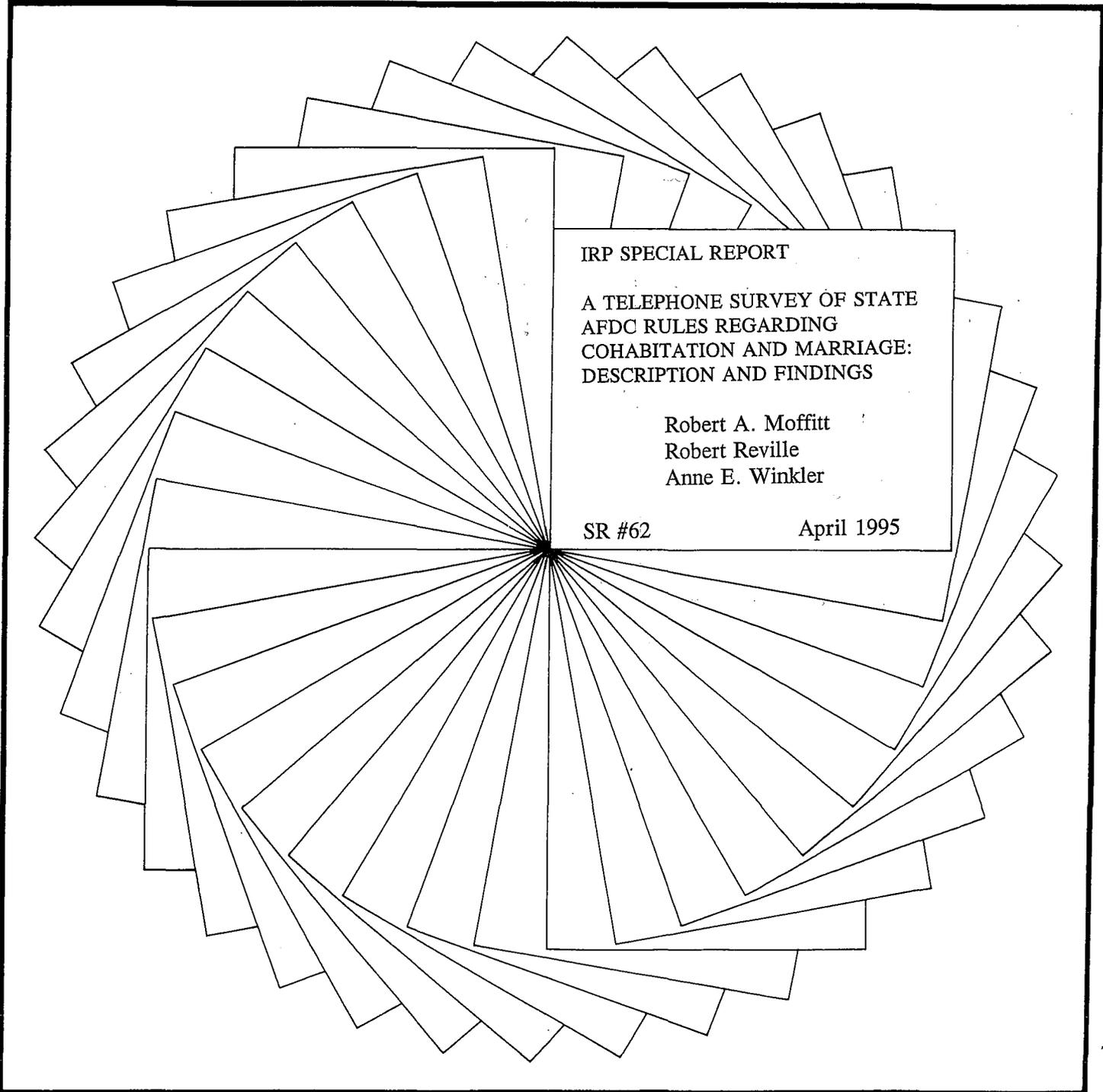


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IRP SPECIAL REPORT

A TELEPHONE SURVEY OF STATE
AFDC RULES REGARDING
COHABITATION AND MARRIAGE:
DESCRIPTION AND FINDINGS

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**A Telephone Survey of State AFDC Rules Regarding Cohabitation and Marriage:
Description and Findings**

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April 1995

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Table of Contents

Executive Summary	i
I. Introduction	1
II. The AFDC Program: Background and Eligibility	3
III. Summary of Findings from the Survey	6
IV. Detailed Summaries of Individual Topics	8
A. Treatment of Cohabitor and Stepparent Income	9
B. Treatment of In-Kind Contributions	9
C. Treatment of Cash Contributions	14
D. Other State Policies	21
E. AFDC-Basic and AFDC-UP	24
F. Interactions with the Food Stamp Program	26
V. State Summaries	29
Appendix A: Original Survey Instrument	133
Appendix B: Follow-up Survey Instrument	143
References	147

Executive Summary

The federal regulations regarding state AFDC policy of cohabitators and married couples are broad, and, despite the importance of cohabitation rules for policy regarding the AFDC-Basic and AFDC-UP programs, the individual state programs are not well documented. (AFDC-Basic generally provides benefits to single-parent households; AFDC-UP provides benefits to two-parent households.) Currently, *Characteristics of State Plans for AFDC*, published periodically by the Department of Health and Human Services, is the only federal publication that details state-by-state differences. But there are significant issues it does not cover, such as how individual states treat cash and in-kind transfers made from an unrelated cohabiting adult male to a female-headed assistance unit.

Our telephone survey of AFDC administrators in the fifty states and the District of Columbia provides details of the various programs in place throughout the country. We conducted our first survey of AFDC administrators from August to September 1993; we then conducted a follow-up survey from October to December 1993. Initially, each administrator was asked about his or her state's rules regarding cohabitation, doubling-up with parents, and marriage. In the follow-up survey, administrators responded to questions about policies we were unaware of during the initial interviews, and they were asked to comment on and correct the summary of findings.

The major highlights of our findings include the following.

- We confirmed that federal regulations stipulate the granting of income support to children under the age of 18 based on a parent's absence, or physical or mental incapacity; or on the principal earner's unemployment. The regulations define a "parent" as a natural or adoptive parent. Hence, an unrelated male cohabitor—a male unrelated to the woman or her children, and who is not the children's adoptive father—cannot be regarded as a parent, and, even if such a cohabitor is present, the woman and her children are eligible for the AFDC-Basic program. Eligibility for the AFDC-UP program is based on the relationship between the male and the children, not on marriage, meaning

that some unmarried couples are eligible for AFDC-UP. But there are exceptions. In most states, married couples are eligible for AFDC-Basic—not AFDC-UP—if the husband is not the children's natural father.

- In regard to the treatment of in-kind contributions, our survey revealed that if the cohabitor provided all food and clothing, the grant amount would be affected in only five states.

- States followed one of three general policies regarding the treatment of direct payments by an unrelated male cohabitor for shelter. These are: (1) the AFDC grant is not affected if she receives free shelter (thirty-five states); (2) the AFDC grant is reduced by the amount of the shelter allowance if she receives free shelter, although it will not be reduced if she makes a dollar contribution (thirteen states); and (3) the AFDC grant is reduced by the amount of the shelter allowance if she receives free shelter, but if she makes a contribution, the reduction is tailored to the amount of her actual contribution, up to the shelter maximum (three states).

- The effect of direct cash contributions by an unrelated cohabiting adult male depends on their intended purpose and their regularity and predictability. Our survey revealed that a predictable cash payment of \$100 for the express purpose of "meeting the needs of the woman and her children"—interpreted as meaning that the cash is for unrestricted use—is treated as discretionary income and will reduce the AFDC grant. But in twenty-seven states a cash contribution designated for "shared household expenses" can be disregarded. Although not solicited by our survey, several respondents noted that there are often difficulties in clearly identifying cohabitators from boarders (and roomers). Cash payments by boarders are treated as earned income to the AFDC unit.

- Five states follow cohabitor policies not based on initial evidence of contributions. Two prorate the Needs standard to account for the cohabitor, while three states require cohabitators to make contributions to the AFDC unit.

•The Food Stamp program includes a cohabitor in the Food Stamp unit if he eats with the AFDC unit, regardless of evidence of contributions; otherwise, he is not included. Stepfathers and natural fathers are included in the Food Stamp unit regardless of eating arrangement.

A Telephone Survey of State AFDC Rules Regarding Cohabitation and Marriage: Description and Findings

I. INTRODUCTION

This report presents the findings of a telephone survey of AFDC administrators in all fifty-one U.S. states and jurisdictions regarding state AFDC rules on cohabitation and marriage. State AFDC policy regarding cohabitation and marriage must satisfy federal regulations but there is broad scope within the regulations for state variation. For instance, federal rules prohibit states from ruling women ineligible for AFDC because of the presence of a "man in the house." However, states have considerable leeway in the treatment of actual cash or in-kind assistance provided by an unrelated male to an AFDC family unit.

Despite the importance of cohabitation rules for policy regarding the AFDC and AFDC-UP programs, individual state rules are not well documented. Currently, the only federal publication that provides information on state-by-state differences is *Characteristics of State Plans for AFDC*, published periodically by the Department of Health and Human Services.¹ However, this publication does not provide detailed information on how individual states treat cash and in-kind transfers made from an unrelated cohabiting adult male to a female-headed AFDC assistance unit, among other issues.²

¹See U.S. DHHS (1991) and earlier publications with the same title.

²There are at least two prior telephone surveys which gathered other types of supplemental information. Hutchens, Jakubson, and Schwartz (1989) conducted a 1984 telephone survey to obtain information on how the AFDC benefit is affected when a female recipient moves into the household of her parents. Winkler (forthcoming) conducted a 1992 telephone survey to verify the specific rules regarding AFDC eligibility for the single-parent (Basic) versus two-parent (UP) program. Neither of these surveys gathered the detailed cohabitation information we have collected.

A. Survey Procedures

In the summer and fall of 1993 we conducted a telephone survey of the AFDC rules prevailing in all fifty-one states and jurisdictions. The survey respondents were AFDC administrators who were deemed knowledgeable about the family structure rules prevailing in their state.³ Robert Reville conducted all interviews. Two waves of interviews were conducted, a primary survey and a follow-up survey. In the primary survey, conducted from August to September 1993, AFDC administrators were asked a set of questions on AFDC rules in their state regarding cohabitation, doubling-up with parents, and marriage. These questions were based on a survey questionnaire designed by the authors (see the Appendices).

When the initial survey was completed in September 1993, the responses from each state were coded and then mailed back to each survey respondent, asking for corrections and verification. Several respondents called or wrote letters correcting, clarifying, and/or expanding on the information mailed to them. Subsequently, we conducted a follow-up survey from October 1993 to December 1993. In the follow-up survey (also included in Appendix B), we asked a few questions about policies of which we were unaware at the time of the initial survey. Also, the follow-up survey asked respondents to comment on the summary of findings mailed to them and to make any necessary corrections.

In the spring of 1994 we compiled our findings in a draft report, which we circulated to a number of experts for comments. Finally, in the summer of 1994, we sent our final version of the report back to the individual state respondents, asking for final checks and corrections. Our final report was written in the fall of 1994.

³We began the survey by explaining its purpose and subject matter and by then asking the respondent if he or she were the correct person with whom we should speak. If the answer was "no," we asked for the name of the most knowledgeable person and then contacted that person.

The outline of the report is as follows. First, we provide some background on the AFDC program and its rules regarding cohabitation and marriage, as well as general information on eligibility for AFDC and AFDC-UP. Second, we provide a summary of the findings of our telephone survey. Third, we provide the details of those findings. Finally, we present our findings on a state-by-state basis. The two survey instruments are included as the Appendices.

II. THE AFDC PROGRAM: BACKGROUND AND ELIGIBILITY

This section provides background information on grant determination and eligibility in the AFDC-Basic and AFDC-UP programs, as well as background on the history of the "man-in-the-house" rule. The AFDC-Basic program generally provides benefits to single-parent households, while the AFDC-UP program provides benefits to two-parent households.

A. AFDC Grant Determination

The AFDC grant received by an assistance unit depends upon the "needs standard" and "payment standard" of the state, and on the earned and unearned income of the unit. The state needs standard specifies in dollars the total "needs" of a household, based upon summing individual needs for families of different sizes for shelter, utilities, clothing, food, and other items. The dollar amount of shelter need is commonly referred to as the shelter "allowance" or shelter "standard." The payment standard specifies the dollar amount of assistance that will be paid for a family of a given size with no income. Most states do not meet the full amount of the needs standard, but instead set the payment standard at a lower level. Finally, some states also impose a maximum grant level, above which they will not pay. The minimum of the needs standard, payment standard, and maximum grant is often called the "maximum amount paid" in some federal publications, and is often referred to as the AFDC "guarantee" in many research publications.

The AFDC grant may be reduced when an AFDC unit has earned or unearned income, at least after various disregards are accounted for. Earnings include net revenue from boarders (revenue over and above the cost of providing the service) as well as self-employment income and income from wages and salaries. Unearned income includes alimony, pensions, dividends, and cash transfers from other sources. In most states, an increase in unearned income reduces "needs" and thus the AFDC grant dollar-for-dollar.⁴

B. Current AFDC Eligibility Rules Regarding Cohabitation and Marriage

Our major interest is in how the AFDC program treats cohabitators and married couples. Federal regulations stipulate that the AFDC program is to provide income support to "needy children . . . under the age of 18 . . . deprived of parental support or care by reason of the death, continued absence from the home, or physical or mental incapacity of a parent, or unemployment of a principal earner."⁵ AFDC units whose eligibility is based upon the unemployment of a principal earner are considered for the AFDC-UP program, while units whose eligibility is based on the other criteria are considered for the AFDC-Basic program.

A "parent" is defined by federal regulations to be a natural or adoptive parent. Given this definition, an unrelated male cohabitor, defined as a male who is not related to the woman or her children, and who has not adopted them, cannot be regarded as a "parent."⁶ The woman and her

⁴For the specific benefit formula for each state, see U.S. DHHS (1991).

⁵CFR 45.233.10(b)(2)(a), October 1, 1992.

⁶"The inclusion in the family, or the presence in the home, of a 'substitute parent' or 'man-in-the-house' . . . is not an acceptable basis for a finding of ineligibility or for assuming the availability of income by the State," CFR 45.233.90(a)(1), October 1, 1992, edition. Support is provided not only to the children but also to their coresident parents and, in certain circumstances, to other coresident individuals supporting or caring for the children.

children are therefore eligible for the AFDC-Basic program even if such a cohabitor is present in the household.

Households with a cohabiting male who is the natural father of the children are categorically ineligible for AFDC-Basic but are eligible for the AFDC-UP program, provided the principal earner meets the unemployment test and other eligibility requirements for the program.⁷ As confirmed by Winkler (forthcoming) in a prior telephone survey, and confirmed by our survey, eligibility for the AFDC-UP program is based on the relationship between the male and the children, not on marriage. Thus some unmarried couples are eligible for AFDC-UP.

On the other hand, in most states, married couples are eligible for AFDC-Basic if the husband is a stepfather to the children—that is, if he is not their natural father. Thus units with a stepfather are also usually eligible for AFDC-Basic. An exception occurs in seven states which have "support laws of general applicability." In these states—listed in Section 4.E—stepfathers are regarded as legally responsible for the children in the family, and hence the unit is ineligible for AFDC-Basic.⁸

Correspondingly, not all married couples are eligible for AFDC-UP. Except in the same seven states, couples where the husband is stepfather to the children are ineligible for AFDC-UP but eligible for AFDC-Basic because he is not the natural father of the children. Stepfather families in the seven states are eligible for AFDC-UP, however.

C. History of the "Man-in-the-House Rule"

Prior to 1968, some states disqualified a woman and her children for AFDC if there was an unrelated male living with the female caretaker relative—a "man-in-the house." In *King v. Smith*

coresident individuals supporting or caring for the children.

⁷An exception occurs if a natural parent is incapacitated, in which case the unit is not ruled categorically ineligible for AFDC-Basic.

⁸Again, an exception occurs if the stepparent is incapacitated.

[1968],⁹ the Supreme Court struck down an Alabama "man-in-the-house" eligibility rule. In the Alabama regulation, cohabitation of a mother with a man not legally obligated to support the mother's children was considered evidence of parental support, and therefore cause to disqualify the children. Chief Justice Warren, in the opinion of the court, argued that this defined "parent" and "parental support" in a manner contrary to the intent of the Social Security Act, which created AFDC.

Following *King v. Smith*, many states continued to have "man-in-the-house" budgeting rules, which included the income of unrelated cohabitators in the resource base of the unit when determining grant amounts. In *Lewis v. Martin* [1970],¹⁰ a California "man-in-the-house" budgeting rule was struck down on the grounds that without evidence of actual contributions, a cohabitor could not be assumed to be supporting the children. For this reason, most states today adjust the AFDC grant, if at all, based only on the actual contributions of a cohabitor to the AFDC unit.¹¹

III. SUMMARY OF FINDINGS FROM THE SURVEY

The survey focused on two major topic areas: (1) rules in the AFDC-Basic program regarding the treatment of income and contributions of unrelated males cohabiting with a female-headed assistance unit; and (2) the relationship of AFDC-Basic and AFDC-UP rules regarding marriage, stepfathers, and cohabitation with a male partner who is the natural parent of the children, and regarding benefit formulas in the two programs. The second set of questions was largely intended to

⁹392 US 309 (1968).

¹⁰397 US 552 (1970).

¹¹See Note (1976) and Lurie (1973). *Lewis v. Martin* also argued that the Social Security Act treats stepparents in a fashion similar to cohabitators: "even when the man is ceremoniously married to the mother but is not the real or adoptive father, his income may not be treated as available to the children unless he is legally obligated to support the children by state law" (397 US 554 (1970), p.564). However, the 1981 Omnibus Budget Reconciliation Act amended the Social Security Act to include stepparent income.

confirm and clarify the eligibility rules discussed in the last section. The survey questionnaires are included in the Appendices.¹²

With regard to the treatment of cohabitators in the AFDC-Basic program, our main findings are as follows:

Cohabitor and Stepparent Income. States cannot assume that the income of a cohabitor is available when determining the grant amount for the AFDC unit. However, they may adjust the grant amount if there is evidence of an actual cash or in-kind contribution (see Section IV.A). This stands in contrast to existing policy on stepparent income, which is required by federal law to be counted, or "deemed," as available to the assistance unit.

In-Kind Contributions. There is substantial variation in state treatment of in-kind contributions of shelter. We focused on a case in which the male cohabitor directly pays the landlord. In thirty-five states, no adjustment in the grant amount is made if the cohabitor provides the unit with free shelter. In the remaining sixteen states, the AFDC grant is reduced by the amount of the AFDC shelter allowance. In thirteen of these states, however, no grant reduction is made if the woman makes a nominal contribution toward shelter expenses (see Section IV.B). There is less state variation in treatment of in-kind contributions for food and clothing; however, for all states but five the AFDC grant is unaffected by such contributions.

Cash Contributions.

Made on a Regular Basis. All states reduce the AFDC grant if a cohabitor provides cash on a regular basis to meet the "needs of the woman and her children" (i.e., cash available to the assistance unit for its unrestricted use). However, if a regular cash payment is designated for some types of shared household expenses, twenty-seven states disregard the payment in determining the grant (see Section IV.C).

Made on an Infrequent Basis. Unpredictable, or occasional, cash contributions are usually treated like contributions made on a regular basis. However, most states disregard small amounts of occasional "gift" income, and twelve states effectively ignore one-time cash contributions altogether (see Section IV.C).

In-Kind versus Cash Contributions. States have a mix of the different cash and in-kind policies we have described. Some states disregard both direct shelter payments by the cohabitor as well as cash contributions designed for shelter. However, in some other states, direct shelter payments by a cohabitor are disregarded but the AFDC grant is reduced if she pays the rent and he pays her cash for the rent (see Section IV.C).

¹²We should note that our surveys focused on the case of a mother of eligible children who cohabits with an unrelated male ("cohabiting male"). However, the genders can be reversed and all rules we discuss would still apply.

Other State Policies Regarding Cohabitors. Two states reduce the shelter allowance in the presence of a cohabitor in the household. In addition, three states impose a legal responsibility on a male cohabitor. In one state, the cohabitor must contribute to the needs of the woman and her children, while in two states, he must make a contribution equivalent to his share of the household expenses (see Section IV.D).

Our findings regarding the relationship of AFDC-UP and AFDC-Basic are as follows (see Section IV.E):

Eligibility for AFDC-UP. If the male cohabitor is the natural or adoptive parent of the children and the principal earner is unemployed, the family unit is eligible for AFDC-UP in all states, regardless of whether the parents are married.

Stepparents and AFDC-UP. In most states, a stepfather, like an unrelated male cohabitor, is not considered a "parent." However, in seven states the stepfather bears the same legal responsibility as a natural parent and hence is eligible for AFDC-UP. In three other states, a stepfather can be included in the grant as an "optional" person.

Income-Related Rules for AFDC-UP versus AFDC-Basic. Most states pay the same benefit to a three-person AFDC-Basic unit and a three-person AFDC-UP unit because no distinction is made between adults and children when counting the number of recipients in the unit. However, three states do pay different amounts to adults and children and hence provide different grant amounts to a three-person unit in the two programs, since in the Basic program such a unit has one adult and two children while it has two adults and one child in the UP program.

IV. DETAILED SUMMARIES OF INDIVIDUAL TOPICS

Sections A through D focus on AFDC-Basic rules related to an unrelated male cohabitor in a female-headed assistance unit. Section E considers the eligibility and benefit rules in the AFDC-UP program and AFDC-Basic program, especially as regards marriage, stepparent families, and cohabitation of a woman and her children with a male who is the natural father of the children. Section F considers the interaction of AFDC program rules with those in the Food Stamp program.

A. Treatment of Cohabitor and Stepparent Income

As noted in Section II, federal regulations prohibit states from deeming the income of an unrelated male cohabitor as income available to the assistance unit. In contrast, states are required by federal law to deem the income of a stepfather, even though he is also not a "parent" by the federal definition.¹³

An exception to the general rule that cohabitor income is not counted may occur in some of the twenty states which allow for "essential persons." An essential person is an individual considered essential to the well-being of the caretaker adult and the children. Usually the person has very little income and performs some service for the household, such as child care, while the caretaker adult looks for work or attends classes.¹⁴ Essential persons are included in the AFDC unit and hence their resources and income are counted. It is therefore possible for male cohabitor income to be included in states that permit essential persons, if he meets the definition of such persons. However, most of the twenty states that allow for essential persons require that he or she be related to the caretaker adult. Still, nine states define an essential person in a manner that could conceivably include an unrelated cohabitor.¹⁵

B. Treatment of In-Kind Contributions

This section describes the AFDC rules with regard to in-kind contributions made from an unrelated cohabiting adult male to an AFDC assistance unit consisting of a woman and her two

¹³This requirement dates from the 1981 Omnibus Budget Reconciliation Act. Only a portion of stepparent income over certain disregards is counted.

¹⁴In the late 1980s and early 1990s, the federal government attempted to narrow the definition of an essential person. However, its regulations were overturned in the courts and were subsequently withdrawn.

¹⁵See U.S. DHHS (1991). The nine are the District of Columbia, Hawaii, Iowa, Louisiana, North Carolina, New York, Oregon, Vermont, and Virginia. We should note that stepparents can generally be included as essential persons at the option of the AFDC unit.

children. An in-kind contribution occurs when the cohabiting male makes an explicit vendor payment. One example is a direct payment to the landlord to cover shelter costs.¹⁶

Regarding food and clothing contributions, our survey revealed that in only five states would the grant amount for the unit be affected if the cohabitor provided all food and clothing. However, in these five states no grant reduction would be made if the woman paid any amount herself toward these items, for in that case the expenses would be considered to be "shared."¹⁷ The other states make no grant reduction even in the absence of sharing (i.e., if the cohabitor pays all and the woman pays nothing).

The treatment of direct payments by an unrelated male cohabitor for shelter is more complex. Our survey focused on three related questions concerning shelter contributions to a mother and her two children. First, we asked the maximum grant amount for such a family if they had no other income and if they were living alone (i.e., independently). Second, we asked how the grant amount would be affected if a male cohabitor resided in the household and paid the shelter amount in full, with the woman making no contribution. Third, we asked how the grant amount would be affected if she were to make a contribution herself of some dollar amount (i.e., the expenses were "shared").¹⁸

We found states to follow one of three general policies:

Policy (A). The AFDC grant is not affected if she receives free shelter.

Policy (B). The AFDC grant is reduced by the amount of the shelter allowance if she receives free shelter. However, the AFDC grant is not reduced if she makes any dollar contribution.

¹⁶At this point, we do not distinguish between cases in which he is the tenant of record and cases in which she is the tenant of record—that is, cases in which she lives in "his" unit and cases in which he lives in "her" unit. See below.

¹⁷The five states are Colorado, Iowa, Massachusetts, Maine, and Virginia.

¹⁸See Appendix A for the exact questions in the survey. We specified a contribution by the woman of \$100 in our questions, but found that this made no difference except in Oklahoma (see State Summaries). Thus, for example, a contribution of \$10 has the same effect as one of \$100 except in that one state (see Table 1).

Policy (C). The AFDC grant is reduced by the amount of the shelter allowance if she receives free shelter. However, if she makes a contribution, the reduction in the AFDC guarantee is tailored to the amount of her actual contribution, up to the shelter maximum.

The policies followed by each state, together with corresponding grant amounts, are shown in Table 1.

Policy A is the most lenient and Policy C is the least lenient. In Policy C, for example, the grant is reduced by the full shelter allowance less one dollar if she contributes one dollar.¹⁹ As Table 1 shows, thirty-five states follow Policy A, thirteen states follow Policy B, and only three states follow Policy C.

Several respondents in Policy-B states commented that it was extremely rare that an assistance unit would contribute nothing since a contribution of as little as \$1 would prevent any grant reduction.²⁰

There are a number of other state differences in treatment that are worthy of note. For example, two states reduce the grant if the recipient lives with any coresident (male cohabitor or otherwise) regardless of coresident contributions because these states prorate the needs standard according to the number of individuals in the entire household.²¹ This policy is discussed further in Section D.

In addition, three states require contributions on the part of the male cohabitor, and two of these states require those contributions to be for the cohabitor's share of shelter expenses. Since these requirements are initiated by the state prior to evidence of actual, voluntary contributions, we discuss them in a different section (Section D below).

¹⁹An exception is Vermont, which reduces the grant by .586 of the contribution amount.

²⁰To quote two of the respondents, no reduction would be made "if she buys a quart of milk" or "even if she buys a light bulb."

²¹The states are South Dakota and Kansas.

TABLE 1
Treatment of In-Kind Shelter Contributions in State AFDC Programs

	Policy ^b	Grant Amount for Woman and 2 Children ^a		
		No Cohabitor Present	Cohabitor Present	
			Who Pays Shelter Directly ^c	
		AFDC Unit Contributes Nothing	AFDC Unit Contributes \$10	
Alabama	A	\$164	\$164	\$164
Alaska	A	923	923	923
Arizona	B	327	198	327
Arkansas	A	204	204	204
California ^d	A	607	607	607
Colorado	B	356	260	356
Connecticut	A	581	581	581
Delaware	A	338	338	338
D.C.	A	420	420	420
Florida	B	303	198	303
Georgia	A	280	280	280
Hawaii	A	712	712	712
Idaho	A	317	317	317
Illinois	A	367	367	367
Indiana	A	288	288	288
Iowa	B	426	- ^e	426
Kansas ^f	A	429	375	375
Kentucky	A	228	228	228
Louisiana	A	190	190	190
Maine ^g	B	418	370	418
Maryland	A	366	366	366
Massachusetts ^h	B	579	413	579
Michigan	A	459	459	459
Minnesota	A	532	532	532
Mississippi	A	120	120	120
Missouri	A	292	292	292
Montana	B	401	252	401
Nebraska ^{i,j}	B	364	229	364
Nevada	A	348	348	348
New Hampshire	C	550	273	283
New Jersey	A	424	424	424
New Mexico ^k	B	357	269	357
New York	C	577	291	301
North Carolina	A	272	272	272
North Dakota	A	409	409	409
Ohio	A	341	341	341

(table continues)

TABLE 1, continued

	Policy ^b	Grant Amount for Woman and 2 Children ^a		
		No Cohabitor Present	Cohabitor Present Who Pays Shelter Directly ^c	
			AFDC Unit Contributes Nothing	AFDC Unit Contributes \$10
Oklahoma	B	343	324	324 ^l
Oregon	A	460	460	460
Pennsylvania	A	403	403	403
Rhode Island ^d	A	554	554	554
South Carolina	A	200	200	200
South Dakota ^{f,j}	B	417	199	291
Tennessee	A	185	185	185
Texas	A	184	184	184
Utah	A	415	415	415
Vermont	C	642	413	419 ^m
Virginia	A	291	291	291
Washington	B	546	332	546
West Virginia	A	249	249	249
Wisconsin	A	517	517	517
Wyoming	B	360	265	360

^aMonthly for a family with no other income in largest city in state, as of fall 1993.

^bA = AFDC grant is not affected if free shelter is received. B = AFDC grant is reduced by the amount of the shelter allowance if AFDC unit receives free shelter, but grant is not reduced if unit makes any dollar contribution. C = AFDC grant is reduced by the amount of the shelter allowance if AFDC unit receives free shelter, but the grant reduction is tailored to the amount of the unit's actual contribution if one is made.

^cThe cohabitor is assumed to be the tenant of record unless otherwise noted.

^dPolicy A applies only if the shelter arrangement is part of the cost of an independent living arrangement for the cohabitor.

^eNot available; respondent could not answer.

^fGrant is prorated by presence of coresidents regardless of whether coresidents make a contribution.

^gState has a special needs housing allowance of \$75 if the recipient pays more than 75 percent of countable income toward shelter (figures in table assume this condition not to be met).

^hIf shelter is provided in full, a lower "no rent" standard is applied (figures in table incorporate this). In addition, the grant is reduced if the housing unit is heated.

ⁱRent is assumed to exceed \$135.

^jAmounts differ if the woman is the tenant of record.

^kSeparate standards exist for shelter and utilities. AFDC unit must contribute to both to receive both as part of the grant.

^lAFDC unit contribution must be at least \$100, not \$10, to avoid grant reduction. If the contribution is at least \$100, the grant amount is \$343.

^mAFDC unit contributions toward shelter reduce the grant by .586 times the contribution amount.

Also, the treatment of in-kind contributions is identical regardless of whether the male cohabitor or the woman is the tenant of record in all states except three. In those three states, whether shelter contributions are disregarded depends upon in whose unit the individuals reside. However, the three states differ in terms of which situation is treated more favorably.²²

The treatment of in-kind contributions is also identical whether it is a male cohabitor who pays the rent or the parents of the AFDC woman who pay the rent, although four states make exceptions to this rule as well. The policies in the four states differ according to whether the AFDC woman is a minor and whether she is contributing to the rent.²³

C. Treatment of Cash Contributions

This section describes AFDC rules regarding the contribution of cash by an unrelated cohabiting adult male to an AFDC assistance unit consisting of a woman and her two children.²⁴ The effect of a cash contribution on the AFDC payment, if any, depends on its intended purpose and on its regularity or predictability. The treatment of cash contributions sometimes also depends upon

²²In Rhode Island, no grant reduction is made if the male cohabitor is the tenant of record (Policy A) but the less generous Policy B is applied if the mother is the tenant of record. In South Dakota, on the other hand, the more generous Policy A is applied if the mother is the tenant of record and the less generous Policy B is applied if the male cohabitor is the tenant of record. In Nebraska, Policy B is followed in both cases, but the grant penalties may differ according to which person is the tenant of record.

²³In California (a Policy-A state with regard to cohabitators assuming the arrangement is part of the cost of an independent living arrangement for the cohabitor), Policy B is followed if an AFDC mother lives with her parents and they pay the rent. In New York (a Policy-C state with regard to cohabitators), parents are not allowed to charge a minor AFDC daughter for rent. In Delaware and Iowa, the minor daughter herself is not eligible to receive AFDC at all unless her parents are also receiving AFDC; only the daughter's children can be included in the assistance unit. It should also be noted that the income of parents with AFDC minors in the household is automatically deemed.

²⁴A cohabitor refers to an unmarried partner of the mother who is sharing the household and not a roomer or boarder, although the AFDC unit may characterize the arrangement as such for reasons described in the text. Also, we do not consider relationships in which the cash contribution is in exchange for a service, such as a live-in maid.

whether states permit them to be designated for "shared household expenses" (including rent), as opposed to for "the needs of the woman and her children" (i.e., for discretionary purposes).²⁵

Predictable Cash Contributions. In all fifty-one states and jurisdictions, our survey revealed that a predictable cash payment of \$100 provided for the express purpose of "meeting the needs of the woman and her children"—which is interpreted as meaning that the cash is available to the assistance unit for its unrestricted use—is treated as discretionary income and reduces the AFDC grant. However, as shown in Table 2, twenty-seven states permit cash contributions to be designated for the purpose of meeting "shared household expenses." Such contributions can be disregarded. The remaining twenty-four states reduce the AFDC grant regardless of its intended purpose.^{26,27}

The policy of disregarding cash contributions made for shared household expenses was not permitted before January 1989, for prior to that date federal rules stipulated that all cash contributions be treated as unearned income to the AFDC unit. However, federal and state officials became concerned with this rule in the 1980s, as they perceived that rising housing costs were forcing many

²⁵In Section B, we were concerned only with cases in which the cohabitor paid for the rent directly. Here we consider cases in which he contributes cash which may be designated for rent, but the woman makes the actual payment.

²⁶Discussions with respondents revealed other arrangements where states have explicit policies and the policies differ across the states. One example is joint checking accounts. The North Dakota respondent explained that money deposited into a joint checking account by an unrelated cohabitor is counted as an asset of the assistance unit. The Washington respondent, on the other hand, said that money deposited into a joint checking account by a cohabitor is disregarded.

²⁷New Hampshire and New York have special rules for contributions designated to cover rent. Suppose that state needs include \$100 for shelter. Furthermore suppose the actual rent is \$200. If the cohabitor pays \$150, then rent owed by the woman is only \$50—below the \$100 allocated for her shelter needs. In this case, her needs are reduced by \$50 and thus her grant is reduced. On the other hand, if the cohabitor pays only \$90 toward rent, the rent owed by the woman is \$110, slightly more than the rental amount assumed to be needed by the state. In this case her needs standard is unchanged and her AFDC grant is unaffected.

TABLE 2
Treatment of Cash Contributions in State AFDC Programs

	Contributions for Shared Household Expenses Are Disregarded	Unpredictable Contributions Are Ignored	\$30 per Quarter in Gift Income Is Disregarded
Alabama			X
Alaska	X		X
Arizona		X	X
Arkansas			X
California	X		X
Colorado			
Connecticut			X
Delaware			X
D.C.	X		X
Florida	X	X	X
Georgia	X		
Hawaii	X		X
Idaho			X
Illinois	X		X
Indiana	X	X	X
Iowa			X
Kansas			X
Kentucky			X
Louisiana			X
Maine		X	X
Maryland	X		
Massachusetts	X		X
Michigan			X
Minnesota	X ^a		X
Mississippi			X
Missouri		X	X
Montana		X	
Nebraska	X	X	X
Nevada	X		X
New Hampshire	X ^b	X	X
New Jersey			X
New Mexico			X
New York	X ^b		
North Carolina	X		X
North Dakota			X
Ohio	X	X	X
Oklahoma	X		X
Oregon	X		X

(table continues)

TABLE 2, continued

	Contributions for Shared Household Expenses Are Disregarded	Unpredictable Contributions Are Ignored	\$30 per Quarter in Gift Income Is Disregarded
Pennsylvania	x		x
Rhode Island			x
South Carolina	x	x	x
South Dakota	x		x
Tennessee			x
Texas	x		x
Utah	x	x	x
Vermont			x
Virginia		x	x
Washington	x		x
West Virginia	x		
Wisconsin	x		x
Wyoming			x

^aExemption limited to assistance units that rent and do not live in publicly subsidized housing.

^bCash transfers for rent are treated differently than cash transfers for other shared household expenses.

AFDC units to double-up and to share household expenditures to make ends meet. In response, the federal government altered the rule and allowed the shared-household disregard in January 1989.²⁸

State policy toward payments for shared expenses, both in-kind and cash, is based on its view of whether such payments are or are not available for the unrestricted use of the assistance unit.²⁹ In-kind contributions, discussed in the last section, are almost always treated as unavailable for the unrestricted use of the assistance unit because they are purchased directly by the cohabitor with a vendor payment. This is why they are generally disregarded. If, however, the AFDC unit pays the vendor and the cohabitor gives to the AFDC unit cash "intended" for that purpose, state policy differs in the manner described: twenty-seven states treat such cash payments as not available to the assistance unit for its unrestricted use (and hence disregarded) and twenty-four states do not.

A comparison of Table 1 and Table 2 shows that different states provide a mix of differing treatments of in-kind and cash contributions. A number of states (e.g., Alaska) disregard both in-kind and cash contributions designated for shelter. But in other states (e.g., Alabama), the AFDC grant is unaffected if the cohabitor pays the landlord directly but is reduced if he provides her with cash so she can make the rent payment.

The respondents to our survey also provided some comments on when household expenses are said to be "shared." Among states that disregard cash payments for shared household expenses, many states interpret the rule as liberally as possible, stating that "sharing does not mean 50-50 or even 80-20," as one respondent put it. Moreover, the recipient often does not need to be responsible for household bills, but rather only be part of an "informal arrangement" in which there is a "co-mingling

²⁸These changes are outlined in the Department of Health and Human Services AFDC Action Transmittal No. FSA-AT-89-2 (January 9, 1989).

²⁹The Action Transmittal referenced in the prior footnote permits states to treat all cash payments as discretionary: "If the state agency determines that the non-unit household member makes a voluntary contribution which is available to the AFDC unit for its unrestricted use, that contribution will continue to be counted as unearned income."

of funds." Other respondents stated that the amounts involved must be "reasonable" or "equitable." The Oregon respondent also noted that if the cash payment made each month is fixed and does not vary with the costs of rent or utilities, then it is not considered cash for shared household expenses.

Although not solicited by our survey, several respondents noted that there are often difficulties in clearly identifying cohabitators from boarders (and roomers). While cash contributions of cohabitators may or may not reduce the AFDC grant (depending on the intended purpose), cash payments by boarders are treated as earned income to the AFDC unit. Such earned income will reduce the grant if it is above the earned income disregard of \$90 and if it exceeds the cost of providing the room. For example, in Maryland a woman living with two children and an unrelated male, and paying \$400 per month for their housing unit, could be treated as renting a room out to the male for a cost of \$100 (one-fourth the total). Thus any cash contribution by the male of \$100 or less, intended for rent, would not affect the grant. Another example occurs in Pennsylvania, where a cohabiting male eligible for General Assistance (GA) is likely to classify himself as a boarder, since GA rules treat recipients who are part of a larger housing unit differently than those who are boarders.³⁰

Unpredictable Cash Contributions. State treatment of unpredictable cash contributions—for example, cash gifts on special occasions such as birthdays, cash to meet the needs of a woman and her child, and/or cash to meet shared household expenses—depends largely upon their intended

³⁰Specifically, consider a mother and two children with no income who live with a poor unrelated male. Under Pennsylvania's General Assistance (GA) program, which provides assistance to low-income single men (among others), the male receives up to \$205 if he is regarded as a roomer—an independent individual paying rent. If he pays \$100 to the AFDC recipient this is treated as "earned" income. However, after the allowed work deduction of \$90, this payment is likely to have little effect on her grant. Thus, their combined welfare benefit is the sum of her three-person AFDC grant plus his \$205 GA payment. On the other hand, if he is regarded as a cohabitor, then GA will calculate his payment as the difference between the AFDC grant made to a three- and four-person AFDC assistance unit, which would be \$94. In this case, their combined welfare benefit is the sum of her three-person AFDC grant plus his \$94 GA payment.

purpose. Contributions made for shared household expenses, for example, are treated the same whether they are predictable or only occasional in most states. Thus, the same twenty-seven states shown in Table 2 disregard unpredictable cash contributions if they are for this purpose. Treatment of unpredictable cash contributions for the needs of the woman and her children (i.e., for a discretionary purpose) are often treated as discretionary income, like predictable contributions, but not always. Exceptions occur in two cases.

One case concerns the treatment of "gift" income. Table 2 illustrates the variation in how states treat such income. Federal regulations permit states to disregard nonrecurring gifts of less than \$30 per quarter per member of the household. Several states choose to interpret the provision as liberally as possible, while others insist that the gift be on particular special occasions such as birthdays and anniversaries. In addition, some states count as income the entire amount of any gift greater than \$30, while others disregard only the first \$30 and then any amount above \$30 is counted as income.

A second case occurs in twelve states which effectively ignore one-time contributions. One common attribute of these twelve states is that they all use prospective budgeting (although not all states using prospective budgeting ignore such contributions). In states with retrospective budgeting, the treatment of cash payments is not affected by whether they are made on a regular or unpredictable basis. This is because recipients file monthly reports on income received in the previous month, which is then used to set the grant amount in a later month. Since some states judge monthly reporting to be expensive to administer, they use prospective budgeting instead.³¹ Under this budgeting method, the grant amount is based on an estimate of income in a future month. By

³¹Montana has some cases that are retrospective and others that are prospective. Among the prospective budgeting cases, if an unpredictable contribution is reported promptly, it is "most likely" disregarded, but if it is not reported but later discovered, then it will be considered an overpayment and collected later.

necessity any unanticipated income received later implies that the grant amount must be altered. Some states attempt to collect the overpayment from the household, but this, too, can become very expensive. As a result, these twelve states have adopted plans that allow them to ignore one-time cash contributions.³²

D. Other State Policies

In our survey, we also asked the respondents whether there were any state policies toward AFDC units with cohabitators which were not based directly on initial evidence of voluntary in-kind or cash contributions. Five states have such policies. Two states have a policy of prorating the grant amount when the assistance unit coresides with other individuals, whether they be cohabitators, parents, or others. Three other states impose a legal responsibility on cohabitators or other unrelated coresidents to make a contribution to the unit.

Prorating States. Two states (Kansas and South Dakota) make use of an optional federal regulation that permits the need standard to be prorated when the assistance unit resides with nonrecipients. The dollar impact of this policy on the grant is identical to the impact of an equivalent fixed dollar contribution which is treated as unearned income.

For a woman with two children receiving AFDC in Kansas, the presence of a cohabitor reduces her grant by \$54 (see Table 1). South Dakota prorates the need standard whenever the AFDC recipient is not the tenant of record. For instance, if a woman with her two children move in with her boyfriend, the grant is reduced by \$126. Furthermore, if the woman were not to contribute toward the rent, the grant would be reduced by an additional \$92 (see Table 1). In both states,

³²Some prospective budgeting states have procedures to avoid the need to reconcile the estimate of income with income actually received. For instance, New Hampshire, which is a prospective budgeting state, makes AFDC payments twice a month rather than once per month. Once a recipient reports a substantial change in income, the state is able to adjust the bimonthly check accordingly. This reduces the problem of overpayment.

prorating applies to all non-AFDC coresidents in the household except tenants, landlords, and individuals receiving Supplemental Security Income.

Legal Responsibility States. Three states (California, Oregon, and Virginia) impose a legal responsibility on unrelated cohabitators to make contributions. The three policies differ from each other, so we list each one in turn.

California requires an unrelated male cohabitor to make an in-kind or cash contribution toward shared household expenses equal to the cost of his own independent living arrangement. Such a payment is not required if he is a roommate, boarder, or bona fide lodger paying rent. The cohabitor and the recipient are required to sign an agreement that stipulates the amount that he must contribute, with a minimum of \$280 (the minimum is independent of the size of the household or his income). Most importantly, the amount agreed upon is regarded as exempt income to the AFDC unit and hence does not affect the grant.³³ However, any contribution in excess of this amount is treated as unearned income to the unit and does reduce the grant.

Oregon requires unrelated coresidents of an AFDC unit to pay for the cost of their subsistence and for the value of any lodging received. Unlike California, Oregon does not restrict the policy to unmarried partners but applies it to any coresident other than a stepchild, spouse, or relative, including roomers and boarders. The amount of the required contribution, which may be paid in cash or in kind, depends upon the number of individuals living in the household. For example, the required contribution for a man residing with an AFDC mother and her two children is \$146. As in California, the required contribution is exempt income to the AFDC unit and hence does not reduce

³³In Tables 1 and 2, California can be thus seen to be a state which both disregards shelter payments (assuming the arrangement is part of the cost of an independent living arrangement for the cohabitor) and cash payments designated for rent.

the grant. Amounts given in excess of the required contribution reduce the grant unless designated to be for shared household expenses.³⁴

Virginia requires cohabitators to make a contribution toward the needs of the children in the AFDC unit. As in California, the policy only applies to unmarried partners. The contribution depends upon the income of the male cohabitor, any extraordinary expenses he has, and the number of his dependents in the home but not in the assistance unit.

For example, a man with no dependents, no extraordinary expenses, and earning \$10,000 a year who lives with an AFDC unit comprised of a woman and her two children is expected to contribute \$157 a month.³⁵ If the cohabitor has no income, he is not required to contribute. The required obligation, if any, can be met with cash or by directly providing shelter, food, or clothing. The effect of the contribution on the grant amount depends on its form. Payments of cash are treated as unearned income and reduce the needs of the AFDC unit and hence the grant; contributions of food and clothing do the same unless the AFDC unit makes some contribution itself, in which case no grant reduction occurs; but in-kind shelter payments do not affect the grant.³⁶

An important difference between Virginia, on the one hand, and California and Oregon, on the other hand, is that the required contributions may reduce the grant in Virginia but not in the

³⁴Oregon has the same policies in Tables 1 and 2 as California.

³⁵If the cohabitor pays rent to the landlord, he is considered to have met the \$157 requirement if the children's prorated share of his rent payment is at least that amount. For example, if he pays \$300, he would not satisfy the requirement in our example because the prorated share of his payment is \$150 (one half of \$300, since there are two children out of four persons). He would thus be expected to contribute an additional \$7. If he pays cash, on the other hand, the requirement is simply that he contribute at least \$157. We should also note that the required contribution can be less than \$157 if the children's prorated share of the grant is less than that amount.

³⁶For example, as can be seen in Tables 1 and 2, Virginia is a state that permits full disregard if shelter is paid directly by the cohabitor but not if he pays cash to the assistance unit for this purpose. We might note that cash payments for shared household expenses by coresidents other than cohabitators are disregarded, however.

latter states. However, Virginia does not implement any grant reductions unless there is actual evidence of the contribution having been made.³⁷

E. AFDC-Basic and AFDC-UP

Eligibility Rules. Our survey clarified and confirmed our existing understanding of the relation of eligibility for AFDC-Basic and eligibility for AFDC-UP. Thus, for example, a child is eligible for AFDC-Basic if he or she is living with one of his "parents" but the other "parent" is continually absent from the home. As discussed in Section III, an unrelated male cohabitor is not considered a "parent" under federal rules; consequently, the mother and the child are designated as a single-parent family and are eligible for benefits under AFDC-Basic. The unrelated male cohabitor can only be included in the unit if he resides in a state which permits a male cohabitor to be an "essential person."

All (natural) two-parent families are potentially eligible for AFDC-UP throughout the fifty-one states and jurisdictions, provided the principal earner has a suitable work history and is unemployed.³⁸ Eligibility for UP requires the presence of both natural or adoptive parents regardless of their marital status, thus verifying the prior findings of Winkler (forthcoming). An exception occurs in ten states in which households with stepparents are potentially eligible. Seven states have "support laws of general applicability" which make no legal distinction between a stepparent and a

³⁷There is apparent reluctance in all three states to take actions—such as imposing sanctions or initiating court action—against units in which cohabitators do not make the required contributions. In Virginia, there is some question as to whether judges would enforce the requirement. California does have a Special Investigative Unit for misuse of AFDC funds to which such cases may be referred.

³⁸See U.S. DHHS (1991) for details.

natural parent, so stepparents are treated identically to natural parents under AFDC-UP. In three other states, the stepparent can be included as an optional person.³⁹

Complications ensue in the case of "blended" households containing children of both the man and woman but also children of only one of them. We did not explore the treatment of such households in detail but we did obtain information on some of the problems that arise regarding whether such households are to be covered under AFDC-Basic or AFDC-UP. One example illustrates some of the issues. Suppose a woman with a son and daughter live with a man who is the natural parent of only the daughter. In North Dakota, the woman and her son are eligible for AFDC-Basic if the man is employed. But if he becomes unemployed, he as well as the woman and the two children are required to be considered only for AFDC-UP. However, the unit may fail to qualify for benefits under UP; for example, his assets may force the unit above the asset threshold. Thus the household may lose assistance.⁴⁰

Benefit Schedules Under AFDC-Basic and AFDC-UP. In most states, benefit levels and income-eligibility cutoffs for AFDC-Basic and AFDC-UP are determined by the number of recipients in the unit regardless of whether they are adults or children. Consequently, a three-person AFDC-Basic unit and a three-person AFDC-UP unit receive the same grant, even if the former contains one adult and two children while the latter contains two adults and one child. However, three states set need standards and hence grant amounts differently depending upon whether the recipients are adults

³⁹These three states are Connecticut, New Jersey, and Rhode Island, where it is the option of the household to apply for the inclusion of the stepparent in the unit. The seven states requiring stepparent inclusion are Nebraska, New Hampshire, Oregon, South Dakota, Utah, Vermont, and Washington. In South Dakota, the support law of general applicability is superseded by tribal law on reservations and hence stepparents on some reservations are not included in UP.

⁴⁰The state of Maine was recently sued on behalf of families in this situation. The resolution, later reversed, was to split the assistance unit into two, one composed of the father and daughter and the other composed of the mother and son. We should note that similar issues arise for newly married stepparents in support law states.

or children, and grant amounts will differ in those states for the same-sized unit depending upon whether it is a Basic or UP unit.⁴¹ In addition, in those states a Basic unit with an incapacitated father, a mother, and one child would receive the same grant as a three-person UP unit for the same reason. The differential grant amount in the three states carries through to different income-eligibility cutoffs as well. All states impose the same asset tests in both programs.

F. Interactions with the Food Stamp Program

The AFDC program has a close interaction with the Food Stamp program, for typical AFDC assistance units are automatically eligible for Food Stamps (i.e., without reference to other Food Stamp eligibility criteria). However, automatic eligibility does not always extend to cases in which there are related or unrelated individuals, such as cohabitators, living in the same household with the AFDC unit. The difference arises because the Food Stamp assistance unit is differently defined, and is generally larger, than the AFDC unit. As a consequence, there are many cases where an AFDC unit is ineligible for Food Stamps because of the presence of such other members. This section of our report details the relationship of Food Stamp eligibility rules to AFDC eligibility rules in this respect.⁴²

⁴¹In Colorado, the two-adult, three-person unit receives \$372 while the one-adult unit receives \$356. In Minnesota, the two respective amounts are \$510 and \$532 while, in Texas, they are \$200 and \$184. Thus the two-adult unit receives more in Colorado and Texas but less in Minnesota. We also note that a two-adult unit in Alaska received \$1040 and a one-adult unit received \$950 prior to October 1, 1993, whereas they both receive \$923 after that date. The income-eligibility cutoffs also differ in these states for the two types of families because those cutoffs are set equal to 185 percent of the needs standard, and it is differences in the needs standard which generate the grant differences just noted.

⁴²Food Stamp regulations are uniform nationwide and hence do not vary by state. The discussion below is based upon information gathered from specialists at the U.S. Department of Agriculture, Food and Nutrition Service, and from state agency representatives in North Dakota and Washington.

The Food Stamp assistance unit, or the Food Stamp "household," consists of all individuals who customarily purchase and prepare food together. If all members of a Food Stamp household are members of an AFDC unit, the unit is automatically eligible for Food Stamps. Thus, if an AFDC-Basic or AFDC-UP unit fully constitutes a household, it is automatically eligible. However, if there are individuals who are living in the household who are not in the AFDC assistance unit, and if they are included in the Food Stamp "household," the AFDC unit is no longer automatically eligible; instead, its eligibility for Food Stamps depends upon whether the larger unit meets Food Stamp eligibility criteria. A case with which we are particularly concerned is that in which an unrelated male cohabitor lives with an AFDC unit consisting of a mother and her two children. He must be included in the Food Stamp household if he purchases and prepares food with them (defined as doing so at least 50 percent of the time). In determining eligibility, the Food Stamp program will include his income in total household income, which must be below 130 percent of the poverty line, and in net income, which must be below 100 percent of the poverty line; will include his assets (e.g., the value of his savings account) in total family assets; and will require that he meet Food Stamp work history rules (e.g., that he not have voluntarily quit a job in the last ninety days). Any or all of these factors could make the household ineligible for Food Stamps.

An unrelated male cohabitor who eats with the AFDC unit but pays cash to the unit for his food is treated as a boarder, and is not required to be included in the Food Stamp household.⁴³ Such boarder payments are treated by the Food Stamp program as earned income if the amount exceeds the Thrifty Food Plan for a one-person household.⁴⁴ However, the cohabitor could not apply for Food Stamps as a separate household in this case, whereas he could if he does not eat with the AFDC unit.

⁴³There are three other cases in which a cohabitor who eats with the AFDC unit can be excluded from the Food Stamp household: (1) he can be in a separate Food Stamp household if he is disabled; (2) he can be an ineligible student; and (3) he may be an ineligible alien.

⁴⁴A higher cost can be allowed if verified by documentation.

The other types of individuals with whom we are particularly concerned are stepfathers and related cohabitators (i.e., natural fathers). The Food Stamp program requires all spouses, including stepfathers, to be included in the Food Stamp household regardless of eating arrangement. In the presence of stepfathers, therefore, a difference in the AFDC unit and the Food Stamp household can arise since, as we noted earlier, stepfathers are generally not included in AFDC units. On the other hand, there is less difference in the presence of natural fathers, who must also be included in AFDC units, but only under the AFDC-UP program—and the household may qualify for Food Stamps but not AFDC-UP on other grounds. Finally, we note that neither spouses nor related cohabitators can be classified as boarders.

Federal regulations require that applicants be able to apply for AFDC and Food Stamps at the same location, so simultaneous certification for both is possible in all fifty-one states and jurisdictions. This also implies that the AFDC and Food Stamp programs are generally aware of the composition of the unit in both.

V. STATE SUMMARIES

Introduction

The following sections provide a summary, by state, of the survey results. Each state summary is a revised version of the document sent to the state for their approval prior to the follow-up interview.

The results are divided into eight items:

1. The maximum AFDC benefit: This item reports the maximum benefit for an AFDC assistance unit, consisting of a caretaker adult and two children, with no income or coresidents. The information is based upon question 3 in the August 11, 1993, survey.
2. In-kind transfers between assistance unit and cohabitor: This item reports the state rules with regard to in-kind transfers from an unrelated adult male cohabitor. It is based upon questions 5, 6, and 7 in the August 11 survey. The results for this item are summarized for all states in Section IV.B.
3. In-kind transfers from parents: The impact on the maximum grant when the assistance unit moves in with the grandparents of the children is reported in this item. Both the case where the mother is a minor and where she is not are considered. The information is based upon question 8 in the August 11 survey. This item is summarized for all states in Section IV.B.
4. Cash transfers from cohabitor: The state rules with regard to cash transfers from an unrelated adult male cohabitor are reported in this item. This item covers both predictable and unpredictable contributions designated to be for shared household expenses, the cohabitor's share of the rent, or for the needs of the assistance unit. Questions 9-12 in the August 11 survey, and question 4 in the October 14 follow-up, gathered the basic information for this item. Question 2 in the October 14 survey was selectively administered when additional information on this item was required. See Section IV.C for a summary of the answers in this part for all states.
5. Required contributions and inclusion in the assistance unit: This item reports the rules with regard to required contributions from cohabitators, and whether an unrelated cohabitor can be included in the assistance unit. The required contribution rules are based upon questions 13-15 in the August 11 survey. The assistance unit inclusion information is based upon question 16 in the August 11 survey and on the Department of Health and Human Services publication *Characteristics of State Plans for AFDC, 1990-91* edition. These results are summarized in Section IV.D.
6. Eligibility tests and grant amounts for married and unmarried couples in AFDC-UP: This item states that there is no difference between married and unmarried couples in AFDC-UP. There is no variation in the answers. It is based upon questions 17-18 in the August 11 survey.

7. Stepparent eligibility for AFDC-UP: States that require or allow the inclusion of a stepparent in an AFDC-UP assistance unit are identified in this item, based upon question 20 in the August 11 survey. Question 3 in the October 14 follow-up was selectively administered to states for which additional information on this item was desired.
8. Eligibility tests and grant amounts for two-parent and one-parent three-person assistance units: Differences between an assistance unit that consists of a caretaker adult and two children collecting AFDC Single-Parent and one that consists of two adults and their child collecting AFDC-UP are reported on this item. It is based upon question 21 in the August 11 survey.

Alabama

Since there are no area differentials in either grants or eligibility rules, the following holds statewide except in three counties where demonstration projects are in effect:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$164.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If an unrelated cohabiting adult male provides shelter, food, or clothing either in whole or in part to the woman and her children, AFDC eligibility and the grant amount are unaffected.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, and her parents provide shelter, food, or clothing either in whole or in part, and the provision is not in exchange for services, this has no effect on AFDC eligibility or the grant. If the woman is a minor, the parents' income is deemed (i.e., assumed to be available), but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. The treatment of cash contributions from the male will not change if they are designated to be for shared household expenses or for the male's share of the rent rather than the needs of the AFDC unit, and the treatment does not depend upon who lives in whose apartment.
 - ii. Alabama is a retrospective budgeting state, and therefore unpredictable or irregular cash contributions from the cohabiting male are budgeted in the same way as predictable or regular contributions.
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are disregarded.
5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can never be included in the assistance unit.

6. The asset tests, income eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. There is no circumstance under which a family consisting of a mother, her two children, and her husband who is neither the natural nor adoptive father of the children, would receive AFDC-UP.
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child.

Alaska

Since there are no area differentials in either grants or eligibility rules, the following holds statewide:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$950.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If an unrelated cohabiting adult male provides shelter, food, or clothing either in whole or in part to the woman and her children, AFDC eligibility and the grant amount are unaffected.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, and her parents provide shelter, food, or clothing either in whole or in part, and the provision is not in exchange for services, this has no effect on AFDC eligibility or the grant. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. A cash contribution from the cohabiting male designated to be for shared household expenses or the male's share of the rent will be disregarded. The treatment of cash contributions does not depend upon who lives in whose apartment.
 - ii. Under Alaska's monthly reporting requirement, an unpredictable or irregular cash contribution from the cohabiting male will be budgeted in the same way as a predictable or regular contribution.
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are disregarded.
5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can never be included in the assistance unit.

6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. There is no circumstance under which a family consisting of a mother, her two children, and her husband who is neither the natural nor adoptive father of the children, would receive AFDC-UP.
8. The AFDC-UP family has a higher maximum grant of \$1040 and a higher income limit.

Arizona

Since there are no area differentials in either grants or eligibility rules, the following holds statewide:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$347.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If the unrelated cohabiting adult male pays the full shelter cost, the AFDC grant will be reduced by \$129. If the AFDC recipient contributes anything toward shelter, she will receive the full grant amount of \$347.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. If the unrelated adult male provides all food and clothing, the grant is unaffected.
 - iv. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment, though in the former case the woman must receive a receipt from the male for any shelter payments made.
3. If the woman moves in with her parents, the same conditions apply with regard to the parents as to the cohabiting adult male. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. The treatment of cash contributions from the male will not change if they are designated to be for shared household expenses or for the male's share of the rent rather than the needs of the AFDC unit, and the treatment does not depend upon who lives in whose apartment.
 - ii. Arizona is a prospective budgeting state, so unpredictable one-time cash contributions from the cohabiting male will be disregarded. If irregular or infrequent, they will be averaged.
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are disregarded.

5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can never be included in the assistance unit.
6. The asset tests, income eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. There is no circumstance under which a family consisting of a mother, her two children, and her husband who is neither the natural nor adoptive father of the children, would receive AFDC-UP.
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child.

Arkansas

Since there are no area differentials in either grants or eligibility rules, the following holds statewide:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$204.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If an unrelated cohabiting adult male provides shelter, food, or clothing either in whole or in part to the woman and her children, AFDC eligibility and the grant amount are unaffected.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, and her parents provide shelter, food, or clothing either in whole or in part, and the provision is not in exchange for services, this has no effect on AFDC eligibility or the grant. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. A cash contribution from the cohabiting male designated to be for shared household expenses or the male's share of the rent will be disregarded. The treatment of cash contributions does not depend upon who lives in whose apartment.
 - ii. Unpredictable cash contributions from the cohabiting male, if not reported early, will be an overpayment.
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are disregarded.
5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can never be included in the assistance unit.

6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. There is no circumstance under which a family consisting of a mother, her two children, and her husband who is neither the natural nor adoptive father of the children, would receive AFDC-UP.
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child, except for the treatment of unemployment benefits.

California

Since there are no area differentials in either grants or eligibility rules, the following holds statewide:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$607.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If an unrelated cohabiting adult male provides shelter, food, or clothing either in whole or in part to the woman and her children, AFDC eligibility and the maximum grant amount are unaffected if the recipient and the cohabitor agree that this is the cost of an independent living arrangement for the male.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is initially affected. However, both would be in violation of California law for misuse of AFDC funds and referred to the Special Investigative Unit (SIU), because an unrelated adult male cohabitor in the household of an AFDC recipient is required to pay the cost of an independent living arrangement for himself. The details of this requirement are described further below.
 - iii. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, and her parents provide free shelter, the maximum AFDC grant is reduced by up to \$274 (\$232 for shelter and \$42 for utilities). If she contributes anything toward shelter, she gets the full shelter allowance. If the parents provide all the food or all the clothing, the grant is reduced by up to \$239 or up to \$77 respectively. California is a "gap" state where the net non-exempt income (say, \$150) is subtracted from the basic need amount (a maximum of \$715) and the result (\$565) is compared to the maximum aid amount (\$607). The smallest of the two figures (\$565) is the AFDC grant. If she contributes anything toward food or clothing then she gets the full allowance for these items of need. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash contributions from an unrelated cohabiting adult male for the needs of an AFDC recipient and her children are:
 - i. A regular cash contribution from an unrelated cohabiting male, if designated to be the cost of an independent living arrangement (i.l.a.) for himself, is disregarded. Any amount above the amount agreed upon as the cost of his i.l.a. will be treated no differently than other kinds of unearned income. The treatment of cash contributions does not depend upon who lives in whose apartment.

- ii. An unpredictable cash contribution of \$100 from a cohabiting male is budgeted as income to the household. Irregular or predictable contributions are treated the same as regular or predictable ones.
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are disregarded.
5. An unrelated cohabiting adult male is required to make a financial contribution toward the expenses of a shared household representing the cost of an independent living arrangement for the cohabitor. The rules regarding the expected contribution are:
- i. The minimum amount no matter the size of the household nor the income of the male is \$280.
 - ii. If the man pays the rent or provides other subsistence to the AFDC household such as food or clothing, this counts toward his required contribution.
 - iii. If the cohabitor were a roommate, boarder, or bona fide lodger paying rent, and not an unmarried partner, no contribution would be expected. It does not matter whether the cohabiting male lives in the AFDC recipient's apartment or she lives in his apartment.
 - iv. The cohabiting adult male can never be included in the assistance unit.
6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. A stepfather may be included in the assistance unit upon request with the family assigned to AFDC-Basic (called AFDC-FG in California) when the household consists of the stepfather, a mother, and her two children, and the stepfather is considered an "essential person."
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child.

Colorado

Since there are no area differentials in either grants or eligibility rules, the following holds statewide:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$356.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If an unrelated cohabiting adult male pays the full shelter cost, the AFDC grant will be reduced by \$260.31. If the AFDC recipient contributes anything toward shelter, she will receive the full grant amount of \$356. If the unrelated adult male provides all food and clothing, the grant will be reduced by a certain fixed amount. If she contributes anything toward food or clothing, she receives the full amount.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. If the unrelated adult male provides all food and clothing, the grant is reduced by a fixed amount. If she contributes anything toward food or clothing, she will receive the full amount.
 - iv. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, the same conditions apply with regard to the parents as to the cohabiting adult male. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. The treatment of cash contributions from the male will not change if they are designated to be for shared household expenses or for the male's share of the rent rather than the needs of the AFDC unit, and the treatment does not depend upon who lives in whose apartment.
 - ii. After the first two months, Colorado is a retrospective budgeting state, and thus irregular or unpredictable cash contributions are treated the same as regular or predictable contributions.

- iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are budgeted as income to the household.
- 5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can never be included in the assistance unit.
- 6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
- 7. There is no circumstance under which a family consisting of a mother, her two children, and her husband who is neither the natural nor adoptive father of the children, would receive AFDC-UP.
- 8. The asset tests are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child. The maximum grant amounts and the income-eligibility tests differ, though, because the need standards differ. The caretaker and her two children would receive a maximum grant of \$356, while the couple and their one child would receive a maximum of \$372. Furthermore, the 185% of need eligibility test is \$812 for a couple and one child, and \$778 for a mother and two children.

Connecticut

The following holds in the largest city in Connecticut (Hartford) and is not affected by any demonstration projects currently in effect in that state:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$631 including \$50 for special needs.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If an unrelated cohabiting adult male pays directly either in whole or in part for the shelter, food, or clothing of the woman and her children, AFDC eligibility and the maximum grant amount are unaffected.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, and her parents provide shelter, food, or clothing either in whole or in part, and the provision is not in exchange for services, this has no effect on AFDC eligibility or the grant. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. The treatment of cash contributions from the male will not change if they are designated to be for shared household expenses or for the male's share of the rent rather than the needs of the AFDC unit, and the treatment does not depend upon who lives in whose apartment.
 - ii. Under Connecticut's monthly reporting requirement, unpredictable cash contributions from the cohabiting male will be subtracted the next month. Unpredictable or irregular income is treated the same as regular or predictable income.
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are disregarded.
5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can never be included in the assistance unit.

6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. A stepfather can be included in the assistance unit as an "optional person" and the family assigned to AFDC-UP when the household consists of the stepfather, a mother, and her two children.
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child.

Delaware

Since there are no area differentials in either grants or eligibility rules, the following holds statewide:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$338.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If an unrelated cohabiting adult male provides shelter, food, or clothing either in whole or in part to the woman and her children, AFDC eligibility and the grant amount are unaffected.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman is not a minor and moves in with her parents, and her parents provide shelter, food, or clothing either in whole or in part, and the provision is not in exchange for services, this has no effect on AFDC eligibility or the grant. If the woman is a minor, and living with her parents, she herself is not eligible for AFDC unless her parents are receiving AFDC.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. The treatment of cash contributions from the male will not change if they are designated to be for shared household expenses or for the male's share of the rent rather than the needs of the AFDC unit, and the treatment does not depend upon who lives in whose apartment.
 - ii. Delaware is a retrospective budgeting state, so unpredictable income is treated the same as predictable or regular income.
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are disregarded.
5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can never be included in the assistance unit.

6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. There is no circumstance under which a family consisting of a mother, her two children, and her husband who is neither the natural nor adoptive father of the children, would receive AFDC-UP.
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child.

District of Columbia

Since there are no area differentials in either grants or eligibility rules, the following holds uniformly within the District:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$409.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If an unrelated cohabiting adult male provides shelter, food, or clothing either in whole or in part to the woman and her children, AFDC eligibility and the grant amount are unaffected.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, and her parents provide shelter, food, or clothing either in whole or in part, and the provision is not in exchange for services, this has no effect on AFDC eligibility or the grant. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. A cash contribution from the cohabiting male designated to be for shared household expenses or the male's share of the rent will be disregarded. The treatment of cash contributions does not depend upon who lives in whose apartment.
 - ii. Some households are on retrospective budgeting and some are on prospective budgeting. For prospective budgeting households, unpredictable cash contributions if reported will be an overpayment and will be billed at a later date.
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are disregarded.
5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children and can only be included in the assistance unit as an essential person.

6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. There is no circumstance under which a family consisting of a mother, her two children, and her husband who is neither the natural nor adoptive father of the children, would receive AFDC-UP.
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child.

Florida

Since there are no area differentials in either grants or eligibility rules, the following holds statewide except in areas with demonstration projects:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$303.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If the unrelated cohabiting adult male pays the full shelter cost, the maximum AFDC grant will be reduced by \$105. If the AFDC recipient contributes anything toward shelter, she will receive the full grant amount of \$303.
 - ii. If the unrelated cohabiting adult male has no income, and shares all her resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. If the unrelated adult male provides all food and clothing, the grant is unaffected.
 - iv. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, the same conditions apply with regard to the parents as to the cohabiting adult male. If the woman is a minor, and unmarried, and has not been designated emancipated by the court, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. A cash contribution from the cohabiting male designated to be for shared household expenses or the male's share of the rent will be disregarded. The treatment of cash contributions does not depend upon who lives in whose apartment.
 - ii. Unpredictable cash contributions (if not expected to continue) will not be budgeted as income to the household and will, therefore, be disregarded.
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are disregarded.
5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can never be included in the assistance unit.

6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. There is no circumstance under which a family consisting of a mother, her two children, and her husband who is neither the natural nor adoptive father of the children, would receive AFDC-UP.
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child.

Georgia

Since there are no area differentials in either grants or eligibility rules, the following holds statewide:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$280.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If an unrelated cohabiting adult male provides shelter, food, or clothing either in whole or in part to the woman and her children, AFDC eligibility and the grant amount are unaffected.
 - ii. If the unrelated cohabiting adult male has no income, and shares all her resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, and her parents provide shelter, food, or clothing either in whole or in part, and the provision is not in exchange for services, this has no effect on AFDC eligibility or the grant. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. A cash contribution from the cohabiting male designated to be for shared household expenses or the male's share of the rent will be disregarded. The treatment of cash contributions does not depend upon who lives in whose apartment.
 - ii. Unpredictable cash contributions are treated the same as predictable or regular cash contributions under Georgia's retrospective budgeting.
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are budgeted as income to the household.
5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and if they have no common children (and she is not pregnant with a common child) he can never be included in the assistance unit.

6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. There is no circumstance under which a family consisting of a mother, her two children, and her husband who is neither the natural nor adoptive father of the children, would receive AFDC-UP.
8. The income eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child, except for the treatment of unemployment benefits.

Hawaii

Since there are no area differentials in either grants or eligibility rules, the following holds statewide:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$712.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If an unrelated cohabiting adult male provides shelter, food, or clothing either in whole or in part to the woman and her children, AFDC eligibility and the grant amount are unaffected.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, and her parents provide shelter, food, or clothing either in whole or in part, and the provision is not in exchange for services, this has no effect on AFDC eligibility or the grant. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. A cash contribution from the cohabiting male designated to be for shared household expenses or the male's share of the rent will be disregarded. The treatment of cash contributions does not depend upon who lives in whose apartment.
 - ii. Hawaii is a retrospective budgeting state, so the budgeting of cash contributions is not affected by their predictability or regularity.
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are disregarded.
5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children. He can only be included in the assistance unit if he is an essential person.

6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. There is no circumstance under which a family consisting of a mother, her two children, and her husband who is neither the natural nor adoptive father of the children, would receive AFDC-UP.
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child, except for the treatment of unemployment benefits.

Idaho

Since there are no area differentials in either grants or eligibility rules, the following holds statewide:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$317.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If an unrelated cohabiting adult male provides shelter, food, or clothing either in whole or in part to the woman and her children, AFDC eligibility and the grant amount are unaffected.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, and her parents provide shelter, food, or clothing either in whole or in part, and the provision is not in exchange for services, this has no effect on AFDC eligibility or the grant. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. The treatment of cash contributions from the male will not change if they are designated to be for shared household expenses or for the male's share of the rent rather than the needs of the AFDC unit, and the treatment does not depend upon who lives in whose apartment.
 - ii. Under Idaho's prospective budgeting system, an unpredictable cash contribution, if reported, is an overpayment.
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are disregarded.
5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can never be included in the assistance unit.

6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. There is no circumstance under which a family consisting of a mother, her two children, and her husband who is neither the natural nor adoptive father of the children, would receive AFDC-UP.
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child, except for the treatment of unemployment benefits.

Illinois

The following holds in the largest city in Illinois (Chicago) and is not affected by any demonstration projects currently in effect in that state:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$367.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If an unrelated cohabiting adult male provides shelter, food, or clothing either in whole or in part to the woman and her children, AFDC eligibility and the grant amount are unaffected.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, and her parents provide shelter, food, or clothing either in whole or in part, and the provision is not in exchange for services, this has no effect on AFDC eligibility or the grant. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. A cash contribution from the cohabiting male designated to be for shared household or "shelter-related" expenses or the male's share of the rent will be disregarded. The treatment of cash contributions does not depend upon who lives in whose apartment.
 - ii. An unpredictable cash contribution is considered income in the month received and budgeted accordingly.
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are disregarded.
5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can never be included in the assistance unit.

6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. There is no circumstance under which a family consisting of a mother, her two children, and her husband who is neither the natural nor adoptive father of the children, would receive AFDC-UP. Illinois allows the family to choose to include a stepparent as an essential person in an AFDC-Basic unit.
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC Basic (called AFDC-Regular in Illinois) family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child.

Indiana

Since there are no area differentials in either grants or eligibility rules, the following holds statewide:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$288.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If an unrelated cohabiting adult male provides shelter, food, or clothing either in whole or in part to the woman and her children, AFDC eligibility and the grant amount are unaffected.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, and her parents provide shelter, food, or clothing either in whole or in part, and the provision is not in exchange for services, this has no effect on AFDC eligibility or the grant. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. A cash contribution from the cohabiting male designated to be for shared household expenses or the male's share of the rent will be disregarded. The treatment of cash contributions does not depend upon who lives in whose apartment.
 - ii. Indiana is a prospective budgeting state so an unpredictable non-recurring cash contribution will not be budgeted as income to the household and will be disregarded. Irregular income is averaged.
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are disregarded.
5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can never be included in the assistance unit.

6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. There is no circumstance under which a family consisting of a mother, her two children, and her husband who is neither the natural nor adoptive father of the children, would receive AFDC-UP.
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child, except for the treatment of unemployment benefits.

Iowa

Since there are no area differentials in either grants or eligibility rules, the following holds statewide:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$426.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If the unrelated cohabiting adult male pays the full shelter cost, the AFDC grant will be reduced by a certain fixed amount that depends upon family size. This, in practice, never occurs. If she contributes anything toward shelter, she will receive the full grant amount of \$426.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. If the unrelated adult male provides all food and clothing, the grant will be reduced by a certain fixed amount, though, again, in practice this never occurs. If she contributes anything, she receives the full amount.
 - iv. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents and is not a minor, the same conditions apply with regard to the parents as to the cohabiting adult male. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same. Furthermore, unless the parents are receiving AFDC, the minor mother is not included in the grant, so the grant amount falls to \$361.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. The treatment of cash contributions from the male will not change if they are designated to be for shared household expenses or for the male's share of the rent rather than the needs of the AFDC unit, and the treatment does not depend upon who lives in whose apartment.
 - ii. An unpredictable cash contribution will be budgeted as income to the household in the same manner as a predictable cash contribution because Iowa is a retrospective budgeting state.

- iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are disregarded.
- 5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can only be included in the assistance unit as an essential person.
- 6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
- 7. There is no circumstance under which a family consisting of a mother, her two children, and her husband who is neither the natural nor adoptive father of the children, would receive AFDC-UP.
- 8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child, except for the treatment of unemployment benefits.

Kansas

The following holds in the largest city in Kansas (Wichita) and is not affected by any demonstration projects currently in effect in that state:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$429.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If the AFDC recipient cohabits with an unrelated adult male, the maximum grant is reduced to a lower shared household standard of \$375. This amount is unaffected by who in the household actually pays the shelter costs or how the costs are shared among the residents.
 - ii. If the unrelated cohabiting adult male has no income, and shares all of the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, the only effect upon the grant or upon her eligibility will be that she will receive the shared household standard of \$375.
 - iii. If the unrelated adult male provides all food and clothing, the grant is unaffected.
 - iv. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, the same conditions apply with regard to the parents as to the cohabiting adult male. If the woman is a minor, and if she is not judged to be emancipated, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. The treatment of cash contributions from the male will not change if they are designated to be for shared household expenses or for the male's share of the rent rather than the needs of the AFDC unit, and the treatment does not depend upon who lives in whose apartment.
 - ii. Kansas is a retrospective budgeting state, so unpredictable cash contributions are treated in the same manner as predictable or regular contributions. However, if non-recurring, they may be classified as a gift and disregarded.
 - iii. Non-recurring cash gifts, even those exceeding \$30 per quarter, are disregarded.

5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can never be included in the assistance unit.
6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. There is no circumstance under which a family consisting of a mother, her two children, and her husband who is neither the natural nor adoptive father of the children, would receive AFDC-UP.
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child, except for the treatment of unemployment benefits.

Kentucky

Since there are no area differentials in either grants or eligibility rules, the following holds statewide:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$228.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If an unrelated cohabiting adult male provides shelter, food, or clothing either in whole or in part to the woman and her children, AFDC eligibility and the grant amount are unaffected.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, and her parents provide shelter, food, or clothing either in whole or in part, and the provision is not in exchange for services, this has no effect on AFDC eligibility or the grant. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. The treatment of cash contributions from the male will not change if they are designated to be for shared household expenses or for the male's share of the rent rather than the needs of the AFDC unit, and the treatment does not depend upon who lives in whose apartment.
 - ii. Unpredictable non-recurring cash contributions will be overpayments. Irregular cash contributions will be averaged.
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are disregarded.
5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can never be included in the assistance unit.

6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. There is no circumstance under which a family consisting of a mother, her two children, and her husband who is neither the natural nor adoptive father of the children, would receive AFDC-UP.
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child, except for the treatment of unemployment benefits.

Louisiana

The following holds in urban areas in Louisiana and is not affected by any demonstration projects currently in effect in that state:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$190.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If an unrelated cohabiting adult male provides shelter, food, or clothing either in whole or in part to the woman and her children, AFDC eligibility and the grant amount are unaffected.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, and her parents provide shelter, food, or clothing either in whole or in part, and the provision is not in exchange for services, this has no effect on AFDC eligibility or the grant. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. The treatment of cash contributions from the male will not change if they are designated to be for shared household expenses or for the male's share of the rent rather than the needs of the AFDC unit, and the treatment does not depend upon who lives in whose apartment.
 - ii. Louisiana is a prospective budgeting state, and an unpredictable non-recurring cash contribution from the cohabiting adult male is counted in the month received and will be an overpayment.
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are disregarded.

5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children. He can only be included in the assistance unit if he is an essential person.
6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. There is no circumstance under which a family consisting of a mother, her two children, and her husband who is neither the natural nor adoptive father of the children, would receive AFDC-UP.
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child, except for the treatment of unemployment benefits.

Maine

Since there are no area differentials in either grants or eligibility rules, the following holds statewide:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$493. This includes a special needs housing allowance of \$75 available when housing costs more than 75% of countable income. Otherwise, the maximum is \$418.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If the unrelated cohabiting adult male pays the full shelter cost, 33% of the full need standard is budgeted as available income in determining payment, reducing the grant. If the AFDC recipient contributes anything toward shelter, she can receive the maximum grant amount of \$418. If the contribution is greater than 75% of her countable income, she will receive the grant amount plus the special needs housing allowance of \$493. A \$100 contribution will lead to a \$418 maximum.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. If the unrelated adult male provides all food, 40% of the full need standard is budgeted as available income in determining payment, reducing the grant. If the male provides all clothing, 15% of full need is available as income. If she contributes anything toward food or clothing, the in-kind income is not counted.
 - iv. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, the same conditions apply with regard to the parents as to the cohabiting adult male. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash contributions from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. The treatment of cash contributions from the male will not change if they are designated to be for shared household expenses or for the male's share of the rent rather than the needs of the AFDC unit, and the treatment does not depend upon who lives in whose apartment.

- ii. Under Maine's prospective budgeting plan, an unpredictable cash contribution of \$100 from a cohabiting male will not be budgeted as income to the household and will, therefore, be disregarded.
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are disregarded.
5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can never be included in the assistance unit.
 6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
 7. There is no circumstance under which a family consisting of a mother, her two children, and her husband who is neither the natural nor adoptive father of the children, would receive AFDC-UP.
 8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child, except for the treatment of unemployment benefits.

Maryland

Since there are no area differentials in either grants or eligibility rules, the following holds statewide:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$366.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If an unrelated cohabiting adult male provides shelter, food, or clothing either in whole or in part to the woman and her children, AFDC eligibility and the grant amount are unaffected.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, and her parents provide shelter, food, or clothing either in whole or in part, and the provision is not in exchange for services, this has no effect on AFDC eligibility or the grant. If the woman is a minor, the parent's income will be deemed, but the treatment of in-kind transfers will be the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. A cash contribution from the cohabiting male designated to be for shared household expenses or the male's share of the rent will be disregarded. The treatment of cash contributions does not depend upon who lives in whose apartment.
 - ii. Maryland is a prospective budgeting state. Unpredictable cash contributions are counted as income in the month received and would be an overpayment.
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are budgeted as income to the household.
5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can never be included in the assistance unit.

6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. There is no circumstance under which a family consisting of a mother, her two children, and her husband who is neither the natural nor adoptive father of the children, would receive AFDC-UP.
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child.

Massachusetts

Since there are no area differentials in either grants or eligibility rules, the following holds statewide:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$579.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If the unrelated cohabiting adult male pays the full shelter cost, the maximum AFDC grant will be reduced to the "no rent allowance standard" of \$539. From this lower standard, \$126 is subtracted if the apartment is heated, and \$102 is subtracted if it is not. If the AFDC recipient contributes anything toward shelter, she will receive the full grant amount of \$579.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. If the unrelated adult male provides all food and clothing, the grant will be reduced by a certain fixed amount that depends upon the number of individuals in the assistance unit. If all food is provided, for instance, \$41 is subtracted per person per month. If the AFDC recipient contributes anything toward food or clothing, the grant is not reduced.
 - iv. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, the same conditions apply with regard to the parents as to the cohabiting adult male. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. A cash contribution from the cohabiting male designated to be for shared household expenses or the male's share of the rent will be disregarded. The treatment of cash contributions does not depend upon who lives in whose apartment.
 - ii. Massachusetts has monthly reporting for some recipients and not for others. In the cases where they do not have monthly reporting, an unpredictable non-recurring cash

contribution is an overpayment. Unreported income for monthly reporting households is also an overpayment.

- iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are disregarded.
5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can never be included in the assistance unit.
6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. There is no circumstance under which a family consisting of a mother, her two children, and her husband who is neither the natural nor adoptive father of the children, would receive AFDC-UP. A stepfather can only be included if there are common children or if the mother is absent and the stepfather is the grantee.
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child, except for the treatment of unemployment benefits.

Michigan

The following holds in the largest city in Michigan (Detroit) and is not affected by any demonstration projects currently in effect in that state:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$459.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If an unrelated cohabiting adult male provides shelter, food, or clothing either in whole or in part to the woman and her children, AFDC eligibility and the grant amount are unaffected.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, and her parents provide shelter, food, or clothing either in whole or in part, and the provision is not in exchange for services, this has no effect on AFDC eligibility or the grant. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. The treatment of cash contributions from the male will not change if they are designated to be for shared household expenses or for the male's share of the rent rather than the needs of the AFDC unit, and the treatment does not depend upon who lives in whose apartment.
 - ii. Michigan is a retrospective budgeting state, so unpredictable or irregular cash contributions are treated in the same manner as regular or predictable contributions.
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are disregarded.
5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can never be included in the assistance unit.

6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. There is no circumstance under which a family consisting of a mother, her two children, and her husband who is neither the natural nor adoptive father of the children, would receive AFDC-UP.
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child, except for the treatment of unemployment benefits.

Minnesota

Since there are no area differentials in either grants or eligibility rules, the following holds statewide:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$532.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If an unrelated cohabiting adult male provides shelter, food, or clothing either in whole or in part to the woman and her children, AFDC eligibility and the grant amount are unaffected.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, and her parents provide shelter, food, or clothing either in whole or in part, and the provision is not in exchange for services, this has no effect on AFDC eligibility or the grant. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. A cash contribution from the cohabiting male designated to be for shared household expenses or the male's share of the rent will be disregarded if the recipient is a renter and not an owner or living in publicly subsidized housing. The treatment of cash contributions does not depend upon who lives in whose apartment.
 - ii. Minnesota is a retrospective budgeting state, so unpredictable cash contributions are treated the same as predictable or regular income.
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are disregarded.
5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can never be included in the assistance unit.

6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. There is no circumstance under which a family consisting of a mother, her two children, and her husband who is neither the natural nor adoptive father of the children, would receive AFDC-UP.
8. The income-eligibility tests and asset tests are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child. The grant amounts differ, however. The caretaker and her two children would receive a maximum of \$532, while the couple and their one child would receive a maximum of \$510.

Mississippi

Since there are no area differentials in either grants or eligibility rules, the following holds statewide:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$120.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If an unrelated cohabiting adult male provides shelter, food, or clothing either in whole or in part to the woman and her children, AFDC eligibility and the grant amount are unaffected.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, and her parents provide shelter, food, or clothing either in whole or in part, and the provision is not in exchange for services, this has no effect on AFDC eligibility or the grant. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. The treatment of cash contributions from the male will not change if they are designated to be for shared household expenses or for the male's share of the rent rather than the needs of the AFDC unit, and the treatment does not depend upon who lives in whose apartment.
 - ii. After the first two months, Mississippi budgets retrospectively, and thus unpredictable cash contributions are not treated differently than predictable or regular ones.
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are disregarded.
5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can never be included in the assistance unit.

6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. There is no circumstance under which a family consisting of a mother, her two children, and her husband who is neither the natural nor adoptive father of the children, would receive AFDC-UP.
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child, except for the treatment of unemployment benefits.

Missouri

Since there are no area differentials in either grants or eligibility rules, the following holds statewide:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$292.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If an unrelated cohabiting adult male provides shelter, food, or clothing either in whole or in part to the woman and her children, AFDC eligibility and the grant amount are unaffected.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, and her parents provide shelter, food, or clothing either in whole or in part, and the provision is not in exchange for services, this has no effect on AFDC eligibility or the grant. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. The treatment of cash contributions from the male will not change if they are designated to be for shared household expenses or for the male's share of the rent rather than the needs of the AFDC unit, and the treatment does not depend upon who lives in whose apartment.
 - ii. Missouri is a prospective budgeting state. Unpredictable non-recurring cash contributions will not be budgeted and will, therefore, be disregarded.
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are disregarded.
5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can never be included in the assistance unit.

6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. There is no circumstance under which a family consisting of a mother, her two children, and her husband who is neither the natural nor adoptive father of the children, would receive AFDC-UP.
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child, except for the treatment of unemployment benefits.

Montana

Since there are no area differentials in either grants or eligibility rules, the following holds statewide:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$401.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If the unrelated cohabiting adult male pays the full shelter cost, the maximum AFDC grant will be reduced to \$252. If the AFDC recipient contributes anything toward shelter, she will receive the full grant amount of \$401.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. If the unrelated adult male provides all food and clothing, the grant is unaffected.
 - iv. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, the same conditions apply with regard to the parents as to the cohabiting adult male. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. The treatment of cash contributions from the male will not change if they are designated to be for shared household expenses or for the male's share of the rent rather than the needs of the AFDC unit, and the treatment does not depend upon who lives in whose apartment.
 - ii. Montana has both retrospective and prospective budgeting. For prospective budgeting households, an unpredictable non-recurring cash contribution may be disregarded if reported in a timely fashion. If not reported and nonetheless discovered, it will be an overpayment.
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are budgeted as income to the household.

5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can never be included in the assistance unit.
6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. There is no circumstance under which a family consisting of a mother, her two children, and her husband who is neither the natural nor adoptive father of the children, would receive AFDC-UP.
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child, except for the treatment of unemployment benefits.

Nebraska

Since there are no area differentials in either grants or eligibility rules, the following holds statewide:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$364.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If the unrelated adult male moves into the apartment of the AFDC recipient and pays the full shelter cost, the contribution is considered unearned income and the AFDC grant will be reduced by \$135. If the AFDC recipient contributes anything toward shelter, she can receive the full grant amount of \$364.
 - ii. If the AFDC recipient moves into the apartment of the adult male, and he pays the entire shelter cost, the need standard will be reduced by the value of the shelter up to a maximum of \$135. If the AFDC recipient contributes anything toward shelter, she can receive the full grant amount of \$364.
 - iii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iv. If the unrelated adult male provides all food and clothing, the grant is unaffected.
3. If the woman moves in with her parents, the same conditions apply with regard to the parents as to the cohabiting adult male. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. A cash contribution from the cohabiting male designated to be for shared household expenses or the male's share of the rent will be disregarded. The treatment of cash contributions does not depend upon who lives in whose apartment.
 - ii. Nebraska is a prospective budgeting state. Unpredictable non-recurring contributions to the household will not be counted. Irregular income will be averaged (a three-month average is used).
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are disregarded.

5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can never be included in the assistance unit.
6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. A stepfather can be included in the assistance unit and the family assigned to AFDC-UP when the household consists of the stepfather, a mother, and her two children.
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child, except for the treatment of unemployment benefits.

Nevada

Since there are no area differentials in either grants or eligibility rules, the following holds statewide:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$348.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If an unrelated cohabiting adult male provides shelter, food, or clothing either in whole or in part to the woman and her children, AFDC eligibility and the grant amount are unaffected.
 - ii. If the unrelated cohabiting adult male has no income, and therefore shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, and her parents provide shelter, food, or clothing either in whole or in part, and the provision is not in exchange for services, this has no effect on AFDC eligibility or the grant. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. A cash contribution from the cohabiting male designated to be for shared household (shelter-related) expenses or the male's share of the rent will be disregarded. The treatment of cash contributions does not depend upon who lives in whose apartment.
 - ii. An unpredictable cash contribution will be an overpayment under Nevada's prospective budgeting.
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are disregarded.
5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can never be included in the assistance unit.

6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. There is no circumstance under which a family consisting of a mother, her two children, and her husband who is neither the natural nor adoptive father of the children, would receive AFDC-UP.
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC Basic (called AFDC-Regular in Nevada) family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child, except for the treatment of unemployment benefits.

New Hampshire

Since there are no area differentials in either grants or eligibility rules, the following holds statewide:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$516.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If the unrelated cohabiting adult male pays the full shelter cost, the maximum AFDC grant will be reduced to \$273. If she contributes toward shelter, she will be reimbursed for what she pays up to the full amount of the shelter grant (\$243).
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. If the unrelated adult male provides all food and clothing, the grant is unaffected.
 - iv. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, the same conditions apply with regard to the parents as to the cohabiting adult male. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. A cash contribution from the cohabiting male designated to be for shared household expenses will be disregarded. A cash contribution designated to be the unrelated male's share of the rent will reduce the need of the AFDC unit and may reduce the grant if the contribution lowers the unit's rent below the level of the shelter standard. The treatment of cash contributions does not depend upon who lives in whose apartment.
 - ii. Under New Hampshire's prospective budgeting system, an unpredictable cash contribution from a cohabiting male will not be budgeted as income to the household and will, therefore, be disregarded. Occasional or irregular income will be averaged and counted.

- iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are disregarded.
- 5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can never be included in the assistance unit.
- 6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
- 7. A stepfather must be included in the assistance unit and the family's eligibility determined for AFDC-UP or Two-Parent Incapacitated when the household consists of the stepfather, a mother, and her two children.
- 8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child.

New Jersey

The following holds in the largest city in New Jersey (Newark) and is not affected by any demonstration projects currently in effect in that state:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$424.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If an unrelated cohabiting adult male provides shelter, food, or clothing either in whole or in part to the woman and her children, AFDC eligibility and the grant amount are unaffected.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, and her parents provide shelter, food, or clothing either in whole or in part, and the provision is not in exchange for services, this has no effect on AFDC eligibility or the grant. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. The treatment of cash contributions from the male will not change if they are designated to be for shared household expenses or for the male's share of the rent rather than the needs of the AFDC unit, and the treatment does not depend upon who lives in whose apartment.
 - ii. A one-time unpredictable cash contribution will count the next month if the recipient has reported income for that month (which occurs every six months). In between reports, unpredictable cash contributions would be overpayments.
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are disregarded.
5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can never be included in the assistance unit.

6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. A stepfather can be included in the assistance unit and the family assigned to AFDC-UP when the household consists of the stepfather, a mother, and her two children. It is the option of the stepfather whether to apply, and if he is eligible, he can be included.
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child, except for the treatment of unemployment benefits.

New Mexico

Since there are no area differentials in either grants or eligibility rules, the following holds statewide:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$357.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If the unrelated cohabiting adult male pays the full shelter cost, the maximum AFDC grant will be reduced to \$269. If the AFDC recipient contributes \$100 toward shelter, she will receive the shelter component of \$56, and still not receive the utility component of \$32.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. If the unrelated adult male provides all food and clothing, the grant is unaffected.
 - iv. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, the same conditions apply with regard to the parents as to the cohabiting adult male. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. The treatment of cash contributions from the male will not change if they are designated to be for shared household expenses or for the male's share of the rent rather than the needs of the AFDC unit, and the treatment does not depend upon who lives in whose apartment.
 - ii. New Mexico budgets prospectively, and unpredictable non-recurring cash contributions are overpayments.
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are disregarded.

5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can never be included in the assistance unit.
6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. There is no circumstance under which a family consisting of a mother, her two children, and her husband who is neither the natural nor adoptive father of the children, would receive AFDC-UP.
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child, except for the treatment of unemployment benefits.

New York

The following holds in the largest city in New York (New York City) and is not affected by any demonstration projects currently in effect in that state:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$577.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If the unrelated cohabiting adult male pays the full shelter cost, shelter and utilities will not be allowed as items of need, and will be subtracted from the maximum grant. If the AFDC recipient contributes anything toward shelter, she will be reimbursed for what she pays up to the shelter maximum. In New York City, this maximum is \$286.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. If the unrelated adult male provides all food and clothing, the grant is unaffected.
 - iv. A contribution toward rent is budgeted differently depending upon who is the tenant of record. The impact upon the grant, however, depends finally upon the amount actually paid toward shelter by the AFDC recipient, and not upon the identity of the tenant of record.
3. If the woman moves in with her parents, the same conditions apply with regard to the parents as to the cohabiting adult male. If the woman is a minor, the parents' income is deemed, and the parents are not allowed to charge their daughter for shelter.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. A cash contribution from the cohabiting male designated to be for shared household expenses not including rent will be disregarded. The treatment of cash contributions does not depend upon who lives in whose apartment. A cash contribution earmarked for rent may not be counted if the rent exceeds the shelter allowance, but otherwise it will reduce the need standard.
 - ii. Unpredictable income is budgeted in the month received and therefore treated no differently than regular or predictable income.
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are budgeted as income to the household.

5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can only be included in the assistance unit as an essential person.
6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. There is no circumstance under which a family consisting of a mother, her two children, and her husband who is neither the natural nor adoptive father of the children, would receive AFDC-UP.
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child.

North Carolina

Since there are no area differentials in either grants or eligibility rules, the following holds statewide:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$272.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If an unrelated cohabiting adult male provides shelter, food, or clothing either in whole or in part to the woman and her children, AFDC eligibility and the grant amount are unaffected.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, and her parents provide shelter, food, or clothing either in whole or in part, and the provision is not in exchange for services, this has no effect on AFDC eligibility or the grant. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male, if designated in writing to be for shared household expenses or the cohabiting male's share of the rent, is disregarded. If not so designated, it will be treated no differently than other kinds of unearned income. The treatment of cash contributions does not depend upon who lives in whose apartment.
 - ii. North Carolina budgets retrospectively, and thus there is no difference in the budgeting of unpredictable income compared to predictable or regular income.
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are disregarded.
5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can only be included in the assistance unit as an essential person.

6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. A stepfather can be included in the AFDC assistance unit when the household consists of the stepfather, a mother, and her two children, and one parent is incapacitated.
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child, except for the treatment of unemployment benefits.

North Dakota

Since there are no area differentials in either grants or eligibility rules, the following holds statewide:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$409.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If an unrelated cohabiting adult male provides shelter, food, or clothing either in whole or in part to the woman and her children, AFDC eligibility and the grant amount are unaffected.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, and her parents provide shelter, food, or clothing either in whole or in part, and the provision is not in exchange for services, this has no effect on AFDC eligibility or the grant. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. The treatment of cash contributions from the male will not change if they are designated to be for shared household expenses or for the male's share of the rent rather than the needs of the AFDC unit, and the treatment does not depend upon who lives in whose apartment.
 - ii. North Dakota is a retrospective budgeting state. Unpredictable income is budgeted in the same manner as regular or predictable income.
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are disregarded.
5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can never be included in the assistance unit.

6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. There is no circumstance under which a family consisting of a mother, her two children, and her husband who is neither the natural nor adoptive father of the children, would receive AFDC-UP.
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child, except for the treatment of unemployment benefits.

Ohio

Since there are no area differentials in either grants or eligibility rules, the following holds statewide:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$341.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If an unrelated cohabiting adult male provides shelter, food, or clothing either in whole or in part to the woman and her children, AFDC eligibility and the grant amount are unaffected.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, and her parents provide shelter, food, or clothing either in whole or in part, and the provision is not in exchange for services, this has no effect on AFDC eligibility or the grant. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash contributions from an unrelated cohabiting adult male for the needs of an AFDC recipient and her children are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. A cash contribution from the cohabiting male designated to be for shared household expenses or the male's share of the rent will be disregarded. The treatment of cash contributions does not depend upon who lives in whose apartment.
 - ii. Under Ohio's prospective budgeting system, an unpredictable one-time \$100 cash contribution would not be counted.
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are disregarded.
5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can never be included in the assistance unit.

6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. There is no circumstance under which a family consisting of a mother, her two children, and her husband who is neither the natural nor adoptive father of the children, would receive AFDC-UP.
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child.

Oklahoma

Since there are no area differentials in either grants or eligibility rules, the following holds statewide:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$343.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If the unrelated cohabiting adult male pays the full shelter cost, or the woman contributes less than \$100 toward shelter, then the maximum AFDC grant falls to \$324. If the woman contributes \$100 or more, she is eligible for the full grant of \$343.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. If the unrelated adult male provides all food and clothing, the grant is unaffected.
 - iv. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, the same conditions apply with regard to the parents as to the cohabiting adult male. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. A cash contribution from the cohabiting male designated to be for shared household expenses or the male's share of the rent will be disregarded. The treatment of cash contributions does not depend upon who lives in whose apartment.
 - ii. An unpredictable non-recurring cash contribution from a cohabiting male will be an overpayment and billed in a later month.
 - iii. Non-recurring cash gifts of less than \$10 per month on special occasions are disregarded.
5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can never be included in the assistance unit.

6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. There is no circumstance under which a family consisting of a mother, her two children, and her husband who is neither the natural nor adoptive father of the children, would receive AFDC-UP.
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child, except for the treatment of unemployment benefits.

Oregon

Since there are no area differentials in either grants or eligibility rules, the following holds statewide:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$460.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If an unrelated cohabiting adult male provides shelter, food, or clothing either in whole or in part to the woman and her children, AFDC eligibility and the grant amount are unaffected.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected. However, the male would be in violation of Oregon law, because unrelated coresidents of AFDC recipients in Oregon are required to pay their share of household expenses. The details of this requirement are described below.
 - iii. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, and her parents provide shelter, food, or clothing either in whole or in part, and the provision is not in exchange for services, this has no effect on AFDC eligibility or the grant. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash contributions from an unrelated cohabiting adult male for the needs of an AFDC recipient and her children are:
 - i. If an unrelated male cohabitor gives a regular cash contribution to the AFDC family, and this contribution does not change depending upon the level of rent or utilities, he is considered a lodger, and any amount above the minimum contribution standard (described below) is unearned income. An equitable cash contribution from an unrelated cohabiting male, if designated to be for shared household expenses, and increasing or decreasing depending upon the level of rent or utilities, is disregarded. The treatment of cash contributions does not depend upon who lives in whose apartment.
 - ii. An unpredictable cash contribution not designated for household expenses, from a cohabiting male, is counted as income in the month received.

- iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are disregarded.
5. An unrelated cohabiting adult male is required to make a financial contribution toward the expenses of a shared household representing the payment of own expenses by the cohabitor. The rules regarding the expected contribution are:
 - i. The contribution depends upon the number of individuals living in the household. The minimum amount for a man residing with an AFDC mother and her two children is \$146.
 - ii. If the man pays the rent or provides other subsistence to the AFDC household such as food or clothing, this counts toward his required contribution.
 - iii. The responsibility would be the same if he were a roommate and not an unmarried partner. It does not matter who lives in whose apartment.
 - iv. The cohabiting adult male can only be included in the assistance unit as an essential person.
 6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
 7. A stepfather is included in the assistance unit and the family is assigned to AFDC-UP when the household consists of the stepfather, a mother, and her two children.
 8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child, except for the treatment of unemployment benefits.

Pennsylvania

The following holds in the largest city in Pennsylvania and is not affected by any demonstration projects currently in effect in that state:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$403.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If an unrelated cohabiting adult male provides shelter, food, or clothing either in whole or in part to the woman and her children, AFDC eligibility and the grant amount are unaffected.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, and her parents provide shelter, food, or clothing either in whole or in part, and the provision is not in exchange for services, this has no effect on AFDC eligibility or the grant. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. A cash contribution from the cohabiting male designated to be for shared household expenses or the male's share of the rent will be disregarded. If the cash contribution is judged to be room and board, though, it may be counted as earned income.
 - ii. Unpredictable cash contributions are treated in the same manner as predictable or regular contributions under Pennsylvania's retrospective budgeting system.
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are disregarded.
5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can never be included in the AFDC assistance unit, though he can be included in the assistance unit for Pennsylvania's general assistance.

6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. There is no circumstance under which a family consisting of a mother, her two children, and her husband who is neither the natural nor adoptive father of the children, would receive AFDC-UP.
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child, except for the treatment of unemployment benefits.

Rhode Island

Since there are no area differentials in either grants or eligibility rules, the following holds statewide:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$554.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If the unrelated cohabiting adult male moves into the AFDC recipient's apartment and pays the full shelter cost, the AFDC grant will be reduced by \$105.20. If the AFDC recipient contributes anything toward shelter, she will receive the full grant amount of \$554.
 - ii. If the AFDC recipient moves into the male's apartment, and he pays the shelter cost either in whole or in part, her eligibility and the maximum grant will be unaffected.
 - iii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iv. If the unrelated adult male provides all food and clothing, the grant is unaffected.
3. If the woman moves in with her parents, the same conditions apply with regard to the parents as to the cohabiting adult male. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. The treatment of cash contributions from the male will not change if they are designated to be for shared household expenses or for the male's share of the rent rather than the needs of the AFDC unit, and the treatment does not depend upon who lives in whose apartment.
 - ii. An unpredictable cash contribution from a cohabiting male will be an overpayment.
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are disregarded.
5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can never be included in the assistance unit.

6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. In a household consisting of a woman, her two children, and her spouse who is unrelated to the children, if the mother is the principal earner, she could opt to include her husband in the AFDC-UP assistance unit.
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child.

South Carolina

Since there are no area differentials in either grants or eligibility rules, the following holds statewide:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$200.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If an unrelated cohabiting adult male provides shelter, food, or clothing either in whole or in part to the woman and her children, AFDC eligibility and the grant amount are unaffected.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, and her parents provide shelter, food, or clothing either in whole or in part, and the provision is not in exchange for services, this has no effect on AFDC eligibility or the grant. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. A cash contribution from the cohabiting male designated to be for shared household expenses or the male's share of the rent will be disregarded. The treatment of cash contributions does not depend upon who lives in whose apartment.
 - ii. South Carolina is a prospective budgeting state, so unpredictable non-recurring income is not counted.
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are disregarded.
5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can never be included in the assistance unit.

6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. There is no circumstance under which a family consisting of a mother, her two children, and her husband who is neither the natural nor adoptive father of the children, would receive AFDC-UP.
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child, except for the treatment of unemployment benefits.

South Dakota

Since there are no area differentials in either grants or eligibility rules, the following holds statewide:

1. The maximum grant for a mother, living independently, with two young children and no income is \$417.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If the unrelated male moves into the AFDC recipient's apartment and provides shelter, food, or clothing either in whole or in part to the woman and her children, AFDC eligibility and the grant are unaffected.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, AFDC eligibility and the grant are unaffected.
 - iii. If, however, the woman and her children move into the male's apartment, she is considered to be in a "dependent living" situation, and her maximum grant would be \$291. In addition, if the male pays all the shelter costs, she would only receive \$199. If she contributed \$100 toward shelter she would receive the full \$291. If he provided food or clothing for the woman and her children, this would still have no effect on the grant or upon eligibility.
3. If the woman moves in with her parents and is not a minor, she would be in a "dependent living" situation, and the conditions would be the same as those outlined above. In addition, if she is a minor, then the parent's income is deemed, and all other conditions outlined above remain in effect.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. A cash contribution from the cohabiting male designated to be for shared household expenses or the male's share of the rent will be disregarded. The treatment of cash contributions does not depend upon who lives in whose apartment.
 - ii. Under South Dakota's retrospective budgeting system, unpredictable cash contributions are treated the same as regular or predictable contributions.
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are disregarded.

5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can never be included in the assistance unit.
6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. A stepfather is included in the assistance unit and the family assigned to AFDC-UP when the household consists of a mother, her two children, and the mother's spouse who is unrelated to the children. If South Dakota's support law of general applicability does not hold on an Indian reservation within the state, this provision will not be true for assistance units on the reservation, and the stepfather will not be included.
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child, except for the treatment of unemployment benefits.

Tennessee

Since there are no area differentials in either grants or eligibility rules, the following holds statewide:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$185.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If an unrelated cohabiting adult male provides shelter, food, or clothing either in whole or in part to the woman and her children, AFDC eligibility and the grant amount are unaffected.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, and her parents provide shelter, food, or clothing either in whole or in part, and the provision is not in exchange for services, this has no effect on AFDC eligibility or the grant. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. The treatment of cash contributions from the male will not change if they are designated to be for shared household expenses or for the male's share of the rent rather than the needs of the AFDC unit, and the treatment does not depend upon who lives in whose apartment.
 - ii. Unpredictable cash contributions (exceeding the gap between the maximum payment and the difference in needs and income) will be an overpayment.
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are disregarded.
5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can never be included in the assistance unit.

6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. There is no circumstance under which a family consisting of a mother, her two children, and her husband who is neither the natural nor adoptive father of the children, would receive AFDC-UP. If the mother is incapacitated, the stepfather could be included as a "second parent."
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child, except for the treatment of unemployment benefits.

Texas

Since there are no area differentials in either grants or eligibility rules, the following holds statewide:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$184.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If an unrelated cohabiting adult male provides shelter, food, or clothing either in whole or in part to the woman and her children, AFDC eligibility and the grant amount are unaffected.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, and her parents provide shelter, food, or clothing either in whole or in part, and the provision is not in exchange for services, this has no effect on AFDC eligibility or the grant. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. A cash contribution from the cohabiting male designated to be for shared household expenses or the male's share of the rent will be disregarded. The treatment of cash contributions does not depend upon who lives in whose apartment.
 - ii. Texas is a prospective budgeting state, and an unpredictable cash contribution is an overpayment.
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are disregarded.
5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can never be included in the assistance unit.

6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. There is no circumstance under which a family consisting of a mother, her two children, and her husband who is neither the natural nor adoptive father of the children, would receive AFDC-UP.
8. The income-eligibility tests and asset tests are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child. The payment formula, however, will differ. The caretaker and two children will receive a maximum of \$184, while the two adults and one child will receive a maximum of \$200.

Utah

Since there are no area differentials in either grants or eligibility rules, the following holds statewide:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$415.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If an unrelated cohabiting adult male provides shelter, food, or clothing either in whole or in part to the woman and her children, AFDC eligibility and the grant amount are unaffected.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, and her parents provide shelter, food, or clothing either in whole or in part, and the provision is not in exchange for services, this has no effect on AFDC eligibility or the grant. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. A cash contribution from the cohabiting male designated to be for shared household expenses or the male's share of the rent will be disregarded. The treatment of cash contributions does not depend upon who lives in whose apartment.
 - ii. An unpredictable non-recurring cash contribution to the AFDC household will not be counted under Utah's prospective budgeting system.
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are disregarded.
5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can never be included in the assistance unit.

6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. Utah has a support law of general applicability, so a stepfather can be included in the assistance unit and the family assigned to AFDC-UP (Two-Parent) when the household consists of the stepfather, a mother, and her two children. The Two-Parent program requires the primary earner to work for seven out of twelve months in order to get a check, unless incapacitated.
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child.

Vermont

The following holds in the largest city in Vermont (Burlington) and is not affected by any demonstration projects currently in effect in that state:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$659.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If the unrelated cohabiting adult male pays the shelter cost, the AFDC grant will be reduced by \$229. If the AFDC recipient contributes toward shelter, she will be reimbursed for .586 times what she pays up to the full amount of the shelter grant.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. If the unrelated adult male provides all food and clothing, the grant is unaffected.
 - iv. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, the same conditions apply with regard to the parents as to the cohabiting adult male. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. If the cash contribution is designated to be the cohabitor's share of the rent, it will reduce the housing need by the amount of the contribution up to the need standard maximum. The treatment of cash contributions from the male will not change if they are designated to be for shared household expenses, and the treatment does not depend upon who lives in whose apartment.
 - ii. An unpredictable cash contribution is counted as income in the month received.
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are disregarded.

5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can only be included in the assistance unit as an essential person.
6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. A stepfather can be included in the assistance unit and the family assigned to AFDC-UP when the household consists of the stepfather, a mother, and her two children.
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child, except for the treatment of unemployment benefits.

Virginia

The following holds in the largest city in Virginia (Virginia Beach) and is not affected by any demonstration projects currently in effect in that state:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$291.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If an unrelated cohabiting adult male provides shelter either in whole or in part to the woman and her children, AFDC eligibility and the grant amount are unaffected. The cohabiting male is obligated to contribute toward the needs of the children, and paying for shelter will count toward his required contribution. This will be elaborated further below.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. If the unrelated adult male provides all food and clothing, the grant is reduced by \$114 (\$88 for the food and \$26 for the clothing). This will count toward the required contribution of the cohabiting male. If the AFDC recipient pays anything toward food or clothing, she is eligible to receive the maximum grant.
 - iv. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, in-kind contributions from the parents to the AFDC household have the same impact on the AFDC grant and eligibility as they did in the case of the cohabiting adult male. However, there is no obligation upon the parents for support if the woman is not a minor, unlike the cohabiting male. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. The treatment of cash contributions from the male will not change if they are designated to be for shared household expenses or for the male's share of the rent rather than the needs of the AFDC unit, and the treatment does not depend upon who lives in whose apartment. If the coresident were related, contributions for shared household expenses would be disregarded.

- ii. Unpredictable cash contributions (if not expected to continue) will not be budgeted as income to the household and will, therefore, be disregarded.
 - iii. Non-recurring cash gifts of \$30 or less per quarter on special occasions are disregarded.
5. An unrelated cohabiting adult male is required to make a financial contribution toward the needs of the children in an AFDC household. The rules regarding the expected contribution are:
- i. The contribution depends upon the income of the male cohabitor, any extraordinary expenses he has, and the number of his dependents in the home but not in the assistance unit. For a man with no dependents and no extraordinary expenses, making \$10,000 a year, the expected contribution would be \$157 a month or the amount of the children's prorated share of the grant if less than \$157. Nothing is subtracted from the grant unless the AFDC recipient agrees that she has received his contribution. If he does not contribute, he may be taken to court.
 - ii. He can meet this obligation by paying cash or providing shelter, food, or clothing directly. If he provides shelter, unlike food, clothing, or cash, nothing is subtracted from the grant. If he paid the rent for a household with two children and two adults, and the rent was \$400, this would be counted as a \$200 contribution (the prorated share of the children) and satisfy the requirement. If the woman contributed \$100 toward the \$400 rent, and he paid the rest, this would count as \$150 toward his contribution, and he would be expected to come up with \$7. Nothing is subtracted from the grant unless the AFDC recipient agrees that she has received his contribution. If he does not contribute, he may be taken to court.
 - iii. If the cohabitor were a roommate and not an unmarried partner, no contribution would be expected. It does not matter whether the cohabiting male lives in the AFDC recipient's apartment or he lives in her apartment.
 - iv. The unrelated cohabiting adult male can only be included in the assistance unit as an essential person.
6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. There is no circumstance under which a family consisting of a mother, her two children, and her husband who is neither the natural nor adoptive father of the children, would receive AFDC-UP.
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child, except for the treatment of unemployment benefits.

Washington

Since there are no area differentials in either grants or eligibility rules, the following holds statewide:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$546.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If the unrelated cohabiting adult male pays the full shelter cost, the maximum AFDC grant will be reduced to the supplied shelter standard of \$332. If the AFDC recipient contributes anything toward shelter, she will receive the full grant amount of \$546.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. If the unrelated adult male provides all food and clothing, the grant is unaffected.
 - iv. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, the same conditions apply with regard to the parents as to the cohabiting adult male. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. A cash contribution from the cohabiting male designated to be for shared household expenses or the male's share of the rent will be disregarded. The treatment of cash contributions does not depend upon who lives in whose apartment.
 - ii. Under Washington's retrospective budgeting, an unpredictable cash contribution of \$100 from a cohabiting male will be budgeted as income to the household and will affect the grant two months later.
 - iii. Non-recurring cash gifts of less than \$30 per quarter per person on special occasions are disregarded.
5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can never be included in the assistance unit.

6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. A stepfather must be included in the assistance unit and the family assigned to AFDC-UP when the household consists of the stepfather, a mother, and her two children, unless one of the parents is incapacitated.
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child.

West Virginia

Since there are no area differentials in either grants or eligibility rules, the following holds statewide:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$249.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If an unrelated cohabiting adult male provides shelter, food, or clothing either in whole or in part to the woman and her children, AFDC eligibility and the grant amount are unaffected, provided the provision is not in exchange for services.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, and her parents provide shelter, food, or clothing either in whole or in part, and the provision is not in exchange for services, this has no effect on AFDC eligibility or the grant. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. A cash contribution from the cohabiting male designated to be for shared household expenses or the male's share of the rent will be disregarded. The treatment of cash contributions does not depend upon who lives in whose apartment.
 - ii. An unpredictable cash contribution will also be budgeted as income to the household.
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are budgeted as income to the household.
5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can never be included in the assistance unit.
6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.

7. There is no circumstance under which a family consisting of a mother, her two children, and her husband who is neither the natural nor adoptive father of the children, would receive AFDC-UP.
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child.

Wisconsin

The following holds in urban areas in Wisconsin and is not affected by any demonstration projects currently in effect in that state:

1. The maximum AFDC grant for a mother who is not pregnant and is living independently with two young children and no income is \$517.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother who is not pregnant and two children) when the arrangement is not in exchange for services:
 - i. If an unrelated cohabiting adult male provides shelter, food, or clothing either in whole or in part to the woman and her children, AFDC eligibility and the maximum grant amount are unaffected.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, and her parents provide shelter, food, or clothing either in whole or in part, and the provision is not in exchange for services, this has no effect on AFDC eligibility or the grant. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash transfers from an unrelated cohabiting adult male to an AFDC household (a mother and two children) are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. A cash contribution from the cohabiting male designated to be for shared household expenses or the male's share of the rent will be disregarded. The treatment of cash contributions does not depend upon who lives in whose apartment.
 - ii. An unpredictable cash contribution will be budgeted as income to the household.
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are disregarded.
5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can never be included in the assistance unit.
6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.

7. There is no circumstance under which a family consisting of a mother who is not pregnant, her two children, and her husband who is neither the natural nor adoptive father of the children, would receive AFDC-UP.
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child, except for the treatment of unemployment benefits.

Wyoming

Since there are no area differentials in either grants or eligibility rules, the following holds statewide:

1. The maximum AFDC grant for a mother, living independently, with two young children and no income is \$360.
2. The following are the rules regarding the treatment of in-kind transfers between a cohabiting adult male and an AFDC household of three (a mother and two children) when the arrangement is not in exchange for services:
 - i. If the unrelated cohabiting adult male pays the full shelter cost, the maximum AFDC grant will be reduced to the lower supplied shelter maximum of \$265. If the AFDC recipient contributes anything toward shelter, she will receive the full grant amount of \$360.
 - ii. If the unrelated cohabiting adult male has no income, and shares all the recipient's resources (cash, in-kind transfers, and shelter), while contributing nothing financially, neither the grant nor her eligibility is affected.
 - iii. If the unrelated adult male provides all food and clothing, the grant is unaffected.
 - iii. The effect on AFDC eligibility and the grant is the same when the AFDC mother and her children move into the unrelated adult male's apartment as when the male moves into the recipient's apartment.
3. If the woman moves in with her parents, the same conditions apply with regard to the parents as to the cohabiting adult male. If the woman is a minor, the parents' income is deemed, but the treatment of in-kind transfers is the same.
4. The rules regarding the budgeting of cash contributions from an unrelated cohabiting adult male for the needs of an AFDC recipient and her children are:
 - i. A regular cash contribution from an unrelated cohabiting male for the needs of the woman and her children will be treated no differently than other kinds of unearned income. The treatment of cash contributions from the male will not change if they are designated to be for shared household expenses or for the male's share of the rent rather than the needs of the AFDC unit, and the treatment does not depend upon who lives in whose apartment.
 - ii. Wyoming is a retrospective budgeting state, and thus unpredictable cash contributions are treated in the same manner as predictable or regular cash contributions.
 - iii. Non-recurring cash gifts of less than \$30 per quarter on special occasions are disregarded.

5. An unrelated cohabiting adult male is never required to make a financial contribution to support the woman and her children, and can never be included in the assistance unit.
6. The asset tests, income-eligibility tests, and payment formula are the same for AFDC-UP recipients whether they are married or unmarried.
7. There is no circumstance under which a family consisting of a mother, her two children, and her husband who is neither the natural nor adoptive father of the children, would receive AFDC-UP.
8. The income-eligibility tests, asset tests, and payment formula are the same for an AFDC-Basic family consisting of a mother and her two children, as they are for an AFDC-UP family consisting of a father, mother, and their child, except for the treatment of unemployment benefits.

APPENDIX A

ORIGINAL SURVEY INSTRUMENT

TELEPHONE SURVEY OF STATE AFDC DEPARTMENTS REGARDING
COHABITATION AND MARRIAGE-RELATED RULES IN AFDC AND AFDC-UP

This version: August 11, 1993

[Note: Brackets refer to instructions to Bob; parentheses are material that is to be included in the question.]

I. Introduction

Hello, my name is Bob Reville. Would you be able to answer some questions on some of the state rules governing your AFDC-Basic (regular/single-parent) program and your AFDC-Unemployed Parent Program or would I need to speak with someone else in your department?

I am working with Prof. Anne Winkler, who is a professor at the University of Missouri at St. Louis, and Prof. Robert Moffitt, who is a professor at Brown University in Rhode Island. Last year, Prof. Winkler and her research assistant, Chris Williams, conducted a brief survey on how AFDC eligibility rules vary across the states. We are very grateful to you (or your office) for responding to the survey last year. Today, I would like to ask some follow-up questions based on the earlier survey. The survey will take around ten to fifteen minutes. Is this a good time for you? [If not, can call back; or leave number].

In particular, I would like to ask you some additional questions regarding AFDC-UP (AFDC-Unemployed Parent program that provides benefits to two-parent couples) and the AFDC-Basic (single-parent) program. Am I talking to the right person?

[Note: AFDC administrators should each have received last year's survey results. The purpose of the follow-up survey is to refine some of the earlier findings and better understand how states administer their programs. For this reason, some of the questions are somewhat similar. . . .]

II. Record of Contacts

Contact 1

Date & Time: _____

State Called: _____

Name of Contact Person: _____

Department/Title: _____

Phone: _____

Contact 2

Date & Time: _____

State Called: _____

Name of Contact Person: _____

Department/Title: _____

Phone: _____

Contact 3

Date & Time: _____

State Called: _____

Name of Contact Person: _____

Department/Title: _____

Phone: _____

III. Demonstrations and Area Differentials

1.) [Demonstrations:]

- a) Are there welfare demonstration projects currently going on in your state? Please describe. Are they statewide or only being conducted on a limited basis?

Statewide

Local

[Use judgment as to what is "local"]

None

[If not local, then ask]

Description: [brief: mainly just the name of the demonstrations.]

- b) If the demonstration is for only a small/local area, then please answer the following questions for non-demonstration areas. If the demonstration is statewide, then please answer the following questions according to the rules of the demon. project.

Answers based on rules:

- 1) prevailing in areas without demonstration project
- 2) prevailing under statewide demonstration project
- 3) other—explain

2) [Area Differentials]

Do the rules determining the size of the AFDC grant and/or the rules determining eligibility depend upon the area of the state in which the applicant resides?

[If yes then reply]

Please answer the following questions on the basis of the rules prevailing in the largest city in the state.

IV. AFDC-Basic Questions

General

3. What is the maximum payment for a mother, living independently, with two young children & no income?

4. Suppose the mother and her two children live with/cohabit with a male [boyfriend] who is unrelated to the mother and her children.

I assume that the woman and her children qualify for AFDC-Basic/Regular/single-parent program on the basis of absence of parent?

AFDC-Basic: Shelter and In-Kind Questions

First, I would like to ask you some questions about how the in-kind transfer of shelter is treated in your state.

5. Suppose that an unrelated male (with income of \$10,000) moves into the apartment of a woman and her two children. (He is a cohabitor/unmarried partner.)

- a) If the unrelated male pays the full shelter cost (rent, utilities), how is the (maximum) AFDC payment affected?
- b) What if, instead, she were to pay a non-trivial amount (\$100) toward shelter. How is the (maximum) AFDC payment affected?
- c) What if she were to pay all the rent, etc., and the male obtained "free shelter."

Is her grant affected?

Is her eligibility affected?

Other?

Along these lines, suppose the male partner who moves in with her has no income (therefore, shares ALL her resources—cash, in-kind transfers, shelter). How does your state deal with this?

Is her grant affected?
 Eligibility affected?
 Other?

In the questions I just asked, the male moved into the woman's apartment. Now, let's change the story—

6. Suppose the woman and her children move into the male's apartment (once again, he earns \$10,000).

Would any of your answers above have changed?

[Bob: mainly the first two on the prior page: see the next few lines]

NO — who lives with whom doesn't matter

YES → if he pays all the shelter costs, how would the (maximum) AFDC payment change?

What if, instead, she were to pay a non-trivial amount (\$100) toward shelter. How is the (maximum) AFDC payment affected?

7. How does your state treat other in-kind transfers like food and/or clothing that are given by an unrelated male cohabitor to a woman and her children?

Now let's change the story a bit again—

8. Suppose the woman and her children moved into her parents' apartment. The woman is not a minor.

- a) If her parents pay all of the shelter costs, how would this affect the AFDC (maximum) payment?

What if, instead, the woman were to pay a non-trivial amount (\$100) toward shelter. How is her AFDC payment affected?

- b) How does your state treat other in-kind transfers like food and/or clothing that are given by the parents to a woman and her children?

- c) Would any of your answers have changed if the woman were a minor? (especially a)

AFDC-Basic: Cash Questions

Let's continue with the scenario of a single mother with two children who cohabits with an unrelated male. We are interested in your state's treatment of cash contributions for the woman from the man.

- 9.a If the male cohabitor makes a regular contribution of \$100 towards the needs of the woman and her children, is that treated differently than other kinds of unearned income, for example cash income from a relative or her mother?

[If no then skip to 10]

[If yes then ask]

- 9.b How is it treated?

- 10.a Does it matter if the contribution is paid regularly or occasionally?

[If no then skip to 11]

[If yes then ask]

- 10.b How is an occasional or infrequent contribution treated in your state?

11. If the amount is small, for instance less than \$30 per quarter, would it be treated as gift or inconsequential income in your state?
12. Does the treatment of cash contributions, either regular or infrequent, depend upon whether the woman lives in the male's apartment or he lives in her apartment?

[assume "no"]

AFDC-Basic: Questions on Financial Responsibility

Still, thinking about the mother and her two children who live with the unrelated male—

13. According to the rules in your state, is the unrelated male/cohabitor (potentially) required to make a financial contribution to support the woman and her children?

NEVER [IF ANSWER IS "NEVER", GO TO Q.16]

DEPENDS—

- i) Explain the specific conditions

(For instance, depends on if he makes a cash contribution . . .)

- ii) How is his financial contribution determined?

[In California—he must make a contribution = to the cost of an independent living arrangement for himself]

IF YES THEN ASK:

14. Does the male cohabitor's financial responsibility depend on whether he lives in the AFDC woman's apartment or if she lives in his?

15. Would the male be financially responsible for the woman and her children if he were only a housemate/roommate but NOT a cohabitor/unmarried partner?

[assume no]

16. Is there any circumstance under which the unmarried male cohabitor (who is not the father of the children) would be included in the assistance unit?

[assume no]

V. AFDC-UP Questions

17. I understand that an unmarried-couple family is eligible for AFDC-UP, in the case that the male in the household is the natural father of the children (paternity has been established) and he is unemployed (as defined in your state.) Is this correct?

[Note: a two-parent family in which a parent is incapacitated is eligible for AFDC-Basic]

[Note Also: Assume the man is the primary earner]

18. Next, I'd like to ask some questions regarding the treatment of married and unmarried-couple families (both in AFDC-UP). (Here we are assuming that each type of household contains a child and both of his/her natural parents.)

- a) Is the definition of "unemployed parent" the same? [whether married or unmarried]

Assuming the definition of "unemployed parent" is met . . .

- b) Are the asset tests the same?

- c) Are the income-eligibility tests the same?

- d) Are the payment formulas the same?
19. For how many months of the year are recipients eligible for an AFDC-UP cash payment in your state?
20. Consider a woman and her two children who live with the woman's husband (who is NOT the natural father of the children). In your state, is there any circumstance under which all four people, including the stepfather, would receive AFDC-UP?
- VI. Questions Concerning Comparison of AFDC-Basic and AFDC-UP: Compare a three-person family, one case comprised of a single mother and two children, and in the other case, a married-couple family with one child. (So there are three persons in each family type).
21. Assuming the definition of unemployed parent is met for married-couple families,
- a) Are the asset tests the same?
- b) Are the income-eligibility tests the same?
- c) Are the payment formulas the same?

ASK IF 'NO': If not, why not?

(Note: in a couple of states the AFDC maximum grant varies depending on whether there is one adult and two kids or two adults and one kid.)

VII. End

I greatly appreciate your taking the time to answer these questions.

If you would like to mail any materials pertaining to these matters (e.g., pages from your AFDC manual), please feel free.

Mailing address [if interested]:

Professor Anne Winkler
Department of Economics
University of Missouri-St. Louis
8001 Natural Bridge Road
St. Louis, MO 63121

[If they say they would like copies of the results, get mailing address:

Address: _____

_____] Thank you
again for taking the time to talk with me I really appreciate your help etc.

APPENDIX B

FOLLOW-UP SURVEY INSTRUMENT

Follow-Up Questions to Telephone Interviews
October 14, 1993

State:

Original Respondent Follow-Up:

Source of Call: Interviewer Respondent

Date & Time: _____

Name of Respondent: _____

Phone: _____

New Respondent Follow-Up:

Source of Call: Interviewer Respondent

Date & Time: _____

Name of Respondent: _____

Department/Title: _____

Phone: _____

1. Recently I mailed to you a summary of the rules for your state from my interview a few months ago. Have you had a chance to look them over yet? Were any of the items inaccurate?

If so, which one? What is the correct description of the rules for that question?

When we compiled the answers to the surveys, we realized there were a few points on which we were unclear of the rules. Would you mind if I asked you a few clarification questions?

[For states with ambiguous answers to the unpredictable income question]

2. Does your state [a] count income in the month received, [b] use retrospective budgeting, or [c] prospective budgeting?

[If a] Does this imply that a one-time unpredictable \$100 cash contribution from the male will be an overpayment? How is this handled?

[If b] Does this imply that a one-time unpredictable \$100 cash contribution from the male is subtracted two months later?

[If c] Does this imply that a one-time unpredictable \$100 cash contribution from the male is not budgeted as income and therefore disregarded?

[For states with ambiguous answers to the stepparent question]

3. Is it correct that a stepfather can be included in the assistance unit and the family assigned to AFDC-UP when the household consists of the stepfather, a mother, and her two children?

What are the circumstances under which a stepfather is included in the assistance unit?

[e.g. Does the state have a support law of general applicability? Is the stepfather an "optional person," etc.]

Optional Questions

4. Returning to the question of cash contributions: If an unrelated cohabiting adult male makes a regular contribution of \$100 to the AFDC recipient, and the contribution is for shared household expenses, is this treated differently than if the contribution is designated to be for the needs of the woman and her children?

How about if the contribution is designated to be the unrelated male's share of the rent?

5. Consider a couple with one child and assume they are both underemployed and that the household is eligible for AFDC-UP. Are separate earned income disregards applied to the earnings of each parent, or is the disregard applied to the sum of their earnings?

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