	-	Yes	-	-
Massachusetts	Limited	Yes	Yes	Yes	-
Michigan	-	Yes	Yes	-	-
Minnesota	Limited	-	-	Yes	-
Mississippi	-	-	-	-	-
Missouri	-	-	-	-	-
Montana	Limited	-	-	Yes	-
Nebraska	Full	-	-	-	-
Nevada	-	-	-	Yes	-
New Hampshire	Limited	Yes	-	-	Yes
New Jersey	Limited	Yes	Yes	Yes	Yes
New Mexico	Full	Yes	Yes	Yes	Yes
New York	Limited	Yes	-	-	-
North Carolina	Limited	Yes	-	Yes	Yes
North Dakota	-	-	-	Yes	-
Ohio	-	Yes	Yes	Yes	-
Oklahoma	Limited	Yes [b]	-	Yes	-
Oregon	-	-	-	Yes	Yes
Pennsylvania	Full	[e]	Yes	Yes	-
Rhode Island	Limited	Yes	Yes	Yes	Yes
South Carolina	-	-	-	Yes	-
South Dakota	Full	-	-	Yes	-
Tennessee	-	-	-	-	-
Texas	Limited	-	-	-	-
Utah	-	-	-	Yes	-
Vermont	Full	Yes	-	Yes	Yes
Virginia	-	Yes	-	-	-
Washington	Limited	Yes	-	Yes	Yes
West Virginia	-	-	-	Yes	-
Wisconsin	Limited	Yes	-	-	-
Wyoming	Full	-	-	Yes	-
Year Data Collected	**2007**	**2007**	**2007**		

*TUR = Total Unemployment Rate

Data Source:

7.1-2 U.S. Department of Labor, Employment and Training Administration, *Comparison of State Unemployment Insurance Laws, 2005.* Washington, D.C.: U.S. Department of Labor, 2005.

Updated with unpublished data from the National Employment Law Project through personal correspondence, December 2007.

7.3 Andrew Stettner, Rebecca Smith, and Rick McHugh. *Changing Workforce, Changing Economy: State Unemployment Insurance Reforms for the 21st Century.* Washington, D.C.: National Employment Law Project, 2004.

Updated with unpublished data from the National Employment Law Project through personal correspondence, December 2007.

Data Table Notes:

a. Connecticut law includes a sunset for this provision in December of 2008.

b. Oklahoma has capped funding for benefits under this provision.

c. Although the U.S. Department of Labor lists this state as providing benefits eligibility to workers seeking part-time work, alternative interpretations of state policies by the National Employment Law Center suggest that these states do not consider these workers eligible.

d. According to the U.S. Department of Labor, these states do not consider workers seeking part-time work as eligible for unemployment insurance benefits. However, alternate interpretations of state policy by the National Employment Law Center indicate that these states offer some limited benefits to these workers: "In 2004, Texas adopted a limited part-time benefit for those workers who are unable to work full time due to disability. Washington pays benefits to a very limited number of workers who do not work full-time, although this standard is restrictive. Rhode Island pays benefits to part-timers with good cause, by a judicial decision." (Personal correspondence with the National Employment Law Center, October 17, 2006)

e. Pennsylvania does allow Individuals who do not meet wage and credit week requirements due to a work-related injury, to request a re-determination using an alternate base year. This alternate base year consists of the four completed calendar quarters immediately preceding the date of the work-related injury. For the alternate base-year rules to apply, the work-related injury must be compensable under the Pennsylvania Workers' Compensation Act.

POLICY 8:

Housing Location and Affordability

Why Housing Policy Matters. States can enhance economic opportunity for their work force and improve the well-being of their communities by ensuring that families have access to housing that is affordable and near job markets. The location and affordability of housing not only enhance businesses' access to a quality work force, they also provide better opportunities for families' employment and financial success.[44]

Key State Policy Measures. State leaders can enhance economic opportunities for their work force through the policies listed below. Many of these policies leverage private markets and federal funds, thereby making the most effective use of state funding.

8.1 Prohibiting discrimination against the use of vouchers. Portable vouchers are widely considered to be the most effective and low-cost approach to expanding affordable housing in desirable neighborhoods.[45] Unfortunately, the success of this policy is limited by landlord discrimination against families who use these vouchers.[46] States can better leverage this successful federal program by passing and enforcing antidiscrimination legislation.

No data update available.

8.2 State housing trust funds. Voucher programs also are less effective for families when private markets fail to provide a sufficient affordable housing supply, such as multi-bedroom rental homes for large families. To assist families in managing this challenge, many states are choosing to fund affordable housing development directly through housing trust funds. These funds have been used to build or preserve tens of thousands of affordable homes across the country, and have the corollary benefit of creating thousands of jobs.[47] If targeted correctly, housing trust funds can play an important role in preserving mixed-income communities.[48] Research indicates that this type of policy, in concert with antidiscrimination legislation, plays an important role in state efforts to improve access to affordable housing.[49] States employ two key policy measures to enhance housing trust funds: assigning a dedicated revenue source, and allowing revenues to accrue without a funding cap. These policy measures are tracked in the data tables as new baseline data on the following pages.

Change in 2007: *Policy Matters* is now using new data classifications for this measure, therefore no changes are reflected.

8.3 State tax incentives for developers. States also can provide tax incentives at the state level for developers who construct low-wage housing. This policy creates incentives for private investment to encourage private markets to increase the supply of affordable housing.

No data update available.

8.4 Targeting federal tax credits to key populations. States can establish a Qualified Allocation Plan (QAP) for the Low Income Housing Tax Credit, which would target federal tax credits toward the production of housing units for those populations who can best utilize them.

No data update available.

Housing Location and Affordability Policy Measures

Measure 8.1: Prohibiting Discrimination Against the Use of Vouchers

Does the state promote access to affordable housing through statutes prohibiting discrimination against voucher holders? *Table reflects policy as of 2005.*

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

*Although Oregon prohibits discrimination based on source of income, federal rent subsidies are excluded from the definition of source of income.

Measure 8.2: State Housing Trust Funds

Does the state (a) assign a dedicated revenue source and (b) allow revenues to accrue without a funding cap in its state housing trust fund? *Table reflects policy as of 2007.*

Yes	Ariz., Conn., Del., D.C., Hawaii, Ill., Kan., Ky., La., Maine, Md., Minn., Mo., Neb., Nev., N.J., Ore., S.C., Vt., Wash.
Allows revenues to accrue without a funding cap, but does not assign a dedicated revenue source*	Calif., Fla.,* Ga., Ind., Iowa, Mass., Mich., Mont., N.H., N.M., N.Y., N.C., Ohio,* Okla., Texas, Utah, W.Va.
No state housing trust fund	Ala., Alaska, Ark., Colo., Idaho,** Miss., N.D., Pa., R.I., S.D., Tenn., Va., Wis., Wyo.

*Florida and Ohio are the only exceptions in this category: these states assign a dedicated revenue source but also maintain a funding cap.

**Idaho has enacted a housing trust fund, but has not provided funding.

Measure 8.3: State Tax Incentives for Developers

Does the state leverage private markets by providing developer tax credits for the production of affordable housing? *Table reflects policy as of 2003.*

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

Measure 8.4: Targeting Federal Credits to Key Populations

Does the state target federal tax credits to increase the supply of affordable housing for families with restricted access to private housing markets? This includes families who are/have: 1) special needs, 2) very low-wages (below 50 percent of area median income), 3) large families, 4) homeless, 5) at-risk, and 6) minorities. *Table reflects policy as of 2001.*

All six preferences	R.I.
5 of 6 preferences	Kan., Minn., N.D., Utah, Wash., W.Va.
4 of 6	Ala., Ill., Ind., Iowa, Ky., La., Maine, Md., Mass., Mich., N.H., N.M., N.C., Ohio, S.D., Tenn., Va., Wis., Wyo.
3 of 6	Alaska, Ariz., Ark., Calif., Conn., Hawaii, Idaho, Mont., Nev., N.Y., Pa., S.C., Texas
2 of 6	Okla., N.J.
1 of 6	
None	Colo., Del., Fla., Ga., Miss., Mo., Neb., Ore., Vt.

The District of Columbia is excluded because the District's QAP was not included in the data source.

Selected State Housing Policies

STATE	8.1 Prohibits Voucher Discrimination	8.2 Housing Trust Fund: Designated Revenue Source	8.2 Housing Trust Fund: Accrual With No Funding Cap	8.3 Developer Tax Credit	8.4 State Targets Housing Assistance To: Special Needs	Very Low-Wage [d]	Large Families	Homeless Families	At-Risk Families	Minority Families
Alabama	-	No HTF	No HTF	-	Yes	Yes	Yes	-	Yes	-
Alaska	-	No HTF	No HTF	-	Yes	Yes	Yes	-	-	-
Arizona	-	Yes	Yes	-	Yes	Yes	Yes	-	-	-
Arkansas	-	No HTF	No HTF	Yes	Yes	-	Yes	Yes	-	-
California	Yes	-	Yes	Yes	Yes	Yes	Yes	-	-	-
Colorado	-	No HTF	No HTF	-	-	-	-	-	-	-
Connecticut	Yes	Yes	Yes	Yes	Yes	Yes	Yes	-	-	-
Delaware	-	Yes	Yes	-	-	-	-	-	-	-
District of Columbia	Yes	Yes	Yes	-	N/A	N/A	N/A	N/A	N/A	N/A
Florida	-	Yes	-	-	-	-	-	-	-	-
Georgia	-	-	Yes	Yes	-	-	-	-	-	-
Hawaii	-	Yes	Yes	Yes	Yes	Yes	Yes	-	-	-
Idaho	-	[b]	[b]	-	Yes	-	Yes	-	Yes	-
Illinois	-	Yes	Yes	Yes	Yes	Yes	Yes	Yes	-	-
Indiana	-	-	Yes	-	Yes	Yes	-	Yes	Yes	-
Iowa	-	-	Yes	Yes	Yes	Yes	Yes	-	Yes	-
Kansas	-	Yes	Yes	-	Yes	Yes	Yes	Yes	Yes	-
Kentucky	-	Yes	Yes	-	Yes	-	Yes	Yes	Yes	-
Louisiana	-	Yes	Yes	-	Yes	Yes	Yes	Yes	-	-
Maine	Yes	Yes	Yes	-	Yes	Yes	Yes	Yes	-	-
Maryland	-	Yes	Yes	-	Yes	Yes	Yes	Yes	-	-
Massachusetts	Yes	-	Yes	Yes	Yes	Yes	Yes	Yes	-	-
Michigan	-	-	Yes	Yes	Yes	Yes	-	Yes	Yes	-
Minnesota	Yes	Yes	Yes	-	Yes	Yes	Yes	Yes	Yes	-
Mississippi	-	No HTF	No HTF	-	-	-	-	-	-	-
Missouri	-	Yes	Yes	Yes	-	-	-	-	-	-
Montana	-	-	Yes	-	Yes	Yes	Yes	-	-	-
Nebraska	-	Yes	Yes	-	-	-	-	-	-	-
Nevada	-	Yes	Yes	-	Yes	Yes	Yes	-	-	-
New Hampshire	-	-	Yes	-	Yes	Yes	Yes	Yes	-	-
New Jersey	Yes	Yes	Yes	-	-	-	Yes	Yes	-	-
New Mexico	-	-	Yes	-	Yes	Yes	-	-	Yes	Yes
New York	-	-	Yes	Yes	Yes	Yes	Yes	-	-	-
North Carolina	-	-	Yes	Yes	Yes	Yes	-	Yes	Yes	-
North Dakota	Yes	No HTF	No HTF	-	Yes	Yes	Yes	Yes	Yes	-
Ohio	-	Yes	-	-	Yes	Yes	Yes	-	Yes	-
Oklahoma	Yes	-	Yes	-	Yes	Yes	-	-	-	-
Oregon	[a]	Yes	Yes	Yes	-	-	-	-	-	-
Pennsylvania	-	[c]	[c]	-	Yes	Yes	Yes	-	-	-
Rhode Island	-	No HTF	No HTF	-	Yes	Yes	Yes	Yes	Yes	Yes
South Carolina	-	Yes	Yes	-	-	Yes	Yes	Yes	-	-
South Dakota	-	No HTF	No HTF	-	Yes	Yes	Yes	Yes	-	-
Tennessee	-	No HTF	No HTF	-	-	Yes	Yes	Yes	Yes	-
Texas	-	-	Yes	-	Yes	-	Yes	Yes	-	-
Utah	Yes	-	Yes	Yes	Yes	Yes	Yes	Yes	Yes	-
Vermont	Yes	Yes	Yes	Yes	-	-	-	-	-	-
Virginia	-	No HTF	No HTF	Yes	Yes	Yes	Yes	Yes	-	-
Washington	-	Yes	Yes	-	Yes	Yes	Yes	Yes	Yes	-
West Virginia	-	-	Yes	-	Yes	Yes	Yes	Yes	Yes	-
Wisconsin	Yes	No HTF [e]	No HTF [e]	-	Yes	Yes	Yes	Yes	-	-
Wyoming	-	No HTF	No HTF	-	Yes	Yes	Yes	Yes	-	-
Year Data Collected	**2005**	**2007**	**2007**	**2003**	**2001**					

Data Source:

8.1 National Housing Law Project. "Source of Income Protections in the U.S.: Statutes, Cases, Reference Materials." Section 8 Housing. Updated 2005. Retrieved July 2005. http://www.nhlp.org/html/sec8.

8.2 CFED, "Core Policy Overview: Housing Trust Fund," *2007-2008 Assets and Opportunities Scorecard,* Washington, DC: Retrieved October, 2007.

8.3 National Council of State Housing Agencies. *State HFA Fact Book: NCSHA 2003 Annual Survey Results.* Washington, D.C.: National Council of State Housing Agencies, 2004.

8.4 Gustafson, Jeremy and Walker, J. Christopher. *Analysis of the State QAP for the LIHTC Program.* Analysis prepared by the Urban Institute for the U.S. Department of Housing and Urban Development, May 2002.

Data Table Notes:

a. Oregon prohibits discrimination in real estate transactions based on source of income, but specifically excludes federal rent subsidy payments under 42 U.S.C. § 1437f from its definition of source of income.

b. Idaho technically has passed legislation authorizing the creation of a state housing trust fund. However, the state has never committed a revenue source, and has no current plans to dedicate revenue for the trust fund.

c. Pennsylvania does not have a state housing trust fund, but it does have enabling legislation that allows county housing trust funds.

d. Very low-income is defined as at or below 50 percent of the area median income.

e. Wisconsin does not have a housing trust fund comparable to other states. Instead it has an Interest Bearing Real Estate Trust Account (IBRETA). State statutes require that real estate brokers establish interest-bearing real estate trust accounts for deposit all down payments, earnest money and other trust funds they receive related to the conveyance of real estate. Banks and other financial institutions remit the interest from these accounts, after deducting administrative expenses, to the Department of Commerce, Division of Housing and Community Development which, in turn, uses them to help fund emergency and transitional homeless programs. (Source: Martha Cranley of the Wisconsin Council on Children and Families via electronic mail, January 4, 2008).

50-STATE POLICY OVERVIEW

HEALTH POLICIES

POLICY 9:

Health Insurance Coverage

Why Health Insurance Coverage Policy Matters. The productivity of a state's work force and the efficiency of a state's government can be enhanced by improving families' access to physical and mental health care. Research shows that America's families lose hundreds of billions of dollars in lost wages due to physical illness each year, and that these losses negatively affect their employers as well.[50] Studies also show that states that do not help families access preventive health care often pay much greater amounts for emergency rooms and hospitalization when a preventable ailment becomes a major disease.[51] Health insurance is a key determinant in a family's ability to access adequate health care.[52]

Key State Policy Measures. States can promote the stability of the work force and potentially reduce long-term costs to government by expanding access to health insurance. Three primary policies support this goal:

9.1 Child eligibility for Medicaid coverage. States determine the availability of government-funded medical insurance for children primarily through the income eligibility level that they adopt for their Medicaid program and State Children's Insurance Program (SCHIP). Research shows that without insurance, children are less likely to receive health services in a timely manner, and that their health and long-term development can be compromised.[53] As such, children's health insurance can be an important part of a broad strategy toward child development aimed at helping children stay healthy, eager to learn and prepared to succeed.

Changes in 2007:

States expanding eligibility for children:

Although several states enacted measures to expand eligibility for children, a new federal directive by the Commission on Medicaid and Medicaid Services significantly curtails the ability of states to expand eligibility above 250 percent of the federal policy level, as explained in the following excerpt from an analysis performed by the Center for Budget and Policy Priorities and the Kaiser Commission on Medicaid and the Uninsured:

Just as states are pushing forward, a new federal directive issued by CMS on August 17, 2007 restricts states from using SCHIP funds to cover children in families with gross incomes above 250 percent of the federal poverty line, thus limiting states' ability to reach uninsured children above this income level. The directive currently affects 23 states, including 10 states that passed eligibility expansions but had not obtained federal approval before the directive was issued and 14 states that had implemented coverage expansions above this level but will have to comply with the directive by August 2008. (Washington is counted in both sets of states.) In response to the directive, several states have scaled back or postponed their expansion plans or have decided to absorb the full cost of covering children with income above the CMS limit. As a result, thousands of children already have lost the opportunity to obtain health coverage. Many more may be adversely affected as states make decisions about going forward. (Excerpt from Donna Cohen Ross, Aleya Horn, and Caryn Marks, Health Coverage for Children and Families in Medicaid and SCHIP: State Efforts Face New Hurdles, Washington, D.C.: The Kaiser Commission on Medicaid and the Uninsured, January 2008.)

In the context of this directive the following changes were enacted in 2007.

- Montana increased eligibility from 150 percent to 175 percent of the FPL.
- Pennsylvania increased eligibility from 200 percent (with state subsidies for insurance up to 235 percent) of the FPL to 300 percent of the FPL.
- Tennessee increased eligibility from 100 percent to 250 percent of the FPL, although this state enacted an enrollment freeze during part of 2007.
- Georgia, Tennessee, and Utah froze enrollment for some portion of 2007.

9.2 Co-payments and premiums for children's health services. States sometimes require cost-sharing by eligible families through premiums, co-payments and deductibles. States pursue cost-sharing to provide incentives against overuse of health care and to limit health care costs, but research shows that even small fees can reduce patient access to care.[54]

There are stringent rules for cost-sharing under the traditional Medicaid program, therefore the premiums and co-payments reflected in this report are charged generally to families of children who receive health care services through a separate SCHIP program or Medicaid expansion. In the data tables, copayments are reflected for families with earnings equal to 151 percent of the FPL or 200 percent of the FPL. These copayments apply to non-preventive physician visits, emergency room visits, and/or inpatient hospital visits. Premiums apply to families of three with earnings equal to 101 percent, 151 percent, or 200 percent of the FPL.

Changes in 2007:

- **Hawaii** eliminated premiums for selected families at selected income levels.
- **Montana** began charging co-payments for selected services for children with family income at 151 percent of the FPL (as part of its expansion of eligibility to this level and beyond).

9.3 Parent eligibility for Medicaid. Parental health insurance coverage is not only important for a parent's own health, research indicates that parental coverage is a strong predictor of a child's use of health services.[55] States determine the income eligibility level for parents separately from decisions about children's eligibility.

Changes in 2007: The majority of states increased the dollar amount parents may earn while still qualifying for Medicaid, however the size of these increases rarely matched the increase in the federal poverty level, which means that more parents near poverty are likely to no longer qualify for Medicaid. Only states that increased their eligibility levels when measured as a percentage of the FPL make more parents who are near poverty eligible for this service. For states that have one eligibility level for "regular" Medicaid, and a separate level for services provided through a waiver, changes noted apply to one or both programs, except where noted.

States increasing eligibility levels for working parents, both in dollar terms and as a percentage of the FPL:

Arkansas	Iowa	New Jersey
Connecticut	Nebraska	Oklahoma
Indiana	Nevada	South Carolina

States increasing (or maintaining constant) eligibility levels for working parents in dollar terms, but seeing eligibility levels remain constant as a percentage of the FPL:

Alabama
Alaska
Arizona
District of Columbia
Hawaii
Louisiana
Massachusetts
Michigan
Minnesota
New York
Ohio
Oregon**
Tennessee**
Virginia

* Indiana's eligibility increase occurred through its waiver program, and eligibility declined as a percentage of the FPL for the regular Medicaid program.

** Oregon and Tennessee enacted an enrollment freeze for their waiver programs at some point between July 2006 and July 2007.

States increasing (or maintaining constant) eligibility levels for working parents in dollar terms, but seeing levels decrease as a percentage of the FPL:

California
Colorado
Delaware
Florida
Georgia
Idaho
Illinois
Kansas
Kentucky
Maine
Maryland
Mississippi
Missouri
Montana
New Hampshire
New Mexico
North Carolina
North Dakota
Pennsylvania***
Rhode Island
South Dakota
Texas
Utah***
Vermont
Washington***
West Virginia
Wisconsin
Wyoming

*** Pennsylvania, Utah, and Washington enacted an enrollment freeze for their waiver or state funded expansion program at some point between July 2006 and July 2007.

Health Insurance Coverage Policy Measures

Measure 9.1: Children's Eligibility for Health Coverage

At what percentage of the federal poverty level (FPL) for family earnings does the state make children eligible for public health insurance? *Table reflects policy as of January 2008.*

251% of the federal poverty level (FPL) or above	Conn., D.C., Hawaii, Md., Minn., Mo., N.H., N.J., Pa., Vt.
201% to 250% of the FPL	Calif., Ga., N.M., N.Y., R.I., Tenn., Wash., W.Va.
186% to 200% of the FPL	Ala., Ariz., Ark., Colo., Del., Fla., Ill., Ind., Iowa, Kan., Ky., La., Maine, Mass., Mich., Miss., Nev., N.C., Ohio, S.D., Texas, Utah, Va., Wyo.
151% to 185% of the FPL	Alaska, Idaho, Mont., Neb., Okla., Ore., Wis.
100% to 150% of the FPL	N.D., S.C.

* Subject to a new federal directive by the Commission on Medicaid and Medicaid Services that significantly curtails the ability of states to expand eligibility above 250 percent of the federal policy level beginning in August of 2008.

Measure 9.2: Co-payments and Premiums for Children's Health Services

Does the state use cost-sharing mechanisms for selected Medicaid and S-CHIP-eligible children? *Table reflects policy as of January 2008.*

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

Measure 9.3: Parent Eligibility for Medicaid

At what percentage of the federal poverty level (for family earnings) does the state make parents and guardians eligible for public health insurance? *Table reflects policy as of January 2008.*

151% of the federal poverty level or above	Ariz., Ark., Conn., D.C., Ill., Ind., Iowa, Maine, Minn., N.M., Pa., R.I., Vt., Wash., Wis.
101% to 150% of the FPL	Calif., Del., Mass., N.J., N.Y., Utah
51% to 100% of the FPL	Alaska, Colo., Fla., Ga., Hawaii, Ky., Mich., Mont., Neb., Nev., N.H., N.C., N.D., Ohio, Ore., S.C., S.D., Tenn., Wyo.
Up to 50% of the FPL	Ala., Idaho, Kan., La., Md., Miss., Mo., Okla., Texas, Va., W.Va.

Selected State Health Insurance Coverage Policies

State	9.1 Child Eligibility Level: Child Eligibility Level (As a % of FPL) [c]	9.2 Cost-Sharing Mechanism [a]: Co-payments Charged for Children's Health Insurance Services	9.2 Cost-Sharing Mechanism [a]: Premiums Charged for Children's Health Insurance Services	9.3 Parent [b] Eligibility Level: As a % of Federal Poverty Level (FPL)
Alabama	200	Yes [i]	Yes	26
Alaska	175	Yes [i]	-	81
Arizona	200	-	Yes	200
Arkansas	200	Yes [i]	-	↑ 18/200
California	250	Yes	Yes	↓ 106
Colorado	200	Yes	Yes	↓ 66
Connecticut	300	Yes	Yes	↑ 191
Delaware	200	-	Yes	↓ 106
District of Columbia	300	-	-	207
Florida	200	Yes	Yes	↓ 56
Georgia	↓ 235 [e]	-	Yes	↓ 53
Hawaii	300	-	↓ -	100
Idaho	185	-	Yes	↓ 42
Illinois	200 (No limit) [d,f]	Yes	Yes	↓ 191
Indiana	200 [d]	-	Yes	↑ 26/200
Iowa	200	-	Yes	↑ 89/250
Kansas	200	-	Yes	↓ 34
Kentucky	200	Yes [i]	Yes	↓ 64
Louisiana	200 [d]	-	-	20
Maine	200	-	Yes	↓ 206
Maryland	300	-	Yes	↓ 37
Massachusetts	300 (400+) [f]	-	Yes	133
Michigan	200	-	Yes	61
Minnesota	275 [g]	-	Yes	275
Mississippi	200	Yes	-	↓ 32
Missouri	300	-	Yes	↓ 39
Montana	↑ 175	Yes	-	↓ 60
Nebraska	185	-	-	↑ 59
Nevada	200	-	Yes	↑ 94
New Hampshire	300	Yes	Yes	↓ 55
New Jersey	350	Yes	Yes	↑ 133
New Mexico	235	Yes	-	↓ 63/409
New York	250 [d]	-	Yes	150
North Carolina	200 [d]	Yes	Yes	↓ 52
North Dakota	140	-	-	↓ 63
Ohio	200 [d]	-	-	90
Oklahoma	185 [d]	-	-	↑ 50/200
Oregon	185	-	-	100
Pennsylvania	↑ 300	-	Yes	↓ 59/200
Rhode Island	250	-	Yes	↓ 191
South Carolina	150 [h]	-	-	↑ 100
South Dakota	200	-	-	↓ 56
Tennessee	↑ and ↓ 250 [e]	Yes	Yes	80
Texas	200	Yes	Yes	↓ 28
Utah	↓ 200 [e]	Yes	Yes	↓ 47/150
Vermont	300	-	Yes	↓ 191
Virginia	200	Yes	-	31
Washington	250 [d]	-	Yes	↓ 76/200
West Virginia	220 [d]	Yes	Yes	↓ 35
Wisconsin	185	-	Yes	↓ 191
Wyoming	200	Yes	-	↓ 55
Year Data Collected	**Jan. 2008**	**Jan. 2008**		**Jan. 2008**

Data Source:

Donna Cohen Ross, Aleya Horn, and Caryn Marks, *Health Coverage for Children and Families in Medicaid and SCHIP: State Efforts Face New Hurdles,* Washington, D.C.: Kaiser Commission on Medicaid and the Uninsured and the Center on Budget and Policy Priorities, January 2008.

Data Table Notes:

a. The premiums and co-payments reflected in this report are charged generally to children who receive health care services through a separate SCHIP program or expanded Medicaid program because there are stringent rules for cost-sharing under the traditional Medicaid program. In the tables below, copayments are reflected for families with earnings equal to 151 percent of the FPL or 200 percent of the FPL. These copayments apply to non-preventive physician visits, emergency room visits, and/or inpatient hospital visits for families with earnings equal to 151 percent or 200 percent of the FPL. Premiums apply to families of three with earnings equal to 101 percent, 151 percent, or 200 percent of the FPL.

b. Eligibility listed is the application threshold for working adults, and takes earnings disregards into account when determining income thresholds. Income limits for coverage that is not time-limited may be lower.

c. Eligibility levels apply to SCHIP for the 37 states that operate an S-CHIP program, and to regular Medicaid for other states. Benefits provided under SCHIP prgograms may be similar to those provided under Medicaid, or they may be a more limited set. Eligibility levels generally apply to children age 0 to 19, with exceptions noted in the table.

d. These states passed legislation to extend coverage to 300 percent of the federal poverty level, but have scaled back their planned expansions due to new federal restrictions established on August 17, 2007.

e. Georgia, Tennessee, and Utah enacted an SCHIP enrollment freeze during some period between July 2006 and July 2007.

f. Illinois and Massachusetts provide state-financed coverage to children with incomes above S-CHIP levels. Massachusetts provides coverage to families with income up to 400 percent of the FPL (and some above that level), and Illinois places no limit on eligibility for this coverage.

g. Minnesota makes infants age 0 to 2 eligible up to 280 percent of the federal poverty level.

h. South Carolina makes infants under one year of age eligible up to 185 percent of the federal poverty level.

i. Alabama, Alaska, Arkansas, and Kentucky treat 18-year-olds as adults and subject them to co-payments for various services.

j. Oregon, Tennessee, and Utah, enacted an enrollment freeze for their waiver funded expansion program at some point between July 2006 and July 2007.

k. Pennsylvania, and Washington enacted an enrollment freeze for their state funded expansion program at some point between July 2006 and July 2007.

POLICY 10:

Health Care Benefits

Why Health Care Benefits Policy Matters. The productivity of a state's work force is heavily dependent on the physical and mental health of workers and their families. A key factor determining whether families receive needed health care is health insurance,[56] not only in terms of insurance coverage, but in terms of the benefits included under that coverage. Examples of key medical services that are often excluded from insurance coverage include mental health, family planning, substance abuse treatment and dental services. State policy can improve the availability of important benefits such as these in both public and private health insurance plans.

Key State Policy Measures. States can support the health and productivity of families by filling in the gaps left by conventional health coverage – in both private and public insurance plans. Three key options for improving benefit coverage are highlighted below:

10.1 Mental health and substance abuse treatment. To promote access to mental health and substance abuse treatment, states can enact policies that require private insurance providers to cover these services at a level comparable to coverage for physical ailments. Some states require *comprehensive* coverage for these services; some require *broad* coverage, but exclude some treatments; some require mental health and substance abuse treatment *for selected groups only*; and some require coverage for *some mental health services*, but not at parity with services required for physical ailments.

Changes in 2007:

- New York and Ohio now require private insurers to provide mental health coverage at parity with physical health *coverage for select groups*, whereas previously these states required coverage for some mental health services only.
- North Carolina now requires private insurers to provide mental health coverage at parity with physical health coverage *for a broad range of treatments*, whereas previously this state required coverage for select groups only.
- Oregon now requires private insurers to provide mental health coverage at parity with physical health coverage *for a comprehensive range of treatments*, whereas previously this state required coverage for a broad, but not comprehensive, range of treatments.

10.2 Dental services for adults. Whereas Medicaid requires dental services for children, states have discretion to provide benefits for adults. Benefit levels vary across states, ranging from comprehensive services to services provided only on an emergency basis.

No data update available

10.3 Family planning and prescription contraception services. In both private and public insurance plans, states can promote access to family planning and contraception services. Under the Medicaid program, states can receive a federal waiver to use federal funds to provide family planning services for individuals who otherwise do not qualify for Medicaid coverage. For private health insurance plans, states can set policy that requires insurers to provide benefit coverage for family planning services.

Changes in 2007:

- Pennsylvania and Texas obtained federal waivers to provide family planning services for individuals who otherwise could not access these services through Medicaid.

Health Care Benefits Policy Measures

Measure 10.1: Mental Health and Substance Abuse Treatment

What level of benefit coverage does the state require of private health insurance providers in the area of mental health and substance abuse treatment? *Table reflects policy as of 2007.*

Comprehensive coverage of all mental health and substance abuse disorders	Conn., Md., Minn., Ore., Vt.
Broad coverage of all such disorders with some limitations and exemptions	Ind., Ky., Maine, N.C., N.M., R.I., Wash.
Coverage for *select groups only,* e.g., the severely mentally ill	Ariz., Ark., Calif., Colo., Del., Hawaii, Ill., Iowa, La., Mass., Mo., Mont., Neb., Nev., N.H., N.J., N.Y., Ohio, Okla., S.C., S.D., Tenn., Texas, Utah, Va., W.Va.
Coverage for *some mental health disorders only*, but not at parity with coverage of physical health needs	Ala., Alaska, D.C., Fla., Ga., Kan., Mich., Miss., N.D., Pa., Wis.
None	Idaho, Wyo.

Measure 10.2: Dental Services for Adults

Does the state provide dental benefits to adults in the Medicaid program? *Table reflects policy as of 2004.*

Comprehensive dental services, including preventive services	N.C., N.D., Ohio, Ore., S.D., Texas
Most services, with limits only on the frequency of preventive services	Mo., Neb., N.J.
Limitations on preventive, restorative and/or further treatment	Calif., Conn., Idaho, Ill., Ind., Iowa, Ky., La., Minn., Mont., N.M., N.Y., Pa., R.I., Utah, Vt., Wash., Wis.
Emergency dental services only	Alaska, Ariz., Ga., Hawaii, Kan., Maine, Md., Mass., Mich., Miss., Nev., N.H., Okla., S.C., Tenn., Va., W.Va., Wyo.
No adult dental services	Ala., Ark., Colo., Del., D.C., Fla.

Measure 10.3: Family Planning and Prescription Contraception Services

Does the state (a) require coverage for family planning services from private health insurance providers and (b) provide coverage through a Medicaid waiver to individuals who otherwise do not qualify for Medicaid coverage? *Table reflects policy as of 2007.*

Both Medicaid and private insurers	Ariz., Ark., Calif., Del., Ill., Iowa, Md., Mich., Minn., Mo., N.M., N.Y., N.C., Okla., R.I., Wash., Wis.
Private insurers, but not Medicaid	Colo., Conn., Ga., Hawaii, Ky., Maine, Mass., Mont., Nev., N.H., N.J., N.D., Ohio*, Vt., W.Va., Wyo.
Medicaid, but not private insurers	Ala., Fla., La., Miss., Ore., Pa., S.C., Texas, Va.
Neither Medicaid nor private insurers	Alaska, D.C., Idaho, Ind., Kan., Neb., S.D., Tenn., Utah

*Ohio limits its mandate to "medically necessary" family planning services.

Selected State Health Care Benefits Policies

State	10.1 Coverage Requirements for Private Insurers in the Area of Mental Health and Substance Abuse	10.2 Dental Benefits for Adults Under Medicaid*	10.3 Family Planning Coverage: Required of Private Insurers	10.3 Family Planning Coverage: Provided to Expanded Population Under Medicaid Waiver
Alabama	Some Mental Health Only	-	-	Yes
Alaska	Some Mental Health Only	Emergency Only	-	-
Arizona	Select Groups Only	Emergency Only	Yes	Yes
Arkansas	Select Groups Only	-	Yes	Yes
California	Select Groups Only	Limited Treatments	Yes	Yes [b]
Colorado	Select Groups Only	-	Small Insurers Only	-
Connecticut	Comprehensive	Limited Treatments	Yes	-
Delaware	Select Groups Only	-	Yes	Yes
District of Columbia	Some Mental Health Only	-	-	-
Florida	Some Mental Health Only	-	-	Yes
Georgia	Some Mental Health Only	Emergency Only	Yes	-
Hawaii	Select Groups Only	Emergency Only	Yes	-
Idaho	-	Limited Treatments	-	-
Illinois	Select Groups Only	Limited Treatments	Yes	Yes
Indiana	Broad	Limited Treatments	-	-
Iowa	Select Groups Only	Limited Treatments	Yes	Yes
Kansas	Some Mental Health Only	Emergency Only	-	-
Kentucky	Broad	Limited Treatments	Small Insurers Only	-
Louisiana	Select Groups Only	Limited Treatments	-	Yes
Maine	Broad	Emergency Only	Yes	-
Maryland	Comprehensive	Emergency Only	Yes	Yes
Massachusetts	Select Groups Only	Emergency Only	Yes	-
Michigan	Some Mental Health Only	Emergency Only	Yes	Yes
Minnesota	Comprehensive	Limited Treatments	HMOs Only	Yes
Mississippi	Some Mental Health Only	Emergency Only	-	Yes
Missouri	Select Groups Only	Limited Prevention	Yes	Yes
Montana	Select Groups Only	Limited Treatments	Yes	-
Nebraska	Select Groups Only	Limited Prevention	-	-
Nevada	Select Groups Only	Emergency Only	Yes	-
New Hampshire	Select Groups Only	Emergency Only	Yes	-
New Jersey	Select Groups Only	Limited Prevention	Yes	-
New Mexico	Broad	Limited Treatments	Yes	Yes
New York	↑ Select Groups Only	Limited Treatments	Yes	Yes
North Carolina	↑ Broad	Comprehensive	Yes	Yes
North Dakota	Some Mental Health Only	Comprehensive	HMOs Only	-
Ohio	↑ Select Groups Only	Comprehensive [b]	HMOs Only [a]	-
Oklahoma	Select Groups Only	Emergency Only	HMOs Only	Yes
Oregon	↑ Comprehensive	Comprehensive	-	Yes
Pennsylvania	Some Mental Health Only	Limited Treatments	-	↑ Yes [c]
Rhode Island	Broad	Limited Treatments	Yes	Yes
South Carolina	Select Groups Only	Emergency Only	-	Yes [b]
South Dakota	Select Groups Only	Comprehensive	-	-
Tennessee	Select Groups Only	Emergency Only	-	-
Texas	Select Groups Only	Comprehensive	-	↑ Yes
Utah	Select Groups Only	Limited Treatments	-	-
Vermont	Comprehensive	Limited Treatments	Yes	-
Virginia	Select Groups Only	Emergency Only	-	Yes
Washington	Broad	Limited Treatments	Yes	Yes
West Virginia	Select Groups Only	Emergency Only	Yes	-
Wisconsin	Some Mental Health Only	Limited Treatments	Yes	Yes [b]
Wyoming	-	Emergency Only	HMOs Only	-
Year Data Collected	**2007**	**2004**	**2007**	

* No data update is available for this policy measure. The data in this column is reprinted from the 2006 Policy Matters report.

Data Source:

10.1 Mental Health America. "What Have States Done to Ensure Mental Health Parity?" Updated November 2007.

10.3 Alan Guttmacher Institute. "Insurance Coverage of Contraceptives." *State Policies in Brief*. Updated December 1, 2007 at http://www.guttmacher.org/statecenter/spibs.

Alan Guttmacher Institute. "State Medicaid Family Planning Eligibility Expansions." *State Policies in Brief*. Updated December 1, 2007 at http://www.guttmacher.org/statecenter/spibs

Data Table Notes:

a. Ohio limits this mandate to medically necessary family planning services.

b. These states' Medicaid waivers were set to expire in late 2007.

c. Pennsylvania's Medicaid waiver was set to be implemented on February 1, 2008.

POLICY 11:

School Health and Nutrition

Why School Health and Nutrition Policy Matters. States seeking to promote healthy communities and brighter futures for children can do so by enhancing health education and nutrition in schools. Research shows that investments in school health education can improve health outcomes for children and teenagers.[57]

Key State Policy Measures. States seeking to promote healthy communities can do so through policies that include the following:

11.1 Physical education requirements. States can enact policies requiring physical education (PE) programs in public elementary and secondary schools to help reduce and prevent obesity. Some states require PE during high school only, equaling one to three years of coursework. Other states require PE for four to nine years (typically in kindergarten through grades five or six with some secondary school requirements). Still others require ten years or more of PE (typically in grades K-8 with some high school requirements) and of those, some allow students to substitute a non-exercise oriented class in place of PE.

Changes in 2007: None

11.2 Nutritional standards for foods sold on school campuses. States can promote good health among youth through nutritional standards that prohibit the sale of high fat and high sugar foods at school. At a minimum, all states must comply with U.S. Department of Agriculture (USDA) standards for subsidized meal programs. Some states take an extra step of limiting the sale of foods with minimal nutritional value until the last lunch period is over. Still others set nutritional standards for all foods available in school.

Changes in 2006-07:

- **Delaware, Indiana,** and **Rhode Island** increased limits on non-nutritional food.
- **Nevada, Oregon,** and **Texas** set nutritional standards for all foods available in school.

11.3 Sexual-health education. Comprehensive sexual-health education programs promote abstinence as the most effective means of preventing sexually transmitted diseases (STDs) and pregnancy, and also provide medically accurate information about contraceptive use.[58] Studies show that teenagers who received comprehensive sexual-health education were both more knowledgeable about the consequences of risky behaviors and less likely to be engaged in them.[59] Some states require public schools to provide both sexual-health education and STD/HIV education, whereas others require only the latter. Still others offer courses on these topics, but do not make attendance mandatory.

Changes in 2006:

- **Oregon** began requiring that public schools provide general sexual-health education.

School Health and Nutrition Policy Measures

Measure 11.1: Physical Education Requirements

How many years of physical education does the state require in elementary and secondary school? *Table reflects policy as of 2007.*

More than 10 years with no substitutions	Mo., Mont., N.Y., Tenn.
More than 10 years with substitutions permitted	Ala., Ark., Calif., Ga., Ill., Iowa, Ky., Maine, Md., Mass., Neb., N.H., N.M., N.C., N.D., Pa., Texas, Utah, Va., Wash.
4 to 9 years (typically K-5 or K-6 with some secondary school requirements)	Del., Fla., Kan., La., Okla., R.I., S.C., W.Va., Wyo.
Some high school only (1 to 3 years)	Alaska, Conn.*, Hawaii, Ind., Minn.*, Miss., Nev., Ore., S.D., Vt.*, Wis.
No specific grades are mandated	Ariz.*, Colo., Idaho*, Mich.*, N.J.*, Ohio

* Ariz., Conn., Idaho, Mich., Minn., N.J., and Vt. mandate physical education as a general part of the state curriculum, but fail to specify any grades beyond limited high school graduation requirements.

Measure 11.2: Nutritional Standards for Food Sold on School Campuses

What methods does the state require to promote healthy eating in public schools? *Table reflects policy as of 2007.*

Sets nutritional standards for all foods sold in school	Ariz., Calif., Hawaii, Ky., La., Maine, Nev., N.J., N.C., Okla., Ore., S.C., Tenn., Texas, Va., W.Va.
Limits sale of low nutrition food until the last lunch period is over	Ala., Ark., Colo., Conn., Del., Fla., Ga., Ill., Ind., Md., Miss., Neb., N.M., N.Y., R.I.
Complies with basic USDA standards only	Alaska, D.C., Idaho, Iowa, Kan., Mass., Mich., Minn., Mo., Mont., N.H., N.D., Ohio, Pa., S.D., Utah, Vt., Wash., Wis., Wyo.

Measure 11.3: Sexual-Health Education

What type of sexual-health education courses are required by the state in public schools? *Table reflects policy as of 2007.*

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

Selected State School Health and Nutrition Policies

State	11.1 Physical Education (PE) Requirements: Years of PE Required	11.1: PE Substitutions Prohibited	11.1: Specific Grades With Mandated PE	11.2 Nutritional Measures Beyond USDA Compliance	11.3 Sexual Health Education Requirements: General Sexual Health	11.3: HIV/STD Only
Alabama	10 or more	Yes	K-8, 1 HS*	Limits Non-nutritional Food	-	Yes
Alaska	1	Yes	1 HS	USDA Only	-	-
Arizona	Not Specified	-	Grades Not Specified	Nutrition Standards for All Food	-	-
Arkansas	10 or more	-	K-8, 1 HS	Limits Non-nutritional Food	-	-
California	10 or more	-	K-8, 2 HS	Nutrition Standards for All Food	-	Yes
Colorado	0	-	None	Limits Non-nutritional Food	-	-
Connecticut	1	-	1 HS	Limits Non-nutritional Food	-	Yes
Delaware	9	-	1-8, 1 HS	↑ Limits Non-nutritional Food	Yes	Yes
District of Columbia	Not Included	Not Studied	Not included	USDA Only	Yes	Yes
Florida	7	-	K-5, 1 HS	Limits Non-nutritional Food	Yes	Yes
Georgia	10 or more	-	K-8, 1 HS	Limits Non-nutritional Food	Yes	Yes
Hawaii	1	-	1 HS	Nutrition Standards for All Food	Yes	Yes
Idaho	Not Specified	-	Grades Not Specified	USDA Only	-	-
Illinois	10 or more	-	K-12	Limits Non-nutritional Food	-	-
Indiana	1	Yes	1 HS	↑ Limits Non-nutritional Food	-	Yes
Iowa	10 or more	-	K-8, 1 HS	USDA Only	Yes	Yes
Kansas	8	Yes	K-6, 1 HS	USDA Only	Yes	Yes
Kentucky	10 or more	-	K-8, 1 HS	Nutrition Standards for All Food	Yes	Yes
Louisiana	9	-	K-6, 2 HS	Nutrition Standards for All Food	-	-
Maine	10 or more	-	K-8, 2 HS	Nutrition Standards for All Food	Yes	Yes
Maryland	10 or more	-	K-12	Limits Non-nutritional Food	Yes	Yes
Massachusetts	10 or more	-	K-12	USDA Only	-	-
Michigan	Not Specified	-	Grades Not Specified	USDA Only	-	Yes
Minnesota	3	Yes	3 HS	USDA Only	Yes	Yes
Mississippi	1	-	1 HS	Limits Non-nutritional Food	-	-
Missouri	10 or more	Yes	K-8, 1 HS	USDA Only	-	Yes
Montana	10 or more	Yes	K-8, 1 HS	USDA Only	Yes	Yes
Nebraska	10 or more	-	K-8, 2 HS	Limits Non-nutritional Food	-	-
Nevada	2	-	2 HS [a]	↑ Nutrition Standards for All Food	Yes	Yes
New Hampshire	10 or more	-	K-8, 1 HS	USDA Only	-	Yes
New Jersey	Not Specified	-	Grades Not Specified	Nutrition Standards for All Food	Yes	Yes
New Mexico	10 or more	-	K-8, 1 HS	Limits Non-nutritional Food	-	Yes
New York	10 or more	Yes	K-8, 2 HS	Limits Non-nutritional Food	-	Yes
North Carolina	10 or more	-	K-8, 1 HS	Nutrition Standards for All Food	Yes	Yes
North Dakota	10 or more	-	K-8, 1 HS	USDA Only	-	-
Ohio	0	Yes	None	USDA Only	-	Yes
Oklahoma	6	Yes	K-5	Nutrition Standards for All Food	-	Yes
Oregon	1	-	1 HS	↑ Nutrition Standards for All Food	↑ Yes	Yes
Pennsylvania	10 or more	-	K-8, 1 HS	USDA Only [b]	-	Yes
Rhode Island	9	-	K-8	↑ Limits Non-nutritional Food	Yes	Yes
South Carolina	7	-	K-5, 1 HS	Nutrition Standards for All Food	Yes	Yes
South Dakota	0	-	1 HS [b]	USDA Only	-	-
Tennessee	10 or more	Yes	K-8, 1 HS	Nutrition Standards for All Food	Yes	Yes
Texas	10 or more	-	K-8, 1 HS	↑ Nutrition Standards for All Food	-	-
Utah	10 or more	-	K-6, 7 or 8, 2 HS	USDA Only	Yes	Yes
Vermont	1	-	1 HS	USDA Only	Yes	Yes
Virginia	10 or more	-	K-8, 2 HS	Nutrition Standards for All Food	-	-
Washington	10 or more	-	1-8, 2 HS	USDA Only [a]	-	Yes
West Virginia	8	Yes	K-5, 6,7,or 8, 1 HS	Nutrition Standards for All Food	-	Yes
Wisconsin	1	-	1 HS	USDA Only	-	Yes
Wyoming	9	-	K-8	USDA Only	-	-
Year Data Collected	**2007**			**2006**	**2007**	

*HS = The number of years of PE required in high school for graduation.

Data Source:

11.1 National Association of State Boards of Education. "State-by-State Physical Education." *The Safe and Healthy Schools Project Online Database*. Updated continuously. Retrieved December 2007. http://www.nasbe.org/HealthySchools.

11.2 Center for Science in the Public Interest, *School Foods Report Card 2007,* Washington, DC: Center for Science in the Public Interest, 2007.

11.3 Alan Guttmacher Institute. "Sex and STD/HIV Education." *State Policies in Brief*. Updated December 1, 2007. http://www.guttmacher.org/statecenter/spibs

Data Table Notes:

a. Washington will enact nutrition standards for all food by 2010.

b. Pennsylvania provides a financial incentive for schools who implement nutrition standards established by the state for competitive foods.

POLICY 12:

Cigarette and Alcohol Taxes

Why Cigarette and Alcohol Taxes Matter. States can promote safe and healthy communities through effective cigarette and alcohol tax policy. Behaviors such as smoking and alcohol consumption are leading contributors to premature death and disability in the United States.[60] Not only do these behaviors endanger the health of the user, they lead to larger family, community and societal costs, whether through second-hand smoke, injuries from drunk driving, or domestic violence.[61]

Levying state taxes on tobacco and alcohol products is a useful tool for discouraging risky behavior related to drinking and tobacco use. Studies indicate that state taxes on tobacco and alcohol products significantly lower product use, especially among youth and low-wage consumers.[62] For example, research shows that a ten percent increase in the total price of cigarettes can reduce overall cigarette consumption by three to five percent, with much more dramatic reductions in target groups like youth and children.[63]

There is also substantial evidence that tobacco cessation and prevention programs work to reduce smoking. The Centers for Disease Control and Prevention (CDC) provide guidelines about how states can use tobacco tax revenue and settlement funds to help reduce smoking, and to counter investments by tobacco companies to market their products.[64]

Key State Policy Measures. To promote healthier families and decrease the costs associated with alcohol and cigarette use, states can levy taxes and invest a portion of earned revenue in treatment and prevention programs.

12.1 Cigarette taxes. States have discretion over setting excise taxes on cigarettes and other tobacco products. Every 10 percent increase in the price of cigarettes can provide substantial reductions in smoking, particularly among youth.[65]

Changes in 2007:

- **Alaska** increased its cigarette tax from $1.80 to $2.00.
- **Connecticut** increased its cigarette tax from $1.51 to $2.00.
- **Delaware** increased its cigarette tax from $0.55 to $1.15.
- **Hawaii** increased its cigarette tax from $1.60 to $1.80, as part of a six-stage increase taking place through 2011.
- **Indiana** increased its cigarette tax from $0.55 to $1.00.
- **Iowa** increased its cigarette tax from $0.36 to $1.36.
- **Maryland** increased its cigarette tax from $1.00 to $2.00.
- **Minnesota** increased its cigarette tax from $1.23 to $1.49.
- **New Hampshire** increased its cigarette tax from $0.80 to $1.08.
- **Tennessee** increased its cigarette tax from $0.20 to $0.62.
- **Wisconsin** increased its cigarette tax from $0.77 to $1.77.

12.2 Programs to prevent and treat tobacco use. To reduce preventable illness and tobacco-related health care costs, states can invest tobacco tax and settlement revenue in prevention and treatment programs. The Centers for Disease Control and Prevention issue guidelines for state investments in this area.

Changes in 2005-06: Between fiscal year 2005-06 and 2006-07, states made the following changes in funding for programs to prevent and treat tobacco use (measured as a percentage of spending guidelines issued by the Centers for Disease Control and Prevention).

Increased Funding	Decreased Funding	No Change
Alabama	Arkansas	Kansas
Alaska	Colorado	Louisiana
Arizona	Georgia	Michigan
California	Illinois	Missouri
Connecticut	Kentucky	Nebraska
Delaware	Minnesota	New Hampshire
District of Columbia	Nevada	North Dakota
Florida	New Jersey	Oregon
Hawaii	Ohio	South Dakota
Idaho	Pennsylvania	Tennessee
Indiana	Rhode Island	Utah
Iowa	South Carolina	Wisconsin
Maine	Texas	Wyoming
Maryland	Washington	
Massachusetts	West Virginia	
Mississippi		
Montana		
New Mexico		
New York		
North Carolina		
Oklahoma		
Vermont		
Virginia		

12.3 Alcohol taxes. States also can act to discourage excessive alcohol consumption through excise taxes on beer, wine and liquor.

Changes in 2007: None

Cigarette and Alcohol Tax Policy Measures

Measure 12.1: Cigarette Taxes

How much is the state cigarette tax? *Table reflects policy as of December 2007.*

$1.01 or more per pack	Alaska, Ariz., Conn., Del., Hawaii, Iowa, Mass., Maine, Md., Mich., Minn., Mont., N.H., N.J., N.Y., Ohio, Okla., Ore., Pa., R.I., S.D., Texas, Vt., Wash., Wis.
$0.51 to $1.00 per pack	Ark., Calif., Colo., D.C., Idaho, Ill., Ind., Kan., Neb., Nev., N.M., Tenn., Utah, W.Va., Wyo.
$0.01 to $0.50 per pack	Ala., Fla., Ga., Ky., La., Miss., Mo., N.C., N.D., S.C., Va.

Measure 12.2: Programs to Prevent and Treat Tobacco Use

How does the state's investment of its tobacco revenue and tobacco settlement funds into tobacco prevention and treatment compare to CDC guidelines? *Table reflects policy for Fiscal Year 2007.*

100% or more of CDC guidelines	Colo., Del., Maine
75 to 99% of CDC guidelines	Alaska, Ariz., Ark., Hawaii, Minn., N.Y., Wash., Wyo.
50 to 74% of CDC guidelines	Calif., Md., Mont., N.M., Ohio, Vt.
25 to 49% of CDC guidelines	Ind., Iowa, La., Nev., N.C., N.D., Okla., Pa., Utah, Va., W.Va., Wis.
Below 25% of CDC guidelines	Ala., Conn., D.C., Fla., Ga., Idaho, Ill., Kan., Ky., Mass., Mich., Miss., Mo., Neb., N.H., N.J., Ore., R.I., S.C., S.D., Tenn., Texas

Measure 12.3: Alcohol Taxes

How much is the state tax on beer? *Table reflects policy as of January 1, 2007.*

$0.46 or more per gallon	Ala., Alaska, Fla., Ga., Hawaii, N.C., S.C.
$0.31 to 0.45 per gallon	La., Maine, Miss., Neb., N.M., Okla., Utah
$0.16 to $0.30 per gallon	Ariz., Ark., Calif., Conn., Del., Ill., Iowa, Kan., Mich., Nev., N.D., N.H., Ohio, S.D., Texas, Vt., Va., Wash., W.Va.
Up to $0.15 per gallon	D.C., Colo., Idaho, Ind., Ky., Md., Mass., Minn., Mo., Mont., N.J., N.Y., Ore., Pa., R.I., Tenn., Wis., Wyo.

How much is the state tax on liquor? *Table reflects policy as of January 1, 2007.*

$6.00 or more per gallon	Alaska, Fla., N.M., N.Y.
$4.01 to $6.00 per gallon	Conn., Hawaii, Ill., Mass., Minn., N.J., Okla., Tenn.
$2.01 to $4.00 per gallon	Ariz., Ark., Calif., Colo., Del., Ga., Ind., Kan., La., N.D., Neb., Nev., R.I., S.C., S.D., Texas, Wis.
Up to $2.00 per gallon	D.C., Ky., Md., Mo.
Sales controlled by state liquor stores, revenues generated through assorted fees, taxes, and pricing	Ala., Idaho, Iowa, Maine, Mich., Miss., Mont., N.H., N.C., Ohio, Ore., Pa., Utah, Vt., Va., Wash., W.Va., Wyo.

How much is the state tax on wine? *Table reflects policy as of January 1, 2007.*

$2.01 or more per gallon	Alaska, Fla.
$1.01 to $2.00 per gallon	Ala., Ga., Hawaii, Iowa, Mont., N.M., Tenn., Va., Wash.
$0.76 to $1.00 per gallon	Ariz., Del., N.C., Neb., S.C., S.D., W.Va.
$0.51 to $0.75 per gallon	Ark., Conn., Ill., Mass., Maine, Mich., Nev., N.J., Okla., Ore., R.I., Vt.
Up to $0.50 per gallon	Calif., Colo., D.C., Idaho, Ind., Kan., Ky., La., Md., Minn., Miss., Mo., N.Y., N.D., Ohio, Texas, Wis.
Sales controlled by state liquor stores, revenues generated through assorted fees, taxes, and pricing	N.H., Pa., Utah, Wyo.

Selected State Cigarette and Alcohol Tax Policies

State	12.1 Cigarette Tax	12.2 Tobacco Prevention/ Treatment Funding as a % of CDC Guidelines	12.3 Alcohol Taxes		
	$/pack	%	Beer Tax $/gallon	Liquor Tax $/gallon	Wine Tax $/gallon
Alabama	$0.425 [a]	↑ 2.6%	$0.53	[f]	$1.70
Alaska	↑ $2.00	↑ 76.6%	$1.07	$12.80	$2.50
Arizona	$2.00	↑ 91.8%	$0.16	$3.00	$0.84
Arkansas	$0.59 [c]	↓ 84.3%	$0.23	$2.50	$0.75
California	$0.87	↑ 50.9%	$0.20	$3.30	$0.20
Colorado	$0.84	↓ 101.8%	$0.08	$2.28	$0.32
Connecticut	↑ $2.00	↑ 9.4%	$0.19	$4.50	$0.60
Delaware	↑ $1.15	↑ 119.4%	$0.16	$5.46	$0.97
District of Columbia	$1.00	↑ 6.7%	$0.09	$1.50	$0.30
Florida	$0.339	↑ 7.1%	$0.48	$6.50	$2.25
Georgia	$0.37	↓ 5.4%	$0.48	$3.79	$1.51
Hawaii	↑ $1.80 [d]	↑ 84%	$0.93	$5.98	$1.38
Idaho	$0.57	↑ 8.2%	$0.15	[f]	$0.45
Illinois	$0.98 [a]	↓ 13.1%	$0.19	$4.50	$0.73
Indiana	↑ $0.995	↑ 31.3%	$0.12	$2.68	$0.47
Iowa	↑ $1.36	↑ 33.6%	$0.19	[f]	$1.75
Kansas	$0.79	5.5%	$0.18	$2.50	$0.30
Kentucky	$0.30 [c]	↓ 8.8%	$0.08	$1.92	$0.50
Louisiana	$0.36	29.5%	$0.32	$2.50	$0.11
Maine	$2.00	↑ 131.3%	$0.35	[f]	$0.60
Maryland	↑ $2.00	↑ 61.7%	$0.09	$1.50	$0.40
Massachusetts	$1.51	↑ 23.4%	$0.11	$4.05	$0.55
Michigan	$2.00	0.0%	$0.20	[f]	$0.51
Minnesota	↑ $1.49 [e]	↓ 75.8%	$0.15	$5.03	$0.30
Mississippi	$0.18	↑ 0.0%	$0.43	[f]	$0.35
Missouri	$0.17 [a]	0.0%	$0.06	$2.00	$0.30
Montana	$1.70	↑ 73.7%	$0.14	[f]	$1.06
Nebraska	$0.64	22.5%	$0.31	$3.75	$0.95
Nevada	$0.80	↓ 28.2%	$0.16	$3.60	$0.70
New Hampshire	↑ $1.08	0.0%	$0.30	[f]	[g]
New Jersey	$2.58	↓ 24.4%	$0.12	$4.40	$0.70
New Mexico	$0.91	↑ 56.2%	$0.41	$6.06	$1.70
New York	$1.50 [a]	↑ 89.2%	$0.11	$6.44	$0.19
North Carolina	$0.35	↑ 40.2%	$0.53	[f]	$0.79
North Dakota	$0.44	38%	$0.16	$2.50	$0.50
Ohio	$1.25	↓ 72.9%	$0.18	[f]	$0.30
Oklahoma	$1.03	↑ 45.8%	$0.40	$5.56	$0.72
Oregon	$1.18	16.3%	$0.08	[f]	$0.67
Pennsylvania	$1.35	↓ 46.2%	$0.08	[f, b]	[g, b]
Rhode Island	$2.46	↓ 9.6%	$0.10	$3.75	$0.60
South Carolina	$0.07	↓ 8.4%	$0.77	$2.72	$0.90
South Dakota	$1.53	8.1%	$0.28	$3.93	$0.93
Tennessee	↑ $0.62 [a,c]	0.0%	$0.14	$4.40	$1.21
Texas	$1.41	↓ 5%	$0.19	$2.40	$0.20
Utah	$0.695	47.3%	$0.41	[f]	[g]
Vermont	$1.79	↑ 64.5%	$0.27	[f]	$0.55
Virginia	$0.30 [a]	↑ 34.7%	$0.26	[f]	$1.51
Washington	$2.025	↓ 81.3%	$0.26	[f]	$0.87
West Virginia	$0.55	↓ 38.1%	$0.18	[f]	$1.00
Wisconsin	↑ $1.77	32.1%	$0.06	$3.25	$0.25
Wyoming	$0.60	79.9%	$0.02	[f]	[g]
Year Data Collected	**2007**	**FY 2007**	**2007**	**2007**	**2007**

Data Source:

12.1 Eric Lindblom, "State Cigarette Excise Tax Rates & Rankings." Washington, DC: Campaign for Tobacco-Free Kids, November 27, 2007.

12.2 Campaign for Tobacco-Free Kids, *State Tobacco-Prevention Spending vs. State Tobacco Revenues.* Retrieved December 2007.

12.3 Federation of Tax Administrators. "State Beer Excise Tax Rates." *State Comparisons – State Excise Taxes.* Updated January 1, 2007.

Federation of Tax Administrators. "State Liquor Excise Tax Rates." *State Comparisons – State Excise Taxes.* Updated January 1, 2007.

Federation of Tax Administrators. "State Wine Excise Tax Rates." *State Comparisons – State Excise Taxes.* Updated January 1, 2007.

Data Table Notes:

a. In these states, counties and cities may impose an additional tax per pack of cigarettes as follows:
Alabama: $0.01
Illinois: $0.10 to $0.15
Missouri: $0.04 to $0.07
New York: $1.50
Tennessee: $0.01
Virginia: $0.02 to $0.15

b. Pennsylvania imposes an 18 percent tax on the retail price of wine and liquor in addition to a 6 percent sales tax.

c. In these states, dealers pay an additional enforcement and administrative fee as follows:
Arkansas: $1.25 per 1,000 cigarettes
Kentucky: $0.001 per pack
Tennessee: $0.0005 per pack

d. Hawaii increased its cigarette tax as one of six incremental increases taking effect through 2011.

e. Minnesota adds an additional sales tax of $0.263 to the wholesale price of a tax stamp, and adds a $0.75 health impact fee.

f. In these states, the government directly controls the sales of distilled spirits. Revenue in these states is generated from various taxes, fees and net liquor profits.

g. In these states, all wine sales are through state stores. Revenue in these states is generated from various taxes, fees and net profits.

50-STATE POLICY OVERVIEW

EDUCATION POLICIES

POLICY 13:
Prekindergarten Education

Why Prekindergarten Policy Matters. States can achieve a stronger work force, more efficient government spending, and healthier communities by expanding access to prekindergarten (pre-k) education. Research demonstrates that early-childhood education in a quality setting significantly improves the education, employment and positive life outcomes of participants.[66] This research also shows that funding for public prekindergarten produces economic benefits to society (such as higher employment rates and lower reliance on government services) that far exceed the initial investment.

Key State Policy Measures. The following key policies are important for promoting quality, broadly accessible prekindergarten:

13.1 Access to pre-k for four-year-olds. A key policy driver of access to pre-k is state funding, as measured by the annual funding amount per four-year-old resident of the state. This policy indicator reflects the level of access provided, and presents a standard metric of comparison across states. It differs from the measure of funding per four-year-old enrollee, which reflects the amount invested for each child enrolled in pre-k, as opposed to each child residing in the state. Some reports refer to spending-per-enrollee as an indicator of quality, on the assumption that greater per-child spending yields higher-quality programs. While there may be some correlation between spending levels and quality, a more precise method for assessing quality is presented by policy measure 13.2 below.

Changes in 2005-06: Between school year 2004-05 and 2005-06, states made the following changes in funding per four-year-old resident:

Increased Funding Per Four-year-old Resident	Reduced Funding Per Four-year-old Resident	No Pre-k Program for Four-year-olds	No Change
Alabama	California	Alaska	Arizona
Arkansas	Florida	Idaho	
Colorado	Georgia	Indiana	
Connecticut	Hawaii	Mississippi	
Delaware	Illinois	Montana	
Kansas	Iowa	New Hampshire	
Louisiana	Kentucky	North Dakota	
Maryland	Maine	Rhode Island	
Michigan	Massachusetts	South Dakota	
Missouri	Minnesota	Utah	
Nebraska	Nevada	Wyoming	
New Jersey	New York		
New Mexico	Ohio		
North Carolina	South Carolina		
Oklahoma	Texas		
Oregon			
Pennsylvania			
Tennessee			
Vermont			
Virginia			
Washington			
West Virginia			
Wisconsin			

13.2 Quality of pre-k programs. Research indicates that to achieve long-term social and economic benefits, the quality of pre-k programs is essential.[68] This research tends to focus on several key factors, which include a comprehensive curriculum, teachers with at least a Bachelor's degree, sufficient teacher compensation to attract qualified teachers, and a high degree of teacher-student interaction as measured by class sizes under 21 students and a staff-to-child ratio of 1:10 or better.

Changes in 2005-06: Between school year 2003-04 and 2005-06, state quality standards changed as indicated below:

- **Maine, Michigan, Nebraska, Nevada, New Mexico, North Carolina,** and **Pennsylvania** added comprehensive curriculum standards.
- **Michigan** and **Missouri** began requiring that pre-k teachers hold at least a bachelor's degree, whereas **Arkansas** eliminated this requirement.
- **Nevada** began limiting class sizes to under 21 pupils and requiring a staff-to-child ratio of 1:10 or better.
- **Ohio** no longer limits class sizes to under 21 pupils.
- **Delaware, Maine,** and **New Mexico** began requiring that teachers in public pre-k programs are paid on the public school salary scale.

13.3 Access to pre-k for three-year-olds. States have typically focused their efforts on expanding pre-k for four-year-olds, seeking to establish broad access for that age group before expanding services to three-year-olds. Given the important brain development that occurs at younger ages, some states have targeted access to quality pre-k to three-year-old children as well.

Changes in 2005-06: Between school year 2004-05 and 2005-06, states made the following changes in funding per three-year-old resident:

Increased Funding Per Three-year-old Resident	Reduced Funding Per Three-year-old Resident	No Pre-k Program for Three-year-olds	No Change
Arkansas	Hawaii	Alabama	New York
California	Iowa	Alaska	Tennessee
Colorado	Massachusetts	Arizona	
Connecticut	Minnesota	Delaware	
Illinois	New Mexico	Florida	
Kentucky	Ohio	Georgia	
Maryland	Wisconsin	Idaho	
Missouri		Indiana	
Nebraska		Kansas	
Nevada		Louisiana	
New Jersey		Maine	
Oregon		Michigan	
Pennsylvania		Mississippi	
South Carolina		Montana	
Texas		New Hampshire	
Vermont		North Carolina	
Washington		North Dakota	
West Virginia		Oklahoma	
		Rhode Island	
		South Dakota	
		Utah	
		Virginia	
		Wyoming	

Prekindergarten Policy Measures

Measure 13.1: Access to Pre-k for Four-year-olds

How much does the state invest per four-year-old in the state to expand pre-k access? (The national average is $742.) *Table reflects policy as of 2005-06.*

Above $1,000	D.C., Fla., Ga., La., N.J., N.Y., Okla., Texas, Vt., W.Va.
$500-$999	Ark., Conn., Ill., Ky., Md., Mich., Wis.
$250-$499	Calif., Colo., Del., Kan., Maine, Mass., N.C.,* Ore., S.C., Tenn., Va., Wash.
Below $250	Ala., Ariz., Iowa, Minn., Mo., Neb., Nev., N.M., Ohio, Pa.
No pre-k program	Alaska, Hawaii, Idaho, Ind., Miss., Mont., N.H., N.D., R.I., S.D., Utah, Wyo.

*Data source for spending figures do not include the Smart Start program.

Measure 13.2: Quality of Pre-k Programs

How many of the four key pre-k quality measures does the state meet? These measures are: 1) comprehensive curriculum, 2) teachers with at least a Bachelor's degree, 3) sufficient teacher compensation to attract qualified teachers, 4) class sizes under 21, and 5) a staff-to-child ratio of 1:10 or better. *Table reflects policy as of 2005-06.*

All 5 standards	Ala., Ill., Ky., La., Md., Mo., Neb., Nev. N.C., N.J., Okla., Tenn., Vt.
4 standards	Ark., Conn., Del., Ga., Mass., Mich., N.Y., Ore., S.C., W.Va.
3 standards	Ariz., Iowa, Minn., Texas, Va., Wis.
2 standards	Colo., Kan., Maine, N.M., Pa.
1 standard	Calif., Wash.
No standards	Hawaii, Ohio
No pre-k program	Alaska, Idaho, Ind., Miss., Mont., N.H., N.D., R.I., S.D., Utah, Wyo.

Measure 13.3: Access to Pre-k for Three-year-olds

How much does the state invest per three-year-old in the state to expand pre-k access? (The national average is $112.) *Table reflects policy as of 2005-06.*

Above $400	Ark., D.C., Ill., N.J.
$100-$399	Calif., Conn., Ky., Mass., Ore., Texas, Vt., W.Va.
$50-$99	Colo., Minn., Mo., Neb., Pa., Wash.
Below $50	Iowa, Md., Nev., N.M., N.Y., Ohio, S.C., Tenn., Wis.
$0	Ala., Alaska, Ariz., Del., Fla., Ga., Hawaii, Idaho, Ind., Kan., La., Maine, Mich., Miss., Mont., N.H., N.C.,* N.D., Okla., R.I., S.D., Utah, Va., Wyo.

*Data source for spending figures do not include the Smart Start program.

Selected State Policies for Prekindergarten

State	13.1 Pre-K Access for 4-Year-Olds: Funding Per 4 year-old in State	13.1 Pre-K Access for 4-Year-Olds: Percent Enrolled in State Pre-k	13.2 Pre-K Quality Standards: Comprehensive Curriculum Standards	13.2 Pre-K Quality Standards: Teacher Required to have BA	13.2 Pre-K Quality Standards: Max. Class Size <21	13.2 Pre-K Quality Standards: Staff: Child Ratio of 1:10 or Better	13.2 Pre-K Quality Standards: Teachers Required to be Paid on Public School Salary Scale	13.3 Pre-K Access for 3 Year-olds: Funding Per 3 Year-old in State	13.3 Pre-K Access for 3 Year-olds: Percent Enrolled in State
Alabama	↑ $72	2%	Yes	Yes	Yes	Yes	Yes (public); No (nonpublic)	$0	-
Alaska	$0	-	N/A	N/A	N/A	N/A	N/A	$0	-
Arizona	$133	6%	Yes	-	Yes	Yes	-	$0	-
Arkansas	↑ $879	18%	Yes	↓ -	Yes	Yes	Yes	↑ $512	11%
California	↓ $330	10%	-	-	-	Yes	-	↑ $152	5%
Colorado	↑ $413	14%	-	-	Yes	Yes	-	↑ $68	2%
Connecticut	↑ $974	14%	Yes	-	Yes	Yes	Yes (public); No (nonpublic)	↑ $227	3%
Delaware	↑ $486	8%	Yes	-	Yes	Yes	↑ Yes (public); No (nonpublic)	$0	-
District of Columbia [a]	$4,696	56%	Yes	Yes	Yes	Yes	N/A	$2,080	25%
Florida [j]	↓ $1,007	47%	Yes	-	Yes	Yes	N/A	$0	-
Georgia	↓ $2,047	51%	Yes	-	Yes	Yes	Yes (public); No (nonpublic)	$0	-
Hawaii	↓ $0	-	-	-	-	-	-	↓ $0	-
Idaho	$0	-	N/A	N/A	N/A	N/A	N/A	$0	-
Illinois	↓ $758	23%	Yes	Yes	Yes	Yes	Yes	↑ $475	14%
Indiana	$0	-	N/A	N/A	N/A	N/A	N/A	$0	-
Iowa	↓ $131	4%	-	-	Yes	Yes	Yes (public); No (nonpublic)	↓ $41	1%
Kansas	↑ $371	15%	-	Yes	-	-	Yes	$0	-
Kentucky	↓ $703	29%	Yes	Yes	Yes	Yes	Yes (public); No (nonpublic)	↑ $264	11%
Louisiana [b]	↑ $1,083	22%	Yes	Yes	Yes	Yes	Yes (public); No (nonpublic)	$0	-
Maine	↓ $278	16%	↑ Yes	Yes	-	-	↑ Yes (public); No (nonpublic)	$0	-
Maryland	↑ $549	31%	Yes	Yes	Yes	Yes	Yes	↑ $17	1%
Massachusetts	↓ $353	10%	Yes	-	Yes	Yes	Yes (public); No (nonpublic)	↓ $317	9%
Michigan	↑ $639	16%	↑ Yes	↑ Yes	Yes	Yes	-	$0	-
Minnesota [l]	↓ $128	2%	Yes	-	Yes	Yes	-	↓ $75	1%
Mississippi	$0	-	N/A	N/A	N/A	N/A	N/A	$0	-
Missouri	↑ $104	4%	Yes	↑ Yes	Yes	Yes	Yes (public); No (nonpublic)	↑ $61	2%
Montana	$0	-	N/A	N/A	N/A	N/A	N/A	$0	-
Nebraska	↑ $90	4%	↑ Yes	Yes	Yes	Yes	-	↑ $51	2%
Nevada	↓ $67	2%	↑ Yes	Yes	↑ Yes	↑ Yes	Yes	↑ $19	1%
New Hampshire	$0	-	N/A	N/A	N/A	N/A	N/A	$0	-
New Jersey [c]	↑ $2,289	25%	Yes	Yes	Yes	Yes	Yes (public); No (nonpublic)	↑ $1625	15%
New Mexico [m]	↑ $154	7%	↑ Yes	-	-	-	↑ Yes (public); No (nonpublic)	↓ $13	1%
New York [d]	↓ $1,005	29%	-	Yes	Yes	Yes	Yes (public); No (nonpublic)	$17	1%
North Carolina [e]	↑ $476	12%	↑ Yes	Yes	Yes	Yes	Yes (public); No, unless teacher is licensed (nonpublic)	$0	-
North Dakota	$0	-	N/A	N/A	N/A	N/A	N/A	$0	-
Ohio [f]	↓ $102	4%	-	-	↓ -	-	-	↓ $24	1%
Oklahoma	↑ $2,360	70%	Yes	Yes	Yes	Yes	Yes	$0	-
Oregon	↑ $399	5%	Yes	-	Yes	Yes	Yes (public); No (nonpublic)	↑ $209	3%
Pennsylvania [g]	↑ $158	6%	↑ Yes	Yes	-	-	-	↑ $86	2%
Rhode Island	$0	-	N/A	N/A	N/A	N/A	N/A	$0	-
South Carolina	↓ $337	31%	-	Yes	Yes	Yes	Yes	↑ $46	4%
South Dakota	$0	-	N/A	N/A	N/A	N/A	N/A	$0	-
Tennessee	↑ $431	11%	Yes	Yes	Yes	Yes	Yes (public); No (nonpublic)	$22	1%
Texas	↓ $1,176	44%	Yes	Yes	-	-	Yes	↑ $118	4%
Utah	$0	-	N/A	N/A	N/A	N/A	N/A	$0	-
Vermont [h]	↑ $1,178	47%	Yes	Yes	Yes	Yes	Yes (public); No (nonpublic)	↑ $311	14%
Virginia	↑ $377	11%	-	-	Yes	Yes	Yes (public); No (nonpublic)	$0	-
Washington	↑ $355	6%	-	-	-	Yes	-	↑ $80	1%
West Virginia	↑ $1,807	40%	Yes	[k]	Yes	Yes	Yes (public); No (nonpublic)	↑ $203	4%
Wisconsin [i]	↑ $976	32%	Yes	Yes	Yes	Yes	Yes (public); No (nonpublic)	↓ $38	1%
Wyoming	$0	-	N/A	N/A	N/A	N/A	N/A	$0	-
National Average	↑ $742	20%						↑ $112	3%
Year Data Collected	**2005-06**		**2005-06**					**2005-06**	

Data Source:

W. Steven Barnett, Jason T. Hustedt, Laura E. Hawkinson, Nd Kenneth B. Robin, *The State of Preschool 2006: State Preschool Yearbook,* New Brunswick, N.J.: The National Institute for Early Education Research, 2006.

Data Table Notes:

a. The District of Columbia was not included in the data source for teacher salary requirements.

b. Louisiana offers four pre-k programs: 8(g), a program funded by the Louisiana Education Quality Trust Fund; LA 4, a program for at-risk four-year-olds; Starting Points, a program funded through a TANF block grant; and Louisiana Nonpublic Schools Early Childhood Development Program (NSECD). Funding, enrollment, and quality data reflect all four programs, with the following exception: Some programs require payment of teachers on a public school salary scale and some do not.

c. New Jersey operates three pre-k programs: the Abbott program serves three- and four-year-olds in the state's 31 highest poverty districts, Early Childhood Program Aid (ECPA) serving primarily four-year-olds in 102 additional districts, and the Early to Launch Initiative serving four-year-olds in all districts. Funding, enrollment, and quality data reflect all three programs, with the following exception: ECPA does not limit class size or staff-to-child ratios as specified.

d. New York operates two programs: the Targeted Prekindergarten (TPK) and Universal Prekindergarten (UPK) programs. Funding, enrollment, and quality data reflect both programs, with the following exception: The UPK program does not require teachers to have a bachelor's degree.

e. North Carolina also operates the Smart Start program, which is a locally controlled and state funded early childhood initiative. Funding for this initiative is not included in the calculation of pre-k spending for three- and four-year-olds. Data in this report reflects only the More at Four program.

f. Ohio operates two programs: the Public School Preschool Program (PSP) and a state-funded supplement to Head Start called Head Start Plus (HSP). Funding, enrollment, and quality data reflect both programs.

g. Pennsylvania operates three programs: Kindergarten for four-year-olds (K4), the Education Accountability Block Grant (EABG), and a state-funded supplement for Head Start. Funding data does not reflect the K4 data. Enrollment, and quality data reflect both programs with the following exception: Only K4 requires that teachers have a bachelor's degree, and only the Head Start supplement limits class size and staff-to-child ratios.

h. Vermont operates two programs: the Early Education Initiative serves three- and four-year-old children at risk, and the Average Daily Membership-funded program available generally. Funding, enrollment, and quality data reflect both programs.

i. Wisconsin operates two programs: the Four-Year-Old Kindergarten (4K) program, and a state-funded Head Start supplement. Funding, enrollment, and quality data reflect both programs with the following exceptions: only the 4K program requires that teachers have a BA, and only the the Head Start supplement limits class size and staff-to-child ratios.

j. Florida operates two programs: the School Readiness Program (SRP) and the Voluntary Prekindergarten Program (VPK). The data presented here reflect only the VPK program.

k. West Virginia instituted universal pre-k in 2003, and as part of this transition, placed a new focus on teacher training in early childhood education. In order to expand the pool of pre-k teachers, West Virginia now allows teachers to hold a teaching permit, and requires early childhood certification.

l. Minnesota provides state funds for Head Start and a School Readiness Program. Only Head Start funding is reflected in this data.

m. New Mexico operates two pre-k programs: New Mexico Pre-K and the Child Development Program (CDP). Funding, enrollment, and quality data reflect both programs with the following exception: learning standards, class size limits, and staff-to-child ratios apply to the CDP program only.

POLICY 14:

Kindergarten

NO DATA UPDATE IS AVAILABLE FOR POLICY 14
THIS SECTION IS REPRINTED FROM THE 2006 POLICY MATTERS REPORT

Why Kindergarten Policy Matters. States can enhance opportunity for children by improving access to and the quality of kindergarten. Kindergarten is an important and often overlooked link between early childhood and elementary education. Research indicates that children who attend full-day kindergarten show significantly greater academic gains before first grade than those who attend half-day programs.[69] Studies also suggest that compared to children in half-day kindergarten, children who attend full-day kindergarten have higher academic achievement in later grades, show faster gains in literacy and language, display better behavior, and remain on grade going forward, thereby lowering the cost of retention and remediation.[70] Some states have invested in broad access to full-day kindergarten, yet in 2000, only 63 percent of kindergarteners attended a full-day program.[71]

Key State Policy Measures. State leaders can support the development of children into productive adults by ensuring that kindergarten serves as an effective transition from early childhood to elementary school. The following policies can play a key role in enhancing early education in this way:

14.1 Financial incentives for full-day kindergarten. State funding formulas can create incentives for local districts to provide full-day kindergarten by providing a funding amount to cover the full-day cost. Alternately, state formulas can create a disincentive for local districts to offer full-day programs by forcing local districts to supplement state money with local funds to cover the cost difference between full-day and half-day programs.[72]

14.2 Statutory definition of "full-day." Many states have not defined the meaning of "full-day," and thereby do not set a standard that may maximize the benefit of a child's exposure to kindergarten programs.[73] Research indicates that a kindergarten day that is not consistent with pre-k and first grade days can disrupt the routine of young children.[74] States can therefore enhance the value of kindergarten programs by defining the length of the kindergarten day by statute in a manner consistent with pre-k and first grade activities.

Kindergarten Policy Measures

Measure 14.1: Financial Incentives for Full-day Kindergarten

Does the state funding formula provide an incentive or disincentive for local districts to offer full-day kindergarten? *Table reflects policy as of 2001-02.*

Incentive	Alaska, Ga., Ill., Neb., N.M., N.Y., Wis.
Neutral	Ala., Ark., Calif., Conn., D.C., Fla., Iowa, La., Maine, Mass., Mich., Miss., Mo., N.C., S.C., S.D., Tenn., Texas, Vt., Va., Wash., W.Va.
Disincentive	Ariz., Colo., Del., Idaho, Ind., Kan., Ky., Md., Minn., Mont., Nev., N.H., N.J., N.D., Ohio, Okla., Ore., Utah, Wyo.
States do not use traditional formulas to determine kindergarten funding	Hawaii, Pa., R.I.

Measure 14.2: Statutory Definition of "Full-day"

Does the state define in statute the length of a "full-day" kindergarten class in a manner consistent with a first grade class? *Table reflects policy as of 2001-02.*

Yes	Conn., Fla., Ill., La., Minn., Miss., Neb., N.M., Ohio, Wis.
Statutorily defined but not aligned with first grade activities	Ala., Alaska, Calif., Colo., D.C., Ga., N.J., Okla., S.D., Va.
Not specified in statute	Ariz., Ark., Del., Hawaii, Idaho, Ind., Iowa, Kan., Ky., Maine, Md., Mass., Mich., Mo., Mont., Nev., N.H., N.Y., N.C., N.D., Ore., Pa., R.I., S.C., Tenn., Texas, Utah, Vt., Wash., W.Va., Wyo.

Selected State Kindergarten Policies

State	14.1 Incentive Provided for Full-day Kindergarten in State Funding Formula	14.2 Minimum Number of Hours in Full-day Kindergarten: Statutorily Defined	14.2 Consistent with 1st Grade	14.2 Specific Standard
Alabama	Neutral	Yes	–	6 hours/day
Alaska	Incentive	Yes	–	Minimum of 4 hours/day
Arizona	Disincentive	–	–	N/A
Arkansas	Neutral	–	–	N/A
California	Neutral	Yes	–	More than 4 hours, but not to exceed the length of the primary school day
Colorado	Disincentive	Yes	–	900 hours/year (Shorter than 1st grade)
Connecticut	Neutral	Yes	Yes	900 hours/year (5 hours/day) (Same as 1st grade)
Delaware	Disincentive	–	–	N/A
District of Columbia	Neutral	Yes	–	No Data
Florida	Neutral	Yes	Yes	720 hours/year (Same as 1st grade)
Georgia	Incentive	Yes	–	4.5 hours/day for 180 days/year
Hawaii	N/A [a]	–	–	N/A
Idaho	Disincentive	–	–	N/A
Illinois	Incentive	Yes	Yes	4 hours/day (Same as 1st grade)
Indiana	Disincentive	–	–	N/A
Iowa	Neutral	–	–	N/A
Kansas	Disincentive	–	–	N/A
Kentucky	Disincentive	–	–	N/A
Louisiana	Neutral	Yes	Yes	6 hours/day (Same as 1st grade)
Maine	Neutral	–	–	N/A
Maryland	Disincentive	–	–	N/A
Massachusetts	Neutral	–	–	N/A
Michigan	Neutral	–	–	N/A
Minnesota	Disincentive	Yes	Yes	935 hours/year (Same as 1st grade)
Mississippi	Neutral	Yes	Yes	Same length of school day as that of other elementary grades
Missouri	Neutral	–	–	N/A
Montana	Disincentive	–	–	N/A
Nebraska	Incentive	Yes	Yes	1,032 hours/year (Same as 1st grade)
Nevada	Disincentive	–	–	N/A
New Hampshire	Disincentive	–	–	N/A
New Jersey	Disincentive	Yes	–	Minimum of 4 hours/day
New Mexico	Incentive	Yes	Yes	5.5 hours/day or 990 hours/year (Same as 1st grade)
New York	Incentive	–	–	N/A
North Carolina	Neutral	–	–	N/A
North Dakota	Disincentive	–	–	N/A
Ohio	Disincentive	Yes	Yes	Same number of hours per day as grades 1–6
Oklahoma	Disincentive	Yes	–	6 hours/day
Oregon	Disincentive	–	–	N/A
Pennsylvania	N/A [b]	–	–	N/A
Rhode Island	N/A [c]	–	–	N/A
South Carolina	Neutral	–	–	N/A
South Dakota	Neutral	Yes	–	Determined by district
Tennessee	Neutral	–	–	N/A
Texas	Neutral	–	–	N/A
Utah	Disincentive	–	–	N/A
Vermont	Neutral	–	–	N/A
Virginia	Neutral	Yes	–	540 hours/year
Washington	Neutral	–	–	N/A
West Virginia	Neutral	–	–	N/A
Wisconsin	Incentive	Yes	Yes	Same length of school day as 1st grade
Wyoming	Disincentive	–	–	N/A
Year Data Collected	**2001-02**			**2001-02**

Data Source:

14.1 Education Commission of the States. "How States Fund Full-day Kindergarten." *State Notes.* Updated April 2005. Retrieved July 15, 2005. http://www.ecs.org/clearinghouse/63/10/6310.htm.

14.2 Kristie Kauerz, *Full-Day Kindergarten: A Study of State Policies in the United States.* Denver: Education Commission of the States, June 2005.

Data Table Notes:

a. Hawaii operates as a single school district and, hence, there is no state formula for distribution of funds in the traditional sense.

b. Pennsylvania state statute contains a formulaic incentive for providing full-day kindergarten, but this formula is not used for funding allocations in practice.

c. Rhode Island school districts receive state funding based on the amount received in FY 1997-1998 with state mandated increases and adjustments for categorical funds. Because there is no "foundation formula," there are no weights for various grades.

POLICY 15:

Elementary and Secondary Education

Challenges for States. States across the country face major challenges in improving the quality of public education. Historically, locally elected or appointed school boards have driven the management of public schools. However, the 2001 *No Child Left Behind Act* (NCLB) tied federal funding to new quality requirements, accountability measures, and student testing. NCLB requires governors and state legislators to play a greater role in driving educational improvements, and to focus on helping local schools meet the new accountability standards. To further complicate matters, since 2000, 36 states faced lawsuits concerning school finance equity.[75] Litigation over funding equity has dominated state discussions in recent years, but now states are moving toward a discussion of funding and education adequacy, i.e., whether funding levels, school practices and early education practices sufficiently support student achievement.[76]

Key State Policy Measures. States can begin improving the effectiveness and equality of K-12 public education by enhancing teacher quality, and by ensuring that resources are distributed equitably and adequately.

15.1 Teacher quality standards. Substantial research evidence indicates that students with highly qualified teachers make the best academic progress, without regard to socioeconomic factors, and that an undergraduate major in the subject matter taught can have a greater effect on teacher quality and student performance than teacher certification.[106] New federal standards require all new teachers to pass a competency test or have a college major in the subject taught. For veteran teachers, however, states have flexibility to define standards for teacher quality. To set standards for veteran teachers to achieve "highly qualified teacher" status, states have the option of employing a system referred to as a High Objective Uniform State System of Evaluation (HOUSSE). According to reviews by independent researchers and the U.S. Department of Education, however, the HOUSSE standards developed by states generally fall short of the standards required to promote highly qualified teachers, and therefore should be phased out.[107]

Change in 2007: Changes in the phase-out of HOUSSE standards are reflected in the tables on the following pages.

15.2 Funding equity among districts. As recently as 2002, research shows that most states have a significant funding gap between students in high-income districts who receive more education funding than students in low-income districts.[77] Financial resources are essential to support the professional development of teachers, lower the pupil-teacher ratio, and support other education investments that research shows are essential for improving educational performance, particularly in low-wage and minority communities.[78] State policy determines the degree of funding equity among districts through the interaction of three major mechanisms: state funding formulas, categorical grants and limits on property taxes as a source of local income for school districts.[79] The interaction of these three factors determines the equity of a state's school finance system, which can be measured by an "equity index." This index measures the degree to which state policies perpetuate inequitable funding relative to a standard of equity and relative to other states. A higher equity index indicates greater funding equity between districts.

No data update is available for this measure.

15.3 Funding adequacy. In addition to equity, the adequacy of funding is an essential consideration for states seeking to improve the effectiveness of public schools. Research suggests that a key element of promoting education adequacy is to determine a foundation level of funding necessary to achieve a performance standard specified by the state, and for the state to assume responsibility for providing that funding level.[80] In general, this approach requires that states provide a greater proportion of school funding, and localities provide a smaller portion.

Changes in 2004-05: From 2003-04 to 2004-05, the percentage of total school funding provided by the state declined for all states except for Alabama, in which this percentage remained constant, and the following states, in which the percentage increased:

Alaska
Arizona
Arkansas
California
Connecticut
Kansas
Massachusetts
Minnesota
Montana
New Jersey
New Mexico
Pennsylvania
Tennessee
Vermont
Virginia

15.4 Funding equity for students in public charter schools. Updated state policy data is unavailable for this measure.

Elementary and Secondary Education Policy Measures

Measure 15.1: Teacher Quality Standards

At what stage is the state phase-out of alternate quality standards for veteran teachers? *Table reflects policy as of June 2007.*

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

Measure 15.2: Funding Equity Among Districts

To what extent do state school financing policies provide funding equity among school districts? (The index scores below measure the level of equity, with a higher score indicating a greater degree of equity.)* *Table reflects policy as of 2003.*

90 or above	Nev.
80 to 89	Ark., Calif., Del., Fla., Ind., Iowa, La., Minn., N.M., Okla., Utah, W.Va., Wis.
70 to 79	Ala., Colo., Conn., Ga., Kan., Ky., Maine, Md., Mass., Mich., Miss., Mo., Neb., N.J., N.C., N.Y., Ohio, Ore., Pa., S.C., S.D., Tenn., Texas, Wash., Wyo.
Below 70	Alaska, Ariz., Idaho, Ill., Mont., N.D., N.H., R.I., Va., Vt.

*The District of Columbia does not have a state revenue source and therefore it does not receive a grade for this measure. The District of Columbia is a single-district jurisdiction.

*Hawaii is a single-district state, and therefore it is not appropriate to measure district-level equity.

Measure 15.3: Funding Adequacy

What share of total funding for school districts is provided by the state?
Table reflects policy as of 2004-05.

Above 60%	Del., Mich., Minn., N.M., N.C., Vt., Wash., W.Va.
50 to 59.9%	Ala., Alaska, Ark., Calif., Idaho, Kan., Ky., Miss., Okla., Utah, Wis., Wyo.
40 to 49.9%	Ariz., Colo., Fla., Ga., Ind., Iowa, La., Maine, Mass., Mont., N.J., N.Y., Ohio, Ore., S.C., Tenn., Va.
25 to 39.9%	Conn., Ill., Md., Mo., Neb., Nev., N.D., N.H., Pa., R.I., S.D., Texas

*The District of Columbia does not have a state revenue source and therefore it does not receive a grade for this measure. The District of Columbia is a single-district jurisdiction.

Measure 15.4: Funding Equity for Students in Public Charter Schools

Updated state policy data is unavailable for this measure.

Selected Elementary and Secondary Education Policies

State	15.1 Phase-Out of Alternate Standards for Veteran Teachers	15.2 Funding Equity Among Districts Index Score		15.3 Percentage of District Revenue Provided by State	
Alabama	Complete	76	78	55.5%	55.5%
Alaska	Phaseout in Process	77	67	56.7%	↑57%
Arizona	Complete	75	69	47.7%	↑47.8%
Arkansas	Phaseout in Process	79	81	53.2%	↑58.2%
California	Continuing to Use Alternate Standards	78	81	55.5%	↑59.2%
Colorado	Complete	77	72	43.3%	↓ 42.7%
Connecticut	Phaseout in Process	81	76	36.3%	↑38.2%
Delaware	Phaseout in Process	83	81	61.9%	↓ 61.8%
District of Columbia	No Plan to Phase Out Alternate Standards	N/A [a]	N/A [a]	N/A [a]	N/A [a]
Florida	Complete	83	81	43.6%	↓ 42.1%
Georgia	Complete	73	75	45.9%	↓ 43.9%
Hawaii	No Plan to Phase Out Alternate Standards	N/A [b]	N/A [b]	N/A [a]	N/A [a]
Idaho	Phaseout in Process	65	59	58%	↓ 57.4%
Illinois	No Plan to Phase Out Alternate Standards	70	68	33.3%	↓ 31.7%
Indiana	No Plan to Phase Out Alternate Standards	75	80	50.9%	↓ 47.2%
Iowa	Phaseout in Process	90	89	45.8%	↓ 45.7%
Kansas	Phaseout in Process	83	78	51%	↑54.4%
Kentucky	Phaseout in Process	76	76	57.2%	↓ 56.6%
Louisiana	Complete	85	83	48.7%	↓ 47.5%
Maine	Complete	72	70	42.2%	↓ 40.9%
Maryland	Continuing to Use Alternate Standards	72	72	38.1%	↓ 37.7%
Massachusetts	Complete	70	72	40.4%	↑42.7%
Michigan	Complete	72	71	61.8%	↓ 60.1%
Minnesota	Complete	83	83	69.5%	↑69.6%
Mississippi	Continuing to Use Alternate Standards	73	72	54.7%	↓ 53.9%
Missouri	Continuing to Use Alternate Standards	72	73	34.2%	↓ 34.1%
Montana	Continuing to Use Alternate Standards	65	62	44.6%	↑45.1%
Nebraska	Continuing to Use Alternate Standards	81	77	32.8%	↓ 31.3%
Nevada	Phaseout in Process	93	92	29.5%	↓ 27.1%
New Hampshire	Continuing to Use Alternate Standards	62	63	45.7%	↓ 39.2%
New Jersey	Complete	74	72	43.3%	↑43.4%
New Mexico	Complete	83	88	69.1%	↑69.9%
New York	Phaseout in Process	83	74	43.2%	↓ 42.9%
North Carolina	Complete	78	71	62.8%	↓ 62.7%
North Dakota	Complete	71	62	38.1%	↓ 36.9%
Ohio	Phaseout in Process	77	74	44.9%	↓ 43.9%
Oklahoma	Complete	82	80	54.3%	↓ 53.3%
Oregon	Phaseout in Process	80	72	51.9%	↓ 48.8%
Pennsylvania	Phaseout in Process	71	72	35.7%	↑35.9%
Rhode Island	No Plan to Phase Out Alternate Standards	77	66	41.1%	↓ 38.6%
South Carolina	Continuing to Use Alternate Standards	80	76	46%	↓ 45.2%
South Dakota	Complete	84	78	34.3%	↓ 33.5%
Tennessee	Continuing to Use Alternate Standards	72	73	42.8%	↑43.1%
Texas	Continuing to Use Alternate Standards	75	72	38.6%	↓ 35.9%
Utah	Complete	91	87	55.6%	↓ 55%
Vermont	Phaseout in Process	58	59	66.3%	↑84.9%
Virginia	Continuing to Use Alternate Standards	70	67	38.8%	↑40.6%
Washington	Phaseout in Process	76	74	61.2%	↓ 60.7%
West Virginia	Phaseout in Process	86	85	60.6%	↓ 60.5%
Wisconsin	Complete	82	82	52.2%	↓ 50.7%
Wyoming	Complete	82	79	52.2%	↓ 51.7%
Year Data Collected	**2007**	**2002**	**2003**	**2003-04**	**2004-05**

Data Source:

15.1 Kate Walsh, *State Teacher Policy Yearbook 2007: Progress on Teacher Quality,* Washington, D.C.: National Council on Teacher Quality, 2007.

15.2 Education Week. *Quality Counts at 10 – A Decade of Standards-Based Education.* Bethesda, MD: Editorial Projects in Education, January, 2006.

15.3 Unpublished data from the U.S. Department of Education, National Center for Education Statistics, December, 2007.

Data Table Notes:

a. Because the District of Columbia does not have a state revenue source, it did not receive a grade for equity. The District of Columbia is a single-district jurisdiction.

b. Because Hawaii is a single-district state, it is not appropriate to measure district-level equity.

POLICY 16:

Higher Education

NO DATA UPDATE IS AVAILABLE FOR POLICY 16
THIS SECTION IS REPRINTED FROM THE 2007 POLICY MATTERS REPORT

Why Higher Education Policy Matters. A strong economy is driven in significant part by the level of education of the work force. On a national level, research suggests that one extra year of education for a population can improve economic growth by 5 to 15 percent.[81] At an individual level, research also shows that a two-year or four-year college degree is increasingly necessary for meaningful employment.[82]

Those who earn a community college degree make, on average, $14,800 per year more than those with only a high school diploma, and 4-year college graduation adds $28,800 in annual income.[83] Higher education also benefits communities because people with more formal education have greater opportunities to work without having to depend on public assistance. They are also more likely to pay taxes, vote, provide for their children, and be law-abiding members of society.[84] Therefore, states seeking to build a strong economy have a major interest in expanding access to higher education.

Key State Policy Measures. State leaders can improve access to higher education through a coordinated policy focused on controlling or reducing tuition costs while maintaining or enhancing need-based aid.

16.1 Tuition at four-year colleges/universities. In addition to expanding need-based financial aid, states can set tuition levels that minimize barriers for prospective students. One approach is to lower tuition while simultaneously increasing need-based aid. Another approach is to maintain tuition levels, and use the revenue generated by the higher tuition levels to expand need-based aid. This latter approach could be used to target financial aid to those students most in need, while minimizing the impact on state costs.[85]

Need-based financial aid. Research shows that expanding all financial aid expands college/university enrollment, but that the impact of need-based aid is significantly greater, given that this aid is focused on low-wage students for whom tuition levels present a greater barrier.[86] A recent study estimates that a $1,000 increase in need-based aid can produce an 11.5 percent increase in college enrollment.[87] Therefore, need-based aid can be an effective tool for states to promote economic development and financial success for families. The measure of need-based financial aid used in this report computes the amount of state-funded aid as a percentage of federally funded aid. By doing so, it controls for variation in the number of low-wage students in each state, and therefore allows for comparison of funding levels across states. This measure of aid also applies to two-year colleges.

Changes in 2005-06: Between school year 2002-03 and 2005-06, states made the following changes affecting the affordability of public, four-year colleges and universities:

Tuition for four-year colleges/universities

- **Hawaii, Nevada** and **Wyoming** reduced tuition costs on average.
- **All other states** increased tuition costs on average.

Need-based financial aid (applies to four-year and two-year institutions)

Increased	Decreased	No Change
Alaska	Arkansas	Alabama
California	Colorado	Arizona
Connecticut	Illinois	Georgia
Delaware	Indiana	Idaho
Florida	Iowa	Mississippi
Hawaii	Kansas	Nevada
Kentucky	Massachusetts	New Hampshire
Louisiana	Michigan	New Mexico
Maine	Minnesota	North Dakota
Maryland	Missouri	South Dakota
Montana	New York	
Nebraska	Ohio	
New Jersey	Pennsylvania	
North Carolina	Tennessee	
Oklahoma	Texas	
Oregon	Vermont	
Rhode Island	West Virginia	
South Carolina	Wyoming	
Utah		
Virginia		
Washington		
Wisconsin		

16.2 Tuition at two-year colleges. Two-year degree programs can provide critical training as part of a state's work force development strategy, particularly when degree programs are integrated with high job-growth industries.[88] Currently, almost one-half of all undergraduate students are attending a community college, 54 percent of community college students are working full-time and 34 percent have children or other dependents.[89] Therefore, state leaders seeking to enhance the economy and the earnings of families in their state can do so through lower tuition and higher need-based aid.

Changes in 2005-06: All states increased average tuition costs between school years 2002-03 and 2005-06.

Higher Education Policy Measures

Measure 16.1: Tuition and Need-based Financial Aid at Four-year Colleges/Universities

In public *four*-year colleges/universities, does the combination of state-defined tuition levels and need-based aid result in greater or lower affordability of higher education?*

Greater affordability (Tuition is *lower* than national median and aid is *equal* to or *higher* than national median)	Calif., Colo., N.C., Texas
Moderate affordability (Tuition is *higher* than national median but aid is *equal* to or *higher* than national median too)	Conn., Del., Ill., Ind., Iowa, Ky., Maine, Md., Mass., Mich., Minn., N.J., N.Y., Ohio, Pa., R.I., S.C., Vt., Va., Wash., Wis.
Moderate affordability (Tuition is *lower* than national median but aid is *lower* than national median too)	Ark., Ala., Alaska, Ariz., Fla., Ga., Hawaii, Idaho, Kan., La., Miss., Mont., Neb., Nev., N.M., Okla., S.D., Tenn., Utah, W.Va., Wyo.
Lower affordability (Tuition is *higher* than national median and aid is *lower* than national median)	Mo., N.D., N.H., Ore

* The District of Columbia was not included in the data source.

Measure 16.2: Tuition and Need-based Financial Aid at Two-year Colleges

In public two-year colleges, does the combination of state-defined tuition levels and need-based aid result in greater or lower affordability of higher education?*

Greater affordability (Tuition is *lower* than national median and aid is *equal* to or *higher* than national median)	Calif., Colo., Del., Ill., Mich., N.C., Okla., Texas, Va.
Moderate affordability (Tuition is *higher* than national median but aid is *equal* to or *higher* than national median too)	Conn., Ind., Iowa, Ky., Maine, Md., Mass., Minn., N.J., N.Y., Ohio, Pa., R.I., S.C., Vt., Wash., Wis., W.Va.
Moderate affordability (Tuition is *lower* than national median but aid is *lower* than national median too)	Ariz., Ark., Fla., Ga., Hawaii, Idaho, Kan., La., Miss., Mo., Neb., Nev., N.M., Tenn., Utah, Wyo.
Lower affordability (Tuition is *higher* than national median and aid is *lower* than national median)	Ala., Alaska, Mont., N.H., N.D., Ore., S.D.

*The District of Columbia was not included in the data source.

Selected State Higher Education Policies

State	16.1 Four-Year Colleges/Universities: State Need-Based Financial Aid as a % of Federal Aid	16.1 Four-Year Colleges/Universities: Tuition	16.1 Four-Year Colleges/Universities: Relative Affordability	16.2 Two-Year Colleges: State Need-Based Financial Aid as a % of Federal Aid	16.2 Two-Year Colleges: Tuition	16.2 Two-Year Colleges: Relative Affordability
Alabama	1%	↑ $4,586	Moderate (Low Aid)	1%	↑ $2,763	Lower
Alaska	↑ 6%	↑ $4,056	Moderate (Low Aid)	↑ 6%	↑ $2,585	↓ Lower
Arizona	< 1%	↑ $4,428	Moderate (Low Aid)	< 1%	↑ $1,340	Moderate (Low Aid)
Arkansas	↓ 22%	↑ $4,637	↓ Moderate (Low Aid)	↓ 22%	↑ $1,768	↓ Moderate (Low Aid)
California	↑ 53%	↑ $4,447	Greater	↑ 53%	↑ $718	Greater
Colorado	↓ 34%	↑ $4,468	Greater	↓ 34%	↑ $1,990	Greater
Connecticut	↑ 48%	↑ $6,710	Moderate (High Tuition)	↑ 48%	↑ $2,536	Moderate (High Tuition)
Delaware	↑ 43%	↑ $7,101	↑ Moderate (High Tuition)	↑ 43%	↑ $2,240	↑ Greater
District of Columbia*	No Data	No Data	No Data	No Data	No Data	No Data
Florida	↑ 14%	↑ $2,935	Moderate (Low Aid)	↑ 14%	↑ $1,845	Moderate (Low Aid)
Georgia	< 1%	↑ $3,652	Moderate (Low Aid)	< 1%	↑ $1,645	Moderate (Low Aid)
Hawaii	↑ 3%	↓ $3,235	Moderate (Low Aid)	↑ 3%	↑ $1,225	Moderate (Low Aid)
Idaho	3%	↑ $3,920	Moderate (Low Aid)	3%	↑ $1,890	Moderate (Low Aid)
Illinois	↓ 73%	↑ $7,166	Moderate (High Tuition)	↓ 73%	↑ $2,113	Greater
Indiana	↓ 70%	↑ $5,911	Moderate (High Tuition)	↓ 70%	↑ $2,589	Moderate (High Tuition)
Iowa	↓ 33%	↑ $5,619	Moderate (High Tuition)	↓ 33%	↑ $3,040	Moderate (High Tuition)
Kansas	↓ 12%	↑ $4,571	Moderate (Low Aid)	↓ 12%	↑ $1,937	Moderate (Low Aid)
Kentucky	↑ 42%	↑ $5,132	↓ Moderate (High Tuition)	↑ 42%	↑ $2,407	Moderate (High Tuition)
Louisiana	↑ 1%	↑ $3,684	Moderate (Low Aid)	↑ 1%	↑ $1,513	Moderate (Low Aid)
Maine	↑ 32%	↑ $6,030	Moderate (High Tuition)	↑ 32%	↑ $3,048	Moderate (High Tuition)
Maryland	↑ 53%	↑ $7,058	Moderate (High Tuition)	↑ 53%	↑ $2,832	Moderate (High Tuition)
Massachusetts	↓ 51%	↑ $7,307	Moderate (High Tuition)	↓ 51%	↑ $2,927	Moderate (High Tuition)
Michigan	↓ 29%	↑ $6,943	Moderate (High Tuition)	↓ 29%	↑ $2,082	Greater
Minnesota	↓ 78%	↑ $6,921	Moderate (High Tuition)	↓ 78%	↑ $4,083	Moderate (High Tuition)
Mississippi	1%	↑ $4,177	Moderate (Low Aid)	1%	↑ $1,666	Moderate (Low Aid)
Missouri	↓ 10%	↑ $5,835	Lower	↓ 10%	↑ $2,249	Moderate (Low Aid)
Montana	↑ 9%	↑ $4,951	Moderate (Low Aid)	↑ 9%	↑ $2,702	Lower
Nebraska	↑ 15%	↑ $4,875	↑ Moderate (Low Aid)	↑ 15%	↑ $1,898	Moderate (Low Aid)
Nevada	0%	↓ $2,718	Moderate (Low Aid)	0%	↑ $1,635	Moderate (Low Aid)
New Hampshire	12%	↑ $8,499	Lower	12%	↑ $5,719	Lower
New Jersey	↑ 95%	↑ $8,664	Moderate (High Tuition)	↑ 95%	↑ $2,711	Moderate (High Tuition)
New Mexico	20%	↑ $3,710	Moderate (Low Aid)	20%	↑ $1,169	Moderate (Low Aid)
New York	↓ 89%	↑ $4,995	Moderate (High Tuition)	↓ 89%	↑ $3,180	Moderate (High Tuition)
North Carolina	↑ 39%	↑ $3,645	Greater	↑ 39%	↑ $1,295	Greater
North Dakota	4%	↑ $5,047	↓ Lower	4%	↑ $3,081	Lower
Ohio	↓ 29%	↑ $8,489	Moderate (High Tuition)	↓ 29%	↑ $3,123	Moderate (High Tuition)
Oklahoma	↑ 25%	↑ $3,814	Moderate (Low Aid)	↑ 25%	↑ $2,108	↑ Greater
Oregon	↑ 20%	↑ $5,345	Lower	↑ 20%	↑ $2,642	Lower
Pennsylvania	↓ 83%	↑ $8,729	Moderate (High Tuition)	↓ 83%	↑ $2,989	Moderate (High Tuition)
Rhode Island	↑ 27%	↑ $6,343	↑ Moderate (High Tuition)	↑ 27%	↑ $2,470	↑ Moderate (High Tuition)
South Carolina	↑ 25%	↑ $7,350	Moderate (High Tuition)	↑ 25%	↑ $2,931	Moderate (High Tuition)
South Dakota	0%	↑ $4,900	↑ Moderate (Low Aid)	0%	↑ $3,116	Lower
Tennessee	↓ 16%	↑ $4,763	Moderate (Low Aid)	↓ 16%	↑ $2,395	↑ Moderate (Low Aid)
Texas	↓ 34%	↑ $4,694	Greater	↓ 34%	↑ $1,282	Greater
Utah	↑ 6%	↑ $3,442	Moderate (Low Aid)	↑ 6%	↑ $2,225	Moderate (Low Aid)
Vermont	↓ 84%	↑ $9,239	Moderate (High Tuition)	↓ 84%	↑ $4,012	Moderate (High Tuition)
Virginia	↑ 38%	↑ $5,930	Moderate (High Tuition)	↑ 38%	↑ $2,051	Greater
Washington	↑ 86%	↑ $5,254	Moderate (High Tuition)	↑ 86%	↑ $2,553	Moderate (High Tuition)
West Virginia	↓ 25%	↑ $3,807	↓ Moderate (Low Aid)	↓ 25%	↑ $2,471	↓ Moderate (High Tuition)
Wisconsin	↑ 52%	↑ $5,665	Moderate (High Tuition)	↑ 52%	↑ $2,960	Moderate (High Tuition)
Wyoming	↓ 0%	↓ $2,874	Moderate (Low Aid)	↓ 0%	↑ $1,777	Moderate (Low Aid)
Year Data Collected		**2005-06**			**2005-06**	

* The District of Columbia was not included in the data source for this table.

Data Source:

Measuring Up 2006: The National Report Card on Higher Education. San Jose, Calif.: The National Center for Public Policy and Higher Education, 2006.

Data Table Notes:

2002-03

The national median for state-funded need-based aid was 23.5 percent of federally funded aid.
The national median for tuition at public four-year institutions was $4,198.
The national median for tuition at public two-year institutions was $1,969.

2005-06

The national median for state-funded need-based aid was 25 percent of federally funded aid.
The national median for tuition at public four-year institutions was $4,973.
The national median for tuition at public two-year institutions was $2,401.

50-STATE POLICY OVERVIEW

FAMILY RELATIONSHIPS AND SUPPORT POLICIES

POLICY 17:

Healthy Marriage and Relationship Education

NO DATA UPDATE IS AVAILABLE FOR POLICY 17
THIS SECTION IS REPRINTED FROM THE 2006 POLICY MATTERS REPORT

Why Healthy Marriage and Relationship Education Policy Matters. States that seek to promote financial stability for families and brighter futures for children can do so by promoting healthy family relationships. Evidence indicates that healthy marriages are associated with significantly better outcomes for both children and parents. More specifically, research shows that the economic advantages of marriage 1) surpass those achieved by cohabitating couples, 2) can accrue to low-wage couples and 3) lower poverty among children and women.[90] Consequently, state policy to strengthen families could include supporting healthy marriages among adults who consider marriage an option. Research indicates that marriage preparation and marriage skills training can promote healthy marriages by enhancing communication, conflict management and satisfaction among couples.[91]

Key State Policy Measures. States can work to promote healthy marriages, and thereby strengthen families, through the following research-tested marriage and relationship education policies:

17.1 Couples and marriage education for adults. Research indicates that couples education and marriage preparation can enhance couples' communication and conflict management skills.[92] These studies also provide evidence that couples participating in programs that address domestic violence demonstrate greater relationship satisfaction and fewer instances of spousal physical violence. To promote these positive outcomes, states can initiate or expand couples education and marriage preparation programs.

17.2 Relationship education for youth. Research indicates that marriage education in high school can enhance the relationship skills of young people at a critical time when their behavior patterns are forming.[93] This research also suggests that certain education programs can reduce violence in dating relationships, and reduce factors that place youth at risk for adolescent pregnancy. To promote these benefits, states can initiate or expand relationship and marriage education programs in public high schools.

Healthy Marriage and Relationship Education Policy Measures

Measure 17.1: Couples and Marriage Education for Adults

Has the state begun offering relationship skill-building services for adult couples?

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

Measure 17.2: Relationship Education for Youth

Has the state begun offering relationship skill-building services for high school students?

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

Selected State Policies on Healthy Marriage and Relationship Education

State	17.1 Relationship and Marriage Education for Adult Couples	17.2 Relationship Education for Youth
Alabama	Yes	–
Alaska	–	–
Arizona	Yes	–
Arkansas	Yes	–
California	Yes [a]	–
Colorado	–	–
Connecticut	–	–
Delaware	–	–
District of Columbia	Yes	–
Florida	Yes	Yes
Georgia	–	–
Hawaii	–	–
Idaho	Yes [b]	–
Illinois	Yes	–
Indiana	–	–
Iowa	Yes	–
Kansas	–	–
Kentucky	Yes	–
Louisiana	Yes	–
Maine	–	–
Maryland	–	–
Massachusetts	Yes [c]	–
Michigan	Yes [d]	–
Minnesota	Yes	–
Mississippi	–	–
Missouri	Yes	–
Montana	–	–
Nebraska	Yes	–
Nevada	–	–
New Hampshire	–	–
New Jersey	–	–
New Mexico	Yes	–
New York	–	–
North Carolina	–	–
North Dakota	–	–
Ohio	Yes	–
Oklahoma	Yes	Yes
Oregon	–	–
Pennsylvania	–	Yes
Rhode Island	–	–
South Carolina	Yes	–
South Dakota	–	Yes
Tennessee	Yes [e]	Yes [e]
Texas	Yes	Yes
Utah	Yes	Yes
Vermont	–	–
Virginia	Yes	–
Washington	–	–
West Virginia	–	–
Wisconsin	–	–
Wyoming	–	–
Year Data Collected	**2005**	**2005**

Data Source:

Theodora Ooms, Stacey Bouchet, and Mary Parke. *Beyond Marriage Licenses: Efforts in States to Strengthen Marriage and Two-Parent Families.* Washington, D.C., Center for Law and Social Policy, April 2004.

U.S. Department of Health and Human Services. Administration for Children and Families. *Healthy Marriage Initiative Activities and Accomplishments 2002-2004.* Washington, D.C., June 2005.

Updated with unpublished data from the National Conference of State Legislatures, July 2005.

Data Table Notes:

a. California offers programs only in Orange County.

b. Idaho offers programs only in the City of Nampa.

c. Massachusetts offers programs only in Boston.

d. Michigan is running a five county pilot program.

e. Tennessee offers programs only in Shelby County (Memphis).

POLICY 18:

Family and Medical Leave

NO DATA UPDATE IS AVAILABLE FOR POLICY 18
THIS SECTION IS REPRINTED FROM THE 2007 POLICY MATTERS REPORT

Why Family and Medical Leave Policy Matters. States can enhance opportunities for families, the stability of the work force, and the futures of children by advancing policies that promote job security and worker retention. Research shows that paid parental leave helps keep parents in the work force and significantly increases their likelihood of returning to the pre-birth workplace, thereby reducing company turnover and increasing staff retention.[94] These studies also show that parental leave policies result in better health outcomes for both mothers and infants, and increased parental bonds.

The 1993 federal *Family and Medical Leave Act* (FMLA) entitles employees to 12 weeks of unpaid leave from work in the event of childbirth, adoption or foster care placement, serious health conditions for immediate family members, or health conditions rendering the employee unable to work. The FMLA applies to businesses employing at least 50 employees. However, 45 percent of the work force in America work for employers with fewer than 50 employees, and therefore are not covered by FMLA. In addition, many employees are financially unable to take the leave for which they are eligible because the federal FMLA does not require or provide any wage replacement benefits to employees.

Key State Policy Measures. States can promote the economic and family benefits of FMLA by extending selected provisions through state law.

18.1 Extended job protections. States can extend the job protection coverage of FMLA by creating broader definitions for justified leave, extending leave periods, and expanding the definition of covered employees. State policies that incorporate key lessons from research include the following:

a. extending job protection for new parents caring for infants to include parents working for employers with fewer than 50 employees;

b. extending job protection for women with pregnancy-related disabilities (and/or who are recovering from childbirth);

c. extending the duration of job protected leave for new parents beyond the 12-week minimum; and

d. extending job protected leave to cover parental involvement in a child's school activities.

Changes in 2006: States made the following changes in 2006:

- **Connecticut** enacted a law allowing state employees to use up to four weeks of leave per year to care for a seriously ill foster child.
- **Tennessee** enacted a law allowing state employees to use leave to participate in their children's school activities.

18.2 Wage replacement benefits. Many working families are legally eligible for family or medical leave but cannot financially afford to take it. While there was no growth in the 17 percent of U.S. employees taking leave between 1995 and 2000, the percentage of workers who reported that they needed leave but did not take it because they could not afford to go without wages rose from 64 percent in 1995 to 77 percent in 2000.[95] Without wage replacement benefits, family leave policies are often impractical and fail to support low-wage families needing temporary time off to care for family members. In response, some states have begun to establish wage replacement funds.

Changes in 2006: None

Family and Medical Leave Policy Measures

Measure 18.1: Extended Job Protections

Which of the following four key expansions of federal FMLA policy has the state enacted:

1. expanded job protection for parents working for organizations with fewer than 50 employees;
2. expanded job protection for maternity-related medical leave;
3. extended length of family and medical leave; and
4. job protected leave for parental involvement in school activities?

All 4 job protections	D.C.
3 of the 4	Calif., La., Mass., Ore., Vt.
2 of the 4	Conn., Maine, Minn., R.I., Wash.
1 of the 4	Hawaii, Ill., Iowa, Mont., Nev., N.H., N.J., N.C., S.C., Tenn.,
None	Ala., Alaska Ariz., Ark., Colo., Del., Fla., Ga., Idaho, Ind., Kan., Ky., Md., Mich., Miss., Mo., Neb., N.M., N.Y., N.D., Ohio, Okla., Pa., S.D., Texas, Utah, Va., W.Va., Wis., Wyo.

Measure 18.2: Wage Replacement Benefits

Does the state fund a wage replacement benefit for families taking family and medical leave?

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

Selected State Family and Medical Leave Policies

State	18.1 State Extends Job Protection Provided by Federal Law to Include: Employees of Organizations With Fewer than 50 Employees	Pregnancy Related Disabilities	Leave Beyond the 12-Week Minimum for New Parents	Parental Involvement in School Activities	18.2 State Funds Wage Replacement Benefit
Alabama	-	-	-	-	-
Alaska	-	-	-	-	-
Arizona	-	-	-	-	-
Arkansas	-	-	-	-	-
California	-	Yes	Yes	Yes	Yes
Colorado	-	-	-	-	-
Connecticut [a]	-	Yes	Yes	-	-
Delaware	-	-	-	-	-
District of Columbia	Yes	Yes	Yes	Yes	-
Florida	-	-	-	-	-
Georgia	-	-	-	-	-
Hawaii	-	Yes	-	-	Yes
Idaho	-	-	-	-	-
Illinois	Yes	-	-	Yes	-
Indiana	-	-	-	-	-
Iowa	-	Yes	-	-	-
Kansas	-	-	-	-	-
Kentucky	-	-	-	-	-
Louisiana	-	Yes	Yes	Yes	-
Maine	Yes	Yes	-	-	-
Maryland	-	-	-	-	-
Massachusetts	Yes	Yes	-	Yes	-
Michigan	-	-	-	-	-
Minnesota	Yes	-	-	Yes	-
Mississippi	-	-	-	-	-
Missouri	-	-	-	-	-
Montana	-	Yes	-	-	-
Nebraska	-	-	-	-	-
Nevada	Yes	-	-	Yes	-
New Hampshire	-	Yes	-	-	-
New Jersey	-	-	Yes	-	Yes
New Mexico	-	-	-	-	-
New York	-	-	-	-	Yes
North Carolina	-	-	-	Yes	-
North Dakota	-	-	-	-	-
Ohio	-	-	-	-	-
Oklahoma	-	-	-	-	-
Oregon	Yes	Yes	Yes	-	-
Pennsylvania	-	-	-	-	-
Rhode Island	-	-	Yes	Yes	Yes
South Carolina	-	Yes	-	-	-
South Dakota	-	-	-	-	-
Tennessee [b]	-	-	Yes	-	-
Texas	-	-	-	-	-
Utah	-	-	-	-	-
Vermont	Yes	Yes	-	Yes	-
Virginia	-	-	-	-	-
Washington	-	Yes	Yes	-	-
West Virginia	-	-	-	-	-
Wisconsin	-	-	-	-	-
Wyoming	-	-	-	-	-
Year Data Collected	**2006**				**2006**

Data Source:

18.1 Jodi Grant, Taylor Hatcher, and Nirali Patel. *Expecting Better: A State-by-State Analysis of Parental Leave Programs.* Washington, D.C.: National Partnership for Women and Families, 2005.

National Partnership for Women and Families "Job-Protected Leave for Parental Involvement in School Activities." *Legislative Update.* Washington, D.C.: National Partnership for Women and Families, June 2005.

Updated through unpublished data from the National Partnership for Women and Families, December 2006.

18.2 Grant, Jodi, Hatcher, Taylor and Patel, Nirali. *Expecting Better: A State-by-State Analysis of Parental Leave Programs.* Washington, D.C.: National Partnership for Women and Families, 2005.

Updated through unpublished data from the National Partnership for Women and Families, December 2006.

Data Table Notes:

a. Connecticut enacted a law in 2006 allowing state employees to use up to four weeks of leave per year to care for a seriously ill foster child.

b. Tennessee enacted a law in 2006 allowing state employees to use leave to participate in their children's school activities.

POLICY 19:

Child Support

Why Child Support Policy Matters. States can promote the academic achievement of youth and financial opportunity for families through policies that facilitate child support payments by non-custodial parents. Child support is an important source of income for families, representing an average of 26 percent of total family income among low-wage families.[96] In 2004, 15.9 million children were served by child support programs, which collected $21.9 billion in private child support dollars.[97] Studies indicate that reliable child support improves children's academic achievement and helps reduce conflict between parents.[98] In addition, there is clear evidence that receipt of child support is especially important to families as they transition from public assistance. If child support payments are reliable, these low-wage families are less likely to return to the welfare rolls.[99] Depending on the choices made by state leaders, however, state policy can encourage or discourage non-custodial parents from making child-support payments.

Key State Policy Measures. States seeking to improve educational outcomes for children and financial opportunity for families can do so through the following policies:

19.1 Pass-through and disregard of child support payments. By allowing parents to retain child support paid to them and disregard this amount in benefits calculation, states can promote family bonds and encourage greater economic opportunity for families. States may limit the amount of child support passed through to the custodial parent and disregarded for benefit determination. Some states set a cap at $25, $50, or higher. Other states provide a greater pass-through/disregard by setting the limit at the "standard of need," which is a standard defined by the state (at a level above the federal poverty line) that allows families to earn more (or receive more in child support) beyond their traditional benefits eligibility to better meet their basic needs.

Changes in 2006-07: States made the following changes in 2006-07:

- Vermont now passes through all current support, and disregards the first $50.
- Washington will begin to pass through and disregard up to $200 for two children beginning October 1, 2008.

19.2-3 Forgiveness or suspension of arrears and interest. To encourage both work force participation and child support compliance among non-custodial parents, states could forgive or suspend arrears or interest accrual on child support within reasonable limits. This policy would allow non-custodial parents to avoid the trap of escalating and often uncollectible debt. These forgiveness or suspension policies are often contingent on positive behavior by non-custodial parents. For example, some states forgive or suspend arrears or interest accrual when child support payments are made regularly, and other states forgive arrears altogether if parents marry or reunite. Though there is growing interest in arrears forgiveness, most forgiveness policies have focused on the interest collected on arrears, so both policy options are presented.

No data update available for this measure.

19.4 Modification of child support for the incarcerated. To assist ex-offenders as they reenter the work force and reassume the duties of family life, a number of states allow child support orders to be modified to ensure child support arrearages do not become insurmountable. For example, in some states inmates earn, on average, approximately $1 or $2 a day while their child support arrearages average several hundred dollars a month. These policies often create an overwhelming amount of child support debt for incarcerated non-custodial parents when they are released, and serve as a significant barrier to their successful community reentry.[100] States can implement policies to help ensure a more successful re-entry for incarcerated non-custodial parents and increased compliance with child support payments by allowing incarceration to be considered complete justification or one factor in decisions to suspend the child support arrearages of non-custodial parents.

No data update available for this measure.

Child Support Policy Measures

Measure 19.1: Pass-through and Disregard of Child Support Payments

What amount of child support does the state pass through to the custodial parent and disregard for the purpose of benefits eligibility?

Full amount of child support payment	Wis.
Any amount up to the state-defined "standard of need"	Del., Ga., Maine, S.C., Tenn.
Above $50	D.C., Mont., Va., Vt., Wash.
Up to $50	Alaska, Calif., Conn., Ill., Mass., Mich., N.J., N.M., N.Y., Pa., R.I., Texas
Up to $25	W.Va.
No pass-through	Ala., Ariz., Ark., Colo., Fla., Hawaii, Idaho, Ind., Iowa, Kan., Ky., La., Md., Minn.*, Miss.**, Mo., Neb., Nev., N.H., N.C., N.D., Ohio, Okla., Ore., S.D., Utah, Wyo.

*Minnesota does allow the full amount to pass through, but none of the payment is disregarded when determining TANF benefits.

**Mississippi allows TANF recipients receiving child support to keep the difference between the child support payment and TANF cash assistance payment to family.

Measure 19.2: Forgiveness or Suspension of Arrears and Interest

Which of the following three child support arrears forgiveness policies for low-wage custodial parents do states utilize:
1) arrears forgiveness;
2) forgiveness or suspension of interest; and
3) forgiveness of suspension of arrears when family reunites?

All 3	None
2 of the 3	Conn., Iowa, Mass., Mich., Minn., N.M., Ore., Texas, Wash., Wis.
1 of the 3	Alaska, Calif., Colo., La., Maine, N.Y., N.D., Okla., Pa., S.C., S.D., Tenn., Utah, Vt., Va., W.Va.
None	Ala., Ariz., Ark., Del., Fla., Ga., Hawaii, Idaho, Ill., Ind., Kan., Ky., Md., Miss., Mo., Mont., Neb., Nev., N.H., N.J., N.C., Ohio, R.I., Wyo.

Measure 19.3: Interest Charges on Arrears and Retroactive Support

Does the state charge interest on child support arrears, adjudicated arrears, and retroactive support?

No interest	Conn., D.C., Del., Hawaii, Idaho, La., Mont., Nev., N.H., N.J., N.C., Pa., S.C., Tenn.
Have provision but not enforced	Iowa, Maine, Mass., Mich., Miss., Ohio, Ore., S.D.
Charge interest only on adjudicated arrears	Ark., Ky., Md., N.Y., Utah, Vt.
Charge interest on all arrears, but not on retroactive support	Fla., Ga., Minn., N.M., N.D.
Charge interest on all arrears and retroactive support	Ala., Alaska, Ariz., Calif., Colo., Ill., Ind., Kan., Mo., Neb., Okla., R.I., Texas, Va., Wash., W.Va., Wis., Wyo.

Measure 19.4: Modification of Child Support for the Incarcerated

Does the state allow incarceration to be considered complete justification or one factor in decisions to suspend the child support arrearages of non-custodial parents?

Complete Justification	Calif., Conn., D.C., Idaho, Maine, Md., Mass., Mich., Minn., N.C., Ore., Tenn., Wash., Wyo.
One Factor	Ala., Alaska, Colo., Ill., Iowa, Mo., N.M., R.I., Texas, Wis.
No Justification	Ariz., Ark., Del., Fla., Ind., Kan., Ky., La., Mont., Neb., N.H., N.Y., N.D., Ohio, Okla., Pa., S.C., S.D., Utah, Va.
Data Not Available	Ga., Hawaii, Miss., Nev., N.J., Vt., W.Va.

Selected State Child Support Policies

State	19.1 Pass-Through and Disregards: Maximum Pass-Through Amount	19.1: Pass-Through Disregarded	19.2 Forgiveness Program: Arrears Forgiveness	19.2: Forgiveness or Suspension of Interest	19.2: Forgiveness or Suspension of Arrears when Family Reunites	19.3 Interest Sought by State for Unpaid Child Support: No Interest Sought	19.3: Not Enforced	19.3: Adjudicated Arrears Only	19.3: Arrears but not Retroactive Support	19.3: Interest on All	19.4 Effect of Incarceration on Child Support Suspension
Alabama	–	–	–	–	–	–	–	–	–	Yes	One Factor
Alaska	Up to $50	Yes	Yes	–	–	–	–	–	–	Yes	One Factor
Arizona	–	–	–	–	–	–	–	–	–	Yes	No Justification
Arkansas	–	–	–	–	–	–	–	Yes	–	–	No Justification
California	Up to $50	Yes	Yes	–	–	–	–	–	–	Yes	Complete Justification
Colorado	–	–	–	Yes	–	–	–	–	–	Yes	One Factor
Connecticut	Up to $50	Yes	Yes	–	Yes[g]	Yes	–	–	–	–	Complete Justification
Delaware	Up to Need[a]	Yes	–	–	–	Yes	–	–	–	–	No Justification
District of Columbia	Limit Above $50	Yes	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Complete Justification
Florida	–	–	–	–	–	–	–	–	Yes	–	No Justification
Georgia	Up to Need[a]	Yes	–	–	–	–	–	–	Yes	–	No Data
Hawaii	–	–	–	–	–	Yes	–	–	–	–	No Data
Idaho	–	–	–	–	–	Yes	–	–	–	–	Complete Justification
Illinois	Up to $50	Yes	–	–	–	–	–	–	–	Yes	One Factor
Indiana	–	–	–	–	–	–	–	–	–	Yes[j]	No Justification
Iowa	–	–	Yes	–	Yes	–	Yes	–	–	–	One Factor
Kansas	–	–	–	–	–	–	–	–	–	Yes[j]	No Justification
Kentucky	[b]	–	–	–	–	–	–	Yes	–	–	No Justification
Louisiana	–	–	–	Yes	–	Yes	–	–	–	–	No Justification
Maine	Up to Need[a]	Yes	–	–	Yes	–	Yes	–	–	–	Complete Justification
Maryland	–	–	–	–	–	–	–	Yes	–	–	Complete Justification
Massachusetts	Up to $50[c]	Yes	Yes	Yes	–	–	Yes	–	–	–	Complete Justification
Michigan	Up to $50	Yes	Yes	–	Yes	–	Yes	–	–	–	Complete Justification
Minnesota	Full Amount	–	–	Yes	Yes	–	–	–	Yes	–	Complete Justification
Mississippi		–	–	–	–	–	Yes	–	–	–	No Data
Missouri	–	–	–	–	–	–	–	–	–	Yes[j]	One Factor
Montana	Limit Above $50	Yes	–	–	–	Yes	–	–	–	–	No Justification
Nebraska	–	–	–	–	–	–	–	–	–	Yes	No Justification
Nevada	–	–	–	–	–	Yes	–	–	–	–	No Data
New Hampshire	–	–	–	–	–	Yes	–	–	–	–	No Justification[m]
New Jersey	Up to $50	Yes	–	–	–	Yes	–	–	–	–	No Data
New Mexico	Up to $50	Yes	Yes[h]	Yes	–	–	–	–	Yes	–	One Factor
New York	Up to $50	Yes	Yes[i]	–	–	–	–	Yes	–	–	No Justification
North Carolina	–	–	–	–	–	Yes	–	–	–	–	Complete Justification
North Dakota	–	–	–	–	Yes	–	–	–	Yes[k]	–	No Justification
Ohio	–	–	–	–	–	–	Yes	–	–	–	No Justification
Oklahoma	–	–	–	Yes	–	–	–	–	–	Yes	No Justification
Oregon	–	–	Yes	–	Yes	–	Yes	–	–	–	Complete Justification
Pennsylvania	Up to $50	Yes	Yes[h]	–	–	Yes	–	–	–	–	No Justification
Rhode Island	Up to $50	Yes	–	–	–	–	–	–	–	Yes	One Factor
South Carolina	Up to Need[a]	Yes	–	–	–	Yes	–	–	–	–	No Justification
South Dakota	–	–	Yes	–	–	–	Yes	–	–	–	No Justification
Tennessee	Up to Need[a]	Yes	–	–	Yes	Yes	–	–	–	–	Complete Justification
Texas	Up to $50[e]	Yes	Yes	Yes	–	–	–	–	–	Yes	One Factor
Utah	–	–	–	–	Yes	–	–	Yes	–	–	No Justification
Vermont	↑Limit Above $50[d]	Yes	Yes	–	–	–	–	Yes	–	–	No Data
Virginia	Limit Above $50[f]	Yes	–	–	Yes	–	–	–	–	Yes	No Justification
Washington	↑Limit Above $50[n]	Yes	Yes	–	Yes	–	–	–	–	Yes	Complete Justification
West Virginia	Up to $25[e]	Yes	–	Yes	–	–	–	–	–	Yes	No Data
Wisconsin	Full Amount	Yes	Yes[h]	Yes	–	–	–	–	–	Yes	One Factor
Wyoming	–	–	–	–	–	–	–	–	–	Yes[l]	Complete Justification
Year Data Collected	**2007**		**2005**			**2004–05**					**2003**

Data Source:

19.1 Paula Roberts and Michelle Vinson. “State Policy Regarding Pass-Through and Disregard of Current Month’s Child Support Collected for Families Receiving TANF-Funded Cash Assistance.” *Center for Law and Social Policy.* Updated August 31, 2004. Retrieved April 2005. http://www.clasp.org/publications/pass_thru3.pdf. Updated with unpublished data from the National Conference of State Legislatures, July 2005.

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Data Table Notes:

a. Delaware, Georgia, Maine, South Carolina, and Tennessee pass through some or all support for the purposes of “fill-the-gap” budgeting.

b. Kentucky disregards the first $50 in its gross income test for TANF eligibility. If the test is met, full amounts are disregarded for eligibility and benefits.

c. Massachusetts disregards child support payments except when a child is excluded from TANF grant by a family cap, then $90 is disregarded.

d. Vermont passes through all current support, and disregards the first $50.

e. Texas and West Virginia retain all support collected, but increase the family’s TANF grant by the amounts shown.

f. In addition to a disregard, Virginia TANF payments are increased by 85 percent of the child support retained.

g. Connecticut allows for arrears liquidation if the obligor is living with the child.

h. New Mexico, Pennsylvania and Wisconsin are operating pilot or trial programs in a few locations.

i. New York caps arrears at $500 for obligors with income below the poverty level.

j. Indiana, Kansas, Missouri and Washington charge interest only on retroactive support and adjudicated arrears.

k. North Dakota’s IV-D agency does not calculate interest of retroactive support. However, it may be done through the court.

l. Wyoming charges interest on retroactive support and adjudicated arrears. Interest on arrears is discretionary.

m. New Hampshire pursues modification in public assistance cases and seeks impositions of statutory obligations of $50 per month. In nonpublic assistance cases, the obligor would pursue a court modification.

n. Washington will begin to pass through and disregard up to $200 for two children beginning October 1, 2008.

POLICY 20:

Child Welfare

Why Child Welfare Policy Matters. Through effective child welfare policy, states can improve the futures of children who are abused or neglected. Research studies and agency reports have consistently reported negative outcomes from the abuse and neglect of children. These outcomes include short- and long-term negative consequences for children's physical and mental health, cognitive skills, educational attainment, and social and behavioral development.[101] As a result of these effects, children who experience abuse and neglect are at risk for a variety of adverse outcomes as they mature and develop into adolescents and adults.[102] Without timely, supportive interventions, maltreated children are more likely to be involved in the juvenile justice system, suffer from mental health problems, become homeless and either lag behind in school or experience school failure. These poor outcomes follow children into adulthood where long-term costs also occur, such as unemployment, poor health conditions, drug addiction, homelessness, and incarceration. One estimate is that the cost of these poor outcomes amounts to an additional $10 billion annually beyond the costs to the child welfare system.[103] States can implement effective policies to help prevent these negative outcomes for these children, their families and the community at large.

Key State Policy Measures. Based on research, states can improve the outcomes of abused and neglected children, and help ensure that they grow up in loving homes, are healthy, and are prepared to make positive contributions to society, through the following policies:

20.1 Subsidized guardianship. States can implement a subsidized guardianship program, which promotes more permanent placements for abused and neglected children than foster care. Legal guardianship provides an alternative option for permanency by allowing children to find a permanent placement with friends or relatives without severing legal parental ties. The termination of parental custody is required for adoption, and is a legally complicated measure that is sometimes opposed by older children and other family members. Research shows that the option of guardianship offers important advantages over foster care and is a good permanency option in addition to adoption. It eases separation trauma for the child, reduces legal liability for the state, reduces the costs of foster care casework, and maintains the responsibility of birth parents for child support payments.[104] Studies also show that in states with subsidized guardianship programs, placements tend to be more permanent.[105] Some states make this support available for all children in the foster care system up to age 18. Other states provide it only for children in a narrowly defined age range—often ages 12 to 18.

Due to changes in data interpretation, multi-year comparisons are not available for this measure.

20.2 Subsidy level for guardianship. States provide varying levels of subsidy payments to legal guardians. A key component of a successful subsidized guardianship is whether a state's subsidy levels are the same as foster care subsidies, ensuring no financial disadvantage for families choosing guardianship over foster care.

Due to changes in data interpretation, multi-year comparisons are not available for this measure.

20.3 Public health insurance coverage for children in guardianship programs. Not all children in subsidized guardianship programs have access to health insurance. States can establish a policy that automatically provides these children with eligibility for public health insurance.

Data measure under review.

20.4 Continuing court jurisdiction over foster care youth. There is a growing body of research showing that foster care youth who continue to receive services beyond age 18 have better outcomes than their counterparts who are cut off from services at a younger age. While continuing court jurisdiction over foster care youth does not guarantee that services will be provided, there is a higher likelihood that services will be provided to foster care youth if courts are still involved in their cases. This policy measure examines state statutes to see if they set an age limit for court jurisdiction for foster care youth. Some states continue court jurisdiction until age 19, 20 or 21. In these states, the juvenile or family court maintains oversight to help ensure that youth receive needed transitional services. Other states do not specify an age limit, leaving the termination of court jurisdiction up to agency precedent or regulatory measures.

No data update available for this measure.

Prevention Is Key. There is consensus among policy experts that the best child welfare policy is to help families and their children avoid involvement with the child welfare system in the first place. States have promoted a number of strategies to prevent child abuse and neglect, including home visitation services. These programs vary in scope, but their core mission is to promote the safety of children in vulnerable situations by connecting families in need to programs that help support their health and financial stability.

There are a number of national models of home visiting that have been replicated throughout the country, from Healthy Families America, which provides home visiting services to expectant and new families with children up to age five, to the Nurse-Family Pa in this report. Home visiting and other approaches to child abuse prevention are included to emphasize the need to focus on prevention in any discussion of child welfare policy.

Child Welfare Policy Measures

Measure 20.1: Subsidized Guardianship

For what age range of foster care children does the state provide a subsidized guardianship program? *Table reflects policy as of 2006.*

Birth to 18 years, plus some older youth	Ga., Kan., Md., R.I.
Birth to 18 years	Ariz., Calif., Colo., Conn., Fla., Hawaii, Idaho, Ill., La., Mass., Maine, Minn., Mo., Mont., Nev., N.J., N.C., N.D., Ore., Pa., Tenn., Va., W.Va., Wis., Wyo.
A more narrow age range (often age 12 and older)	Alaska, Del., D.C., Ind., Iowa, Ky., Neb., Okla., S.D., Utah
No subsidized guardianship program	Ala., Ark., Mich., Miss., N.H., N.Y., Ohio, S.C., Texas, Vt., Wash.

Note: Data unavailable for New Mexico.

Measure 20.2: Subsidy Level for Guardianship

How do state guardianship subsidies compare to foster care payments? *Table reflects policy as of 2006.*

Equal to foster care payments	Calif., Colo., Conn., Del., D.C., Idaho, Ill., Mass., Minn., N.C., Okla., Ore.
Below or equal to foster care payments	Alaska, Hawaii, Iowa, Mo., Neb., N.J., Pa., S.D., Utah, W.Va.
Less than foster care payments	Ariz., Fla., Ga., Ind., Kan., Ky., La., Maine, Md., Mont., Nev., N.D., R.I., Wyo.
No subsidized guardianship program	Ala., Ark., Mich., Miss., N.H., N.Y., Ohio, S.C., Texas, Vt., Wash.

Note: Data unavailable for Minnesota and New Mexico.

Measure 20.3: Public Health Insurance Coverage for Children in Guardianship Programs

Does the state extend public health insurance coverage to children in subsidized guardianship programs?

Data Measure Under Review

Measure 20.4: Continuing Court Jurisdiction over Foster Care Youth

Until what age are foster care youth statutorily authorized to remain under the oversight of juvenile courts? *Table reflects policy as of 2004.*

Age 21	Ala., Ark., Calif., Colo., D.C., Ill., Ind., Kan., Md., Mo., Neb., N.H., N.Y., Ohio, Ore., Pa., S.D., Va.
Age 20	Alaska, Mich., Miss., N.D.
Age 19	Hawaii, Minn.
Age 18	Fla., Ga., Idaho, Iowa, Ky., N.M., N.C., Utah
Age not specified	Ariz., Conn., Del., La., Maine, Mass., Mont., Nev., N.J., Okla., R.I., S.C., Tenn., Texas, Vt., Wyo., W.Va. Wash., Wis.

Selected State Child Welfare Policies

State	20.1 Age Range of Eligibility for Subsidized Guardianship Program	20.2 Subsidy Amount Relative to Foster Care (FCP)	20.3 Children in Subsidized Guardianship Eligible for Health Coverage	20.4 Age at Which Youth Are No Longer Authorized to Remain Under the Oversight of Juvenile Courts
Alabama	No Program	No Program	MEASURE UNDER REVIEW	21
Alaska	Older Than 10	Below or Equal to FCP		20 [e]
Arizona	0-18	Below FCP		Not Specified
Arkansas	No Program	No Program		21
California	0-18	Equal to FCP [m]		21
Colorado	0-18	Equal to FCP [m]		21
Connecticut	0-18	Equal to FCP [m]		Not Specified
Delaware	Older Than 12	Equal to FCP [m]		Not Specified
District of Columbia [a]	2 and Older	Equal to FCP [m]		21
Florida	0-18	Below FCP		18
Georgia [b]	0-18 and Some Older [j]	Below FCP		18
Hawaii	0-18	Below or Equal to FCP		19
Idaho	0-18	Equal to FCP [m]		18
Illinois	0-18 [k]	Equal to FCP [m]		21
Indiana	13 or Older	Below FCP		21
Iowa	12 or Older	Below or Equal to FCP		18
Kansas	0-18 and Some Older [j]	Below FCP		21
Kentucky	15 and Younger	Below FCP		18 [f]
Louisiana	0-18	Below FCP		Not Specified
Maine	0-18	Below FCP		Not Specified
Maryland	0-18 and Some Older [j]	Below FCP		21
Massachusetts	0-18	Equal to FCP [m]		Not Specified
Michigan	No Program	No Program		20
Minnesota	0-18	Below FCP		19
Mississippi	No Program	No Program		20
Missouri	0-18	Below or Equal to FCP		21
Montana [c]	0-18	Below FCP		Not Specified
Nebraska	12 and Older	Below or Equal to FCP		21
Nevada	0-18	Below FCP		Not Specified
New Hampshire	No Program	No Program		21
New Jersey [d]	0-18	Below or Equal to FCP		Not Specified
New Mexico	0-18	n/a		18 [g]
New York	No Program	No Program		21 [h]
North Carolina	0-18	Equal to FCP		18
North Dakota	0-18	Below FCP		20
Ohio	No Program	No Program		21
Oklahoma	12 and Older	Equal to FCP [m]		Not Specified
Oregon	0-18 [k]	Equal to FCP [m]		21
Pennsylvania	0-18	Below or Equal to FCP		21 [e]
Rhode Island	0-18 and Some Older [l]	Below FCP		Not Specified
South Carolina	No Program	No Program		Not Specified
South Dakota	12 and Older	Below or Equal to FCP		21 [i]
Tennessee	0-18	Equal to FCP		Not Specified
Texas	No Program	No Program		Not Specified
Utah	12 and Older	Below or Equal to FCP [n]		18
Vermont	No Program	No Program		Not Specified
Virginia	0-18	Equal to FCP		21
Washington	No Program	No Program		Not Specified
West Virginia	0-18	Below or Equal to FCP		Not Specified
Wisconsin	0-18	Equal to FCP		Not Specified
Wyoming	0-18	Below FCP		Not Specified
Year Data Collected	**2006**	**2006**		**2004**

Data Source:

20.1 – 20.3 Children’s Defense Fund. *States’ Subsidized Guardianship At A Glance*. Washington, D.C.: Children’s Defense Fund, October, 2004. Updated with unpublished data from the Children's Defense Fund, February 2008.

20.4 Jane Kim, Kevin Sobcyzk, and Howard Davidson, ed. *Continuing Court Jurisdiction for 18 to 21 Year-Old Foster Youth*. Washington, D.C.: American Bar Association Center on Children and the Law, July 2004.

Data Table Notes:

a. The District of Columbia also operates a separate subsidized guardianship program that serves children at age 0 to 18, and provides a subsidy level that is within 5 percent of the long-term permanent guardianship rate.

b. Georgia operates two subsidized guardianship programs, and these data apply to both.

c. Montana operates two subsidized guardianship programs, and these data apply to both.

d. New Jersey operates two subsidized guardianship programs. Both serve children age 0 to 18 and make children eligible for health coverage but one provides subsidy amounts that are equal to FCPs, and the other provides subsidy amounts that are below FCPs.

e. Alaska and Pennsylvania require the foster care youth to request continued jurisdiction.

f. Kentucky state statute allows a foster care youth to request continued court oversight up to age 21. However, the agency (Kentucky Cabinet) must agree to the continued role of the courts in the case. Therefore, ultimate control of continued jurisdiction past age 18 remains in the hands of the Cabinet.

g. New Mexico allows continued eligibility for transitional services beyond age 18, although jurisdiction is not extended.

h. New York requires the consent of the child for continued jurisdiction.

i. South Dakota maintains jurisdiction for the purpose of termination of parental rights through final adoption.

j. Georgia, Kansas, and Maryland make some youth older than 18 eligible if they are high school graduates. Rhode Island makes youth up to age 21 eligible if they are under court jurisdiction.

k. Illinois and Oregon apply this age range to children placed with relatives. Children placed with non-relatives are eligible at age 12 and older.

l. Rhode Island makes some youth up to age 21 eligible if they are court-involved.

m. These states were incorrectly identified as having subsidy amounts "Above FCP" in previous Policy Matters data reports.

n. Utah sets its subsidized guardianship rate equal to the rate for specialized foster care payments.

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