

The Use of TANF in Child Welfare

Jerry Collamore relates the story about Bob Lewis, former State fiscal director. Jerry says he would ask Bob if he could do so and so fiscally. Bob would say, “Yep”. Jerry would then ask, “Will I get in trouble?” And Bob would say, “Yep”. There is a reason why the PRC Reference Guide does not contain fiscal information, even though PRC is a TANF funded non-assistance services program with fiscal implications based on the federal parameters around the proper use of these federal funds. Please check with your fiscal supervisor for specific application information for any ideas presented in this paper.

There is no question that child welfare is basically an unfunded mandate, with the state paying less than 10% of the program costs. For many counties (particularly combined agencies without large levies) there seems to be an excellent opportunity to use the TANF reserve to help offset expenses and bolster programs in child welfare. But after all these years, there continues to be minimal utilization of TANF to affect child welfare outcomes.

I think the problem has been in trying to move TANF into child welfare. That’s leads you into a box canyon (i.e. TANF Title XX and the Kinship Incentive Program). What makes more sense is to move child welfare into TANF.

It is estimated that 60% of the children in custody and between 70-90% of families served by child welfare receive TANF assistance. Say what you will about child welfare being an equal opportunity offender, children living in families with less than \$15,000.00 in annual income are 22 times likely to be abused or neglected than families with income of \$30,000.00 or more.

At a PCSAO conference at Mohican a couple of years ago, David Berns from El Paso County, Colorado expressed the idea that what is good for the community is good for children. His vision was that by reducing poverty and family violence, he would be meeting the true objectives of child welfare. He saw the child welfare family and the TANF family having the same needs and that by working together, he was able to improve the outcomes for families and reduce placement costs. Thus child welfare was moved into TANF.

For the first six years of welfare reform in Ohio, counties tended to focus on the first two goals of TANF:

- 1) *To provide assistance to needy families so that children may be cared for in their own home or in the home of relatives; and*
- 2) *To end the dependence of needy families on government benefits by promoting job preparation, work and marriage.*

Much of the focus was on job creation and moving families from TANF assistance to the ranks of the working poor. The child welfare opportunity seemed to be embedded in goal #1, where agencies could use TANF to pay for case management services that were directed to support “family stability efforts”. It was clear that a federal dollar could not match a federal dollar, so TANF could not be used for any service reimbursed by Medicaid (therapy) or IV-E (placements).

In Medina, this meant that TANF was used to purchase case management services that were directed at pre-intake cases. When the agency received referrals that were of concern, but did not rise to the level of risk to open, they were reviewed for the assignment of a family stability worker. The agency also contracted with Medicaid agencies to provide CSP services to youth in their home, when a higher level of intervention was required.

The only additional task was that every intake worker had families fill out a PRC application (financial self disclosure form for families under 200% of the Federal Poverty Guidelines) when they first contacted the family. This allowed the agency to charge between 10 and 15% of administrative costs via the RMS 102 OWF case management code to TANF.

Then TANF Title XX came along. Once these TANF dollars moved over to Title XX, they became subject to the Title XX rules except for the fact that they are subject to the 200% TANF eligibility guidelines. This meant that the child was a family of one, and if so indicated on the CASP, these dollars could be used for any array of services for foster youth. These funds are also accessible via the SSRMS as a non-allocated expense.

Title XX **cannot** be used for placement costs unless the placement cost is incidental, ancillary, and subordinate to a specific and identified treatment need associated with a specific child, and where such treatment for that child is to be secured from that particular placement setting. Also, such costs would be viewed as purchased services. As such, the cost is **not** appropriate for inclusion in the social services cost pool and distribution by the SSRMS process. The SSRMS process is used to distribute a portion of the certain child welfare and social services time study codes to TANF/XX funding.

Sometime in 2006, someone from the feds told someone at the state to re-look at goal #3, which is: *To prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies.* This changed the landscape completely because this goal does not have income requirements or family requirements. As a result, it does not matter where the youth are living or in whose custody they are in. Therefore, in my opinion, almost anything you do to improve the self-esteem and well being of a youth, which is evidenced based, contributes to a reduction in the risk of an out-of-wedlock birth.

In Medina, the first application arose in terms of a tutoring program for foster children. It is very clear statistically that school success is a protective factor for reducing teenage

pregnancy and that school failure is a risk factor for teenage pregnancy. Therefore almost any educational support would be an allowable TANF expense.

What about college? Research shows that youth who get college degrees delay having families in lieu of starting a career. TANF (via the PRC plan) can pay for tuition, other educational fees and costs, and child care and transportation for employed participants. What TANF can NOT pay for is housing, meals and other living expenses, because this becomes “assistance” and counts toward life time limits and requires a separate application process.

An interesting related idea is to set up an incentive program for these youth. For example, if a plan is agreed upon that if they get C’s or better, they would receive a cash incentive of \$500.00. This is a fiscal idea that not only shapes behavior; it gives them attention and acts like a parental support. Best of all, since it is earned as an incentive, it does not count as assistance.

This leads to independent living programs in general. Aging out foster children are at higher risk of being homeless (14%), unemployed (37%) or involved in the criminal justice system (23.7) than their peers. According to Mark Courtney from the University of Chicago, “The strongest predictor of success in making the transition to adulthood is the ability to rely on your family.” And yet often the goal of child welfare is to remove children from their parents and disrupt that bond and then try to close the case of their 18th birthday.

That is why it is encouraging to see the State’s new independent living program allocation. According to Rick Smith, \$2.5 million in TANF funds has been allocated this year to PCSAs to support the provision of independent living (IL) services and assistance to youth ages 16 and older who are in the agency’s custody, and young adults ages 18 to 21 who have emancipated from the agency’s care. PCSAs may also use the funds to support the provision of independent living services to youth in their custody under the age of 16 when the youth is likely to remain in agency custody until the youth’s eighteenth birthday.

Funding from this allocation may not be used to support PCSA staff salaries. Funds available through the Chafee Independent Living Program, the Education and Training Voucher Program, the Workforce Investment Act, and other community resources must be utilized first for services allowable under these programs. The TANF funds for independent living are to expand services available under these programs, not supplant them.

For youth in custody, the agency may purchased services, make vendor payments, and make incentive payments consistent with the youth’s life skills assessment and written independent living plan developed in accordance with rule 5101:2-42-19. A PCSA may also offer incentives to eligible youth to promote successful behavioral outcomes. Such outcomes may include academic achievement such as honor roll or election to student council; acts or recognition of good citizenship in the community, or the achievement of

milestones that further the youth's accomplishment of goals/expectations outlined in the youth's written plan. Incentives may be provided to youth either in the form of a cash payment and/or an instrument such as a gift card or gift certificate. The value of incentive reward should not be disproportionately large.

For young adults who have emancipated from foster care there must be a written plan developed with a special emphasis on defining goals and outcomes which assist the young adult in achieving and maintaining self-sufficiency. Some allowable expenditure which a PCSA may consider on a case-by-case basis for a young adult who has emancipated includes:

- Security deposits, utility deposits, and rent and utility payments for up to four months when there is a clear plan that the young adult will be able to maintain ongoing payments beyond those for which he or she has received assistance from the PCSA.
- Up to \$1000 to assist with furniture.
- Driver's education classes and driver's license fees.
- A one time payment to a vendor to purchase or help to purchase a used car to support the person's employment when there is a clear plan that the young adult will be able to maintain the costs and responsibilities associated with a car.
- A one time payment to a vendor up to \$2000 to cover the cost of repairs to a car that is used to support the person's employment, provided that such repairs are necessary to the functioning of the car and are not considered ongoing car maintenance (e.g. - an oil change).
- Work clothes, tools, supplies, and examination and/or permit fees needed to obtain or maintain employment.
- Payment of a membership to join a YMCA or other activity which would help a young person maintain a responsible lifestyle.
- Employment mentoring.
- Nominal incentive awards either in the form of cash payment or gift card or gift certificate for the achievement of specific behavioral outcomes outlined in the written plan between the person and the PCSA.

An agency needs to consider the individual's needs on a case-by-case basis weighing the young person's level of maturity, ability to accept responsibility and the various options that are available to that young person in the county. One county may have an excellent public transportation system where another county has minimal public transit services available. One young person may have demonstrated responsibility through having been employed while under agency custody and responsibly driving the car of his foster family while in their care. Perhaps he or she would only need some assistance from the PCSA to make a one time purchase or repair a car to be used in employment, or to assist with initial housing costs. When considering the purchase of a car that can support the young adult's employment, the PCSA should take due care to consider that person's ability to pay for car insurance, fuel, and ongoing maintenance costs. Agencies are encouraged to dialogue with their legal counsel, and board of county commissioners to discuss any

additional perimeters the county wishes to be factored into the written plan developed with emancipated youth in regard to the services and supports the PCSA will provide.

Allocation funds may not be used for the purchase of child care. Funds may also not be used to provide transportation for unemployed youths or young adults.

Finally there is goal #4: *To encourage the formation and maintenance of two-parent families.* Rick Smith also had good news in this area in this area with the announcement of \$9.1 million dollars in TANF funds in SFY'07 for AdoptOHIO Kids funding to PCSAs. The allocation is to be used to enhance adoption programs to increase the overall number of adoptions – with a special emphasis on actions that will decrease the length of time required to complete adoptions. Funds available under the allocation are targeted to serve two-parent adoptive families, and single parent adoptive families who meet the state's standard of need. The standard of need for a single parent family is 120% of the state median income scaled to family size including the presence of any adopted children. There is no standard of need for two parent adoptive families.

Funds available under the allocation may be used only for purchased services to promote the formation of a two parent or an eligible single parent adoptive family. Examples of allowable purchased services include;

- Contracts or grants for family recruitment and home studies,
- Pre-adoptive training for parents and families,
- Per counseling and mentoring for pre-adoptive parents and families,
- And pre-finalization case management.

Funds can be used to support agency recruitment campaigns and promotional activities only when the theme of such efforts is focused on the development of two parent adopting families. Grants to faith based organizations are permitted and encouraged within the restrictions noted above. Funds may also be used to provide one-time incentive payments to adoptive families upon finalization. Allocation funding may not be used to support PCSA staff or general operating costs.

In conclusion, there seems to be unparalleled opportunities to improve child well being with the use of TANF dollars. Tracking the dollars on a kid to kid basis will be an issue. Also for separated agencies that have not worked together well before, new tie will have to be formed. But as David Berns told us several years ago, TANF really is a child abuse and prevention program.

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