



**FINAL REPORT OF THE
VIRGINIA COMMISSION ON YOUTH**

**TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA**

**Review of Virginia's Temporary
Assistance for Needy Families
Program**

REPORT DOCUMENT 91

**COMMONWEALTH OF VIRGINIA
RICHMOND
2017**



COMMONWEALTH of VIRGINIA
Commission on Youth

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February 22, 2017

TO: The Honorable Terry McAuliffe, Governor of Virginia

and

Members of the Virginia General Assembly

During the 2016 General Assembly Session, I introduced Senate Joint Resolution 95. The resolution directed the Commission on Youth to evaluate the Department of Social Services' administration of the Temporary Assistance for Needy Families (TANF) program and identify the amount of and reasoning for unused TANF funds; determine whether TANF funds are being used for the intended purposes of the TANF program or whether such funds are being diverted to other programs or non-TANF purposes; determine whether and how TANF funds can be better used to stabilize families economically, help provide educational opportunities, and provide parenting classes and identify other support services that could be made available through TANF funding to strengthen families; and consult with all relevant stakeholders. The House Committee on Rules reviewed this legislation and it was laid on the table. The House Committee on Rules requested the Commission on Youth to study the provisions set forth in the legislation and to report findings and recommendations prior to the 2017 General Assembly Session.

On May 3, 2016, the Commission adopted a study plan for this request. At its October 20, 2016 meeting, the Commission approved the recommendations for this study. These recommendations are included in this report. This report represents the work of many government and private agencies and individuals who provided input to the study. The Commission on Youth gratefully acknowledges their support to this effort.

Respectfully submitted,

A handwritten signature in cursive script that reads "Barbara Favola".

Barbara A. Favola

MEMBERS OF THE VIRGINIA COMMISSION ON YOUTH

From the Virginia House of Delegates

Richard L. Anderson
Richard P. Bell, Vice Chair
Peter F. Farrell
Mark L. Keam
Daun S. Hester
Christopher K. Peace

From the Senate of Virginia

Barbara A. Favola, Chair
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**Gubernatorial Appointments
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I. Authority for Study

Section 30-174 of the *Code of Virginia* establishes the Commission on Youth and directs it to "...study and provide recommendations addressing the needs of and services to the Commonwealth's youth and their families." This section also directs the Commission to "...encourage the development of uniform policies and services to youth across the Commonwealth and provide a forum for continuing review and study of such services."

Section 30-175 of the *Code of Virginia* outlines the powers and duties of the Commission on Youth and directs it to "[u]ndertake studies and to gather information and data...and to formulate and report its recommendations to the General Assembly and the Governor."

During the 2016 General Assembly Session, Senator Favola introduced Senate Joint Resolution 95. The resolution directed the Commission on Youth to evaluate the Department of Social Services' administration of the Temporary Assistance for Needy Families (TANF) program and identify the amount of and reasoning for unused TANF funds; determine whether TANF funds are being used for the intended purposes of the TANF program or whether such funds are being diverted to other programs or non-TANF purposes; determine whether and how TANF funds can be better used to stabilize families economically, help provide educational opportunities, and provide parenting classes and identify other support services that could be made available through TANF funding to strengthen families; and consult with all relevant stakeholders. The House Committee on Rules reviewed this legislation and laid the legislation on the table. The House Committee on Rules requested the Commission on Youth to study the provisions set forth in the legislation and to report findings and recommendations prior to the 2017 General Assembly Session. Senate Joint Resolution 95 is included as Appendix A.

II. Members Appointed to Serve

The Commission on Youth is a standing legislative commission of the Virginia General Assembly. It is comprised of twelve members: six Delegates, three Senators and three citizens appointed by the Governor.

Members of the Virginia Commission on Youth are:

- Delegate Richard L. Anderson, Woodbridge
- Delegate Richard P. "Dickie" Bell, Staunton, Vice Chair
- Delegate Peter F. Farrell, Richmond
- Delegate Mark L. Keam, Vienna
- Delegate Daun S. Hester, Norfolk
- Delegate Christopher K. Peace, Mechanicsville
- Senator Barbara A. Favola, Arlington, Chair
- Senator Charles W. "Bill" Carrico, Sr., Galax
- Senator David W. Marsden, Burke
- Karrie Delaney, Chantilly
- Deirdre S. Goldsmith, Abingdon
- Chris Rehak, Esq., Radford

III. Executive Summary

During the 2016 General Assembly Session, Senator Favola introduced Senate Joint Resolution 95. The resolution directed the Commission on Youth to evaluate the Department of Social Services' administration of the Temporary Assistance for Needy Families (TANF) program and identify the amount of and reasoning for unused TANF funds; determine whether TANF funds are being used for the intended purposes of the TANF program or whether such funds are being diverted to other programs or non-TANF purposes; determine whether and how TANF funds can be better used to stabilize families economically, help provide educational opportunities, and provide parenting classes and identify other support services that could be made available through TANF funding to strengthen families; and consult with all relevant stakeholders. The House Committee on Rules reviewed this legislation and laid it on the table. The House Committee on Rules requested the Commission on Youth to study the provisions set forth in the legislation and to report findings and recommendations prior to the 2017 General Assembly session.

The Commission on Youth developed a study plan to review the TANF program. After presentations of the findings and recommendations at the Commission's September 20 and October 20, 2016 meetings, and receipt of public comment, the Commission on Youth approved the following recommendations:

Recommendation 1

Request the Virginia Department of Social Services (VDSS), with input from the Virginia Housing Development Authority, local housing authorities, and other impacted stakeholders, evaluate the feasibility of establishing a TANF-funded emergency program to assist TANF families and families that received TANF support in the previous 12 months who require assistance paying for security deposits, utility deposits, and/or overdue rent to secure/retain affordable housing.

Recommendation 2

Support the VDSS efforts to include a component within the Virginia Case Management System that allows the seamless transition of the TANF child care subsidy from one local department of social services (LDSS) to another LDSS.

Recommendation 3

Introduce legislation/budget amendment to extend transitional services available to Virginia's VIEW recipients from 12 months up to 24 months when those recipients are enrolled in an accredited post-secondary program and in the process of obtaining an industry-recognized license or certificate, associate's degree or other college certification. VDSS will establish policies for the extension of transitional services that are consistent with current VIEW policies. Virginia's TANF funds appropriated for expanded/discretionary services may be utilized to fund this expansion.

Recommendation 4

Request the VDSS, in conjunction with the Virginia League of Social Services' (VLSEE) TANF/Employment Services Committee, review Virginia's temporary medical exemption condition policies for VIEW cases. This review will include recommendations for improving Virginia's existing temporary medical condition exemption determination and re-evaluation policies with focus on the goal of expeditiously transitioning TANF's medically exempt cases to VIEW or facilitating their application to appropriate disability benefits programs. VDSS and the

VLSSE's TANF/Employment Service Committee will report findings and recommendations to the Commission on Youth prior to the 2018 General Assembly Session.

Recommendation 5

Request the VDSS to evaluate the feasibility of mandating training for LDSS workers who work with TANF recipients which incorporates best practices in working with TANF recipients and helping them achieve self-sufficiency.

Recommendation 6

Support the General Assembly's efforts that ensure that Virginia's TANF program is adequately funded and ensure that the primary purposes of TANF are maintained.

IV. Study Goals and Objectives

At the Commission on Youth meeting on May 3, 2016, Commission on Youth staff was directed to review the Virginia's TANF program and to make recommendations prior to the 2017 General Assembly Session.

A. IDENTIFIED ISSUES

- The Temporary Assistance for Needy Families (TANF) program was born out of the welfare reforms of the mid-nineties. The goal is to support recipients in becoming self-sufficient by providing supportive services and a benefit that meets the subsistence needs of the family while providing training and job skills programs.
- In Virginia, TANF is funded through an annual \$158.2 million federal block grant. To receive the grant, the Commonwealth is required to spend \$128 million dollars annually from the general fund. With the utilization of federal and state funds, Virginia has the flexibility to design programs that fit its specific needs.
- Direct assistance under TANF provides eligible families with a monthly cash payment to meet their basic needs. Currently, Virginia serves approximately 24,000 households per month. The income eligibility threshold is about 19% of the federal poverty level, which is \$328 for a family of three. Benefits in Virginia rank 35th in the nation.
- TANF program expenditures must meet one of four federal requirements: (i) provide assistance to needy families so children can be cared for in their own homes or homes of relatives; (ii) end dependence of needy parents on government benefits by promoting job preparation, work and marriage; (iii) prevent and reduce the incidence of out-of-wedlock pregnancies; and (iv) encourage the formation of two-parent families.
- TANF funds are used for direct services to families, program administration, and a variety of programs referred to as expanded funding. States may also transfer up to 30% of the block grant for programs under the Child Care and Development Block Grant and Social Services Block Grant. Virginia transferred \$33.6 million in 2014.
- The reported TANF surplus at the end of state fiscal year 2015 was \$72.2 million. Surpluses are projected to shrink over the next few years because the Commonwealth appropriates more than it receives in block grant funding. However, a decrease in caseloads over the past few years has provided a buffer against the increase in appropriations on the non-cash assistance side.

B. STUDY ACTIVITIES

At the Commission's meeting on May 3, 2016, the Commission approved the study plan. The study activities are outlined in the sections that follow.

- Research and review federal law, requirements and allowances
 - Titles IV-A and IV-F of the Social Security Act
 - *Personal Responsibility and Work Opportunity Reconciliation Act of 1996*
 - Federal Regulations 45 CFR Parts 260-265
- Review and analyze Virginia laws, policies, procedures, and programs
 - *Code of Virginia* §§ 63.2-600 – 621 and 22 VAC 40-295-10 – 170
 - Recent budget amendment and legislative bill proposals for use of TANF funds
 - Virginia's Initiative for Employment not Welfare (VIEW)
 - Explore current and potential funding options:
 - Healthy Families
 - Domestic Violence
 - Community Action Agencies
 - Comprehensive Health Investment Project
 - Educational Improvement Tax Credit (EITC) Program Grants
 - Zion Innovation/Visions of Truth
 - Other Uses
- Conduct extensive background and literature reviews
 - National Conference of State Legislatures (NCSL)
 - Congressional Research Service reports
 - Other states' statutes, regulations, studies, and activities
- Convene an advisory group of stakeholders
 - Invite representatives from the impacted groups including:
 - Virginia Department of Social Services
 - Local Departments of Social Services
 - Virginia Department of Health
 - House Appropriations Committee Staff
 - Senate Finance Committee Staff
 - Virginia League of Social Services Executives – Employment/TANF Committee
 - Advocacy Organizations
- Develop recommendations
 - Synthesize findings
 - Develop recommendations
- Solicit feedback to recommendations
- Refine findings and recommendations
- Present findings and recommendations to the Commission on Youth
- Prepare final report

V. Methodology and Objectives

The findings of the study are based on several distinct research activities conducted by the Commission on Youth.

A. RESEARCH AND ANALYSIS

Commission staff conducted a review of both federal and state laws related to the Temporary Assistance for Needy Families (TANF) program. In addition, the Commission reviewed the *Code of Virginia* and the Virginia Department of Social Services' regulations, policies, and procedures related to the TANF program. The Commonwealth of Virginia's TANF State Plan and Memorandums of Agreement between Virginia Department of Social Services, the Virginia Department of Health and nonprofit organizations operating programs that provide

services related to programs receiving TANF funds were also reviewed. Staff reviewed the Commonwealth's reports that have been submitted to the U.S. Administration for Children and Families. Finally, staff reviewed proposed legislation and budget amendments affecting Virginia's TANF Program that were introduced between the 2010 and 2016 General Assembly Sessions.

B. STAKEHOLDER INTERVIEWS

Stakeholder interviews were conducted by staff in order to receive input and information about Virginia's TANF Program as well as programs receiving TANF funds. Stakeholders provided valuable information for the formulation of study findings and recommendations. Interviews included representatives of the following agencies and organizations:

- Virginia Department of Social Services (VDSS)
- Local Departments of Social Services (LDSS)
- Virginia League of Social Services Executives
- Virginia Department of Health (VDH)
- Virginia Department of Planning and Budget
- Virginia Stop Child Abuse Now (SCAN)
- Healthy Families
- Comprehensive Health Investment Project (CHIP)
- Resource Mothers

C. ADVISORY GROUP

The Commission on Youth hosted two Advisory Group Meetings on August 1, 2016 and September 6, 2016 to review Virginia's TANF program. The Advisory Group was comprised of 13 members including General Assembly members, the Virginia Department of Social Services, Local Departments of Social Services, the Virginia Department of Health, House Appropriations Committee Staff, Senate Finance Committee Staff, the Virginia League of Social Services Executives – Employment/TANF Committee and a variety of advocacy organizations. A listing of the Advisory Group membership is provided as Appendix B.

The August 1st Advisory Group agenda included an overview of the TANF program and the Virginia Initiative for Employment not Welfare program by the Virginia Department of Social Services. The agenda from the August 1st meeting is attached as Appendix C. The September 6th meeting included a presentation by VDSS on TANF eligibility and an overview of Virginia's Child Care Subsidy program. From a local perspective, the Advisory Group heard from a local department of social services (LDSS) director on the barriers to access. In addition, Commission staff gave a presentation on the expanded services and discretionary activities funded by TANF. The agenda from the September 6th meeting is included as Appendix D.

The Advisory Group formulated draft recommendation that were presented to the Commission on Youth at the September 20th meeting. The presentation is included as Appendix E. The Commission received public comment and took final action on the study recommendations at the October 20th meeting.

VI. Background

The results of the research and analysis conducted by Commission staff are summarized in the following paragraphs.

A. FEDERAL TANF PROVISIONS

The Social Security Act of 1935 established the Aid to Families with Dependent Children program (AFDC) as a grant program that allowed states to give cash support to vulnerable families. In 1996, Congress replaced Aid to Families with Dependent Children (AFDC) with the TANF block grant through the Personal Responsibility and Work Opportunity Reconciliation Act. Beginning in July 1, 1997, states received the federal block grant to operate their own programs in supporting the four purposes of TANF. The four purposes of TANF are to:

1. Provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;
2. End the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
3. Prevent and reduce the incidence of out of wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and
4. Encourage the formation and maintenance of two parent families.¹

Federal law requires states to restrict TANF-funded cash assistance to “needy” families. Therefore, states must require that TANF families meet a test of financial need. However, there is no federal definition of need. States define the criteria for determining whether a family is financially needy and eligible for TANF cash assistance.² Thus, while TANF is a single program from the perspective of federal law, in practice the program operates differently in every state.

Under TANF, the federal government provides a block grant to the states, which use these funds to operate their own programs. In order to receive federal funds, states must spend some of their own funds on programs for needy families. This state-spending requirement, known as the “maintenance of effort” (MOE) requirement, replaced the state match that AFDC had required.³ MOE provisions generally require that each state spend at least 80 percent (75 percent if the state meets certain performance standards) of the amount it spent on welfare and related programs in fiscal year 1994, before TANF was created.⁴ If a state does not meet its MOE requirements in any fiscal year, the federal government will reduce dollar-for-dollar the state’s federal TANF grant in the following year. In order to count state spending as MOE, funds must be spent on benefits and services to families with children that have incomes and resources below certain state-defined limits. Such benefits and services must generally further one of TANF’s previously noted four purposes. Within these broad goals, states have significant flexibility to design programs and spend their funds to meet families’ needs. Accordingly, a state can establish different eligibility limits for different programs funded by the TANF block grant.

¹ Center on Budget and Policy Priorities. (2015). *Policy Basics: An Introduction to TANF*, <http://www.cbpp.org/research/policy-basics-an-introduction-to-tanf>.

² Congress Research Services. (2014). *Temporary Assistance for Needy Families (TANF): Eligibility and Benefit Amounts in State TANF Cash Assistance Programs*, <https://fas.org/sgp/crs/misc/R43634.pdf>.

³ *Ibid.*

⁴ U.S. Government Accountability Office (GAO). (2012). *Temporary Assistance For Needy Families: State Maintenance of Effort Requirements and Trends*, <http://www.gao.gov/products/GAO-12-713T>.

Two other key elements of the TANF program are work requirements and time limits, both of which apply to income assistance and other aid designed to meet basic ongoing needs.⁵ Federal law requires that half of the families receiving assistance under TANF must be engaged in some kind of work-related activity for at least 30 hours per week, or 20 hours per week for single parents with young children. States must have a higher share of two-parent families engaged in work, generally 90 percent of two-parent families must be engaged in 35 hours of work per week. States can get credit against this work rate for recent declines in their assistance caseload based on the extent to which the state's TANF caseload has fallen since 2005.⁶ However, a state cannot get credit for a caseload decline that results from eligibility policy changes that result in case closures. For example, if a state's 2011 average monthly caseload is 10 percent less than its 2005 average monthly caseload, the state would receive 10 percentage points of caseload reduction credit towards its work participation rate for 2012, lowering the rate it must meet for all families from 50 percent to 40 percent.⁷

The other key feature of TANF is the imposition of time limits on receipt of benefits. The law prohibits states from using federal TANF funds to assist most families for more than 60 months.⁸ Federal law does not impose a time limit on "child-only families" (those with no adult receiving benefits) or on families receiving assistance funded entirely with state MOE funds.⁹ Federal law affords states flexibility in setting time-limit policies, thus, states may set a 60-month time limit, a shorter limit, or may choose to exempt families from time limits.¹⁰ Some states have opted to set the lifetime limit lower than the federal limit, while others have restricted the maximum number of months that TANF benefits can be continuously received during a given period. However, while states can set their own time limit policies, they cannot provide cash assistance from federal TANF funds for longer than 60 months to a family that includes an adult recipient.¹¹

Each state is required to submit a TANF State Plan to the federal government every two years.¹² TANF State Plans provide an overview of states' choices under the block grant. In addition, although states are expected to notify the federal government if any of their choices change after the plan is submitted, they are not required to do.

B. VIRGINIA'S TANF PROGRAM

Virginia's TANF program is based on its 1995 initiative which includes the Virginia Independence Program (VIP) and the Virginia Initiative for Employment Not Welfare program (VIEW).¹³ Virginia's program embodies the key tenets of TANF, including an emphasis on personal responsibility, work, and time-limited benefits.¹⁴ Its provisions incorporate and build on the fundamental TANF principles by:

⁵ Center for the Study of Social Policy. (2016). *20 Years of TANF: Opportunities to Better Support Families Facing Multiple Barriers*.

⁶ Schott, L., & Pavetti, L. (2014). *Changes in TANF Work Requirements Could Make Them More Effective in Promoting Employment*. Center on Budget and Policy Priorities, <http://www.cbpp.org/research/family-income-support/changes-in-tanf-work-requirements-could-make-them-more-effective-in>.

⁷ Ibid.

⁸ Bloom, D., Farrell, M., & Fink, B. (2002). *Welfare Time Limits: State Policies, Implementation and Effects on Families*, U.S. Department of Health and Human Services Administration for Children and Families and MDRC.

⁹ Center on Budget and Policy Priorities. (2015). *Policy Basics: An Introduction to TANF*, <http://www.cbpp.org/research/policy-basics-an-introduction-to-tanf>.

¹⁰ Ibid.

¹¹ Ibid.

¹² U.S. Department of Health and Human Services' Office of Planning, Research and Evaluation, Administration for Children and Families. (2015). *Welfare Rules Databook: State TANF Policies as of July 2014*.

¹³ Virginia Department of Social Services. (2014). *Commonwealth of Virginia TANF State Plan Renewal*.

¹⁴ Ibid.

1. making work the primary goal for TANF recipients;
2. ensuring that two parents contribute to the financial well-being of each child;
3. permitting recipients to keep more earnings as they prepare to leave TANF;
4. subsidizing child care and transportation to ease the transition to the working world;
5. setting a time limit for TANF benefits; and
6. requiring teen parents to stay at home and stay in school.¹⁵

There are two sets of requirements; eligibility requirements and work requirements. These will be highlighted in the paragraphs which follow.

Eligibility for TANF depends upon one's income and the total number of dependents in the household. To qualify for TANF assistance, qualifying assistance units' (recipients) countable income must pass screenings at 185 percent of the standard of need (which is approximately 37 percent of the Federal Poverty Limit).^{16 17} Once the family is determined to be financially needy, the standard of assistance (monthly payment) is calculated. Income is counted prospectively in determining financial eligibility and the monthly payment amount. A standard work deduction and deductions for child and/or incapacitated adult care are also applied in determining applicants' eligibility for benefits.¹⁸

There are other eligibility requirements that must be met for the family to qualify for TANF assistance. These requirements include the following:

- the family includes a child who is a U.S. citizen or an eligible immigrant;
- the child is living in the home of a parent or relative or is in foster care;
- the family includes a child who is a resident of Virginia;
- the mother identifies the fathers of their children, unless the child was adopted or there are safety concerns;
- the child is under age 18, or if age 18 must be attending school and expected to complete high school by age 19.¹⁹

The Virginia Board of Social Services has established Virginia's TANF standards of assistance (payment levels) based on the size of the assistance unit in all TANF cash payment cases²⁰. Because of a wide variation in shelter costs within the state, Virginia also has a three-tiered locality grouping structure to establish payment amounts for the TANF program. Virginia's locality grouping structure was established in 1974 and is based on the shelter costs in Virginia's localities.²¹ Each locality is placed in a locality grouping which determines payment levels for recipients of TANF in that locality. Therefore, monthly TANF assistance payments are based on the number of eligible persons in the assistance unit and the locality grouping in which the family resides. The standard of assistance is the amount of the monthly cash payment for the eligible assistance unit. A family of three in a locality designated Group I receives a standard of assistance in the amount of \$307.²² A family of three in a locality designated Group II receives \$336.²³ A family of three in a locality designated Group III receives \$409.²⁴

¹⁵ Ibid.

¹⁶ T. Steinhauer, Personal Communication, September 14, 2016.

¹⁷ Virginia Department of Social Services. (2014). *Commonwealth of Virginia TANF State Plan Renewal*.

¹⁸ Ibid.

¹⁹ Virginia Department of Social Services. (2014). *Commonwealth of Virginia TANF State Plan Renewal*.

²⁰ Ibid.

²¹ Virginia Department of Social Services. (2002). *The Study of Locality Groupings, Report Document 14*, [http://leg2.state.va.us/dls/h&sdocs.nsf/By+Year/HD142002/\\$file/HD14_2002.pdf](http://leg2.state.va.us/dls/h&sdocs.nsf/By+Year/HD142002/$file/HD14_2002.pdf).

²² Virginia Department of Social Services. (2016). *Temporary Assistance for Needy Families (TANF) Guidance Manual*, https://www.dss.virginia.gov/files/division/bp/tanf/manual/tanf_manual_complete_06302016.pdf.

²³ Ibid.

The VIEW Program is the work component of Virginia's TANF Program. VIEW requires able-bodied parents with children over the age of 12 months to participate in the program. VIEW offers Virginians living in poverty the opportunity to:

1. obtain work experience and work skills necessary for self-sufficiency;
2. contribute to the self-sufficiency of their families; and
3. achieve economic independence.²⁵

The VIEW Program offers a number of education, training, and work components designed to meet the individual needs of the TANF recipients required to participate in VIEW and to meet federal requirements. All TANF applicants are screened at application to determine whether they must be referred for participation in VIEW. All recipients who are not found to be exempt from VIEW are required to Sign an Agreement of Personal Responsibility which states the expectations that must be met under VIEW.²⁶ An employability assessment is then conducted which evaluates work history, education history, job skills, functional literacy level, and job readiness skills. An Activity and Service Plan is also developed, which indicates the activities the participant will engage in to obtain employment.

In addition to the program and client goals listed above, the Virginia Department of Social Services and local agencies must meet federal requirements regarding types and intensity of client participation in VIEW in order to maintain federal funding. These components are divided into core and non-core work activities.²⁷ Core job activities include unsubsidized employment, subsidized employment, Community Work Experience Program (CWEP), on-the-job training, job search and job readiness assistance, public service, vocational education and training. Vocational education and training included in the calculation of the federal participation rate is restricted to a lifetime limit of 12 months for each individual. Non-core activities include job skills training and education below post-secondary. Unless full-time employed, each client referred to VIEW must be assigned to a minimum of 35 hours per week in work activities to ensure that the client's actual hours of participation can be counted in Virginia's participation rate calculation.²⁸ In all situations (with the exception of participants age 18 or 19, enrolled in high school or GED and meeting attendance requirements) the first 20 of these hours must be in a core work activity or combination of core work activities. Additional hours needed to meet the participation requirement can be made up of additional hours from the same core work activity or activities, a different core work activity, or a non-core activity.²⁹

All individuals must participate in VIEW unless otherwise exempt. There are eight exemptions to this work requirement. The exemptions are:

1. Any individuals, including all minor caretakers, under 16 years of age;
2. Any individual at least 16, but no more than 19 years of age, who is enrolled full-time in elementary or secondary school, including vocational or technical school programs; The vocational or technical school must be equivalent to secondary school;
3. Any individual unable to participate because of a temporary medical condition that prevents entry into at least 20 hours per week of employment or training, as

²⁴ Ibid.

²⁵ Virginia Department of Social Services. (2016). *Temporary Assistance For Needy Families (TANF) Guidance Manual*, https://www.dss.virginia.gov/files/division/bp/tanf/manual/tanf_manual_complete_06302016.pdf.

²⁶ Virginia Department of Social Services. (2014). *Commonwealth of Virginia TANF State Plan Renewal*.

²⁷ Ibid.

²⁸ Participation requirements for VIEW may be 30 hours if the participant is employed full time at minimum wage, including employment in an On the Job Training (OJT) position.

²⁹ Ibid.

- determined by a medical professional;
4. Any individual who is incapacitated, as determined by receipt of Social Security Disability benefits or Supplemental Security Income;
 5. Any individual 60 years of age or older;
 6. Any individual who is the sole caregiver of another member of the household who is incapacitated, and whose presence is essential for the care of the member on a substantially continuous basis. Incapacity is determined by receipt of Social Security Disability benefits or Supplemental Security Income. The sole other condition under which an individual may be determined incapacitated is by a written medical statement from a physician; and
 7. A parent or caretaker of a child under 12 months of age who personally provides care for the child. A parent of a child not considered part of the TANF assistance unit under the family cap provision may be granted a temporary exemption of not more than six weeks after the birth of the child.^{30 31}

TANF recipients participating in VIEW are allowed to receive 24 months of cash benefits. After that time, they must wait two years before they can again qualify for TANF.³² In addition to cash assistance, TANF recipients are eligible for a wide range of benefits and services addressing conditions and causes of economic and social disadvantage of children and families. These supportive services are provided while the recipients are participating in VIEW to remove barriers to work participation and to stabilize employment. There are five types of VIEW supportive services that the local agency can provide directly or can purchase. These services include:

- Child care;
- Transportation, including certain vehicle repairs;
- Program and/or work-related expenses, such as fees for birth certificates, license fees, registration fees, graduation fees, picture ID costs, uniforms or other clothing and shoes, safety equipment and tools, and car repairs; and
- Emergency intervention, such as provision of food, payment of utilities, or other items necessary for the participant to gain or keep employment or to participate in other work activities; and
- Medical and dental services, such as fees for dentures, glasses, orthopedic shoes, and other items required prior to entry into jobs, work-sites, or other components for a client that has a disability as determined by a medical professional, which affects program participation.³³

The provision of supportive services is contingent upon the availability of funds based on local VIEW allocations, and spending limits for services will be at the agency's discretion. If supportive services are essential for VIEW participation, and neither the participant nor the agency can provide them, and no alternatives are available, the participant will not be sanctioned for noncompliance. In these situations, the participant is placed in an inactive status (for up to 90 days) to prevent the clock from counting against the VIEW 24-month time limit.

VIEW recipients and those TANF participants who are working are also eligible for child care services through Virginia's Child Care Subsidy Program. Virginia's Child Care Subsidy Program provides financial assistance for child care and is administered by the Virginia Department of

³⁰ Ibid.

³¹ The family cap provision refers to an additional child born during the period when a family is eligible for TANF who is not eligible to have the child's needs included in the grant.

³² Virginia Department of Social Services. (2014). *Commonwealth of Virginia TANF State Plan Renewal*.

³³ Ibid.

Social Services and the 120 local departments of social services. The Child Care Subsidy is broken down into mandated services and non-mandated services. As noted previously, VIEW families and TANF working recipients are eligible for child care services. Certain low-income families may also be eligible (non-mandated) for the Child Care Subsidy based on the extent funding is available and if the families meet certain eligibility and non-financial requirements. The following categories are eligible for child care subsidy services dependent upon the locality's funding allocation:

- Fee Child Care – qualifying families who are not participating in VIEW/TANF working programs or not receiving TANF/VIEW transitional services; and
- Head Start Wrap-Around Child Care – families are eligible for the subsidy due to their child's participation in Head Start.

In Fiscal Year 2016, 21,394 children received child care services under this non-mandated category.³⁴ However, there are waiting lists in many localities for the Child Care Subsidy under the non-mandated category. As of August 2016, there were 11,877 families and 19,055 children on the statewide waiting list.³⁵

Virginia's TANF recipients may also be eligible for other assistance programs. These may include Medicaid, Supplemental Nutrition Assistance Program (SNAP), Women's Infant and Children Services (WIC), National School Breakfast/Lunch programs, energy assistance, and housing assistance. According to the Virginia Department of Social Services, as of September 2016, over 71 percent of TANF recipients received Medicaid and SNAP benefits.³⁶

After leaving the VIEW program, TANF parents who remain employed may be eligible for a 12-month period of transitional services. Transitional services may include transportation assistance, medical assistance, transitional child care assistance, employment, and training services.³⁷ Moreover, financial assistance of \$50 per month is available to recipients who are employed and working at least 30 hours per week or more at the time of their TANF case closure.³⁸ This is known as VIEW Transitional Payments (VTP). Transitional child care is paid from the federal Child Care and Development Block Grant. Transitional transportation services are paid from TANF and state funds. Families who participated in VIEW are eligible for transitional transportation based on their prior TANF eligibility.

Funding for Virginia's TANF is dependent on the Commonwealth meeting a 50 percent Work Participation Rate (WPR).³⁹ Failure to meet the WPR results in a 5 percent reduction in the TANF block grant. States can offset their 50 percent WPR with a caseload reduction credit – a percent reduction in the required WPR for each percentage reduction in the caseload since 2005.⁴⁰ For Federal Fiscal Year 2014, after applying a caseload reduction credit of 17.7 percent, Virginia's new WPR target became 32.3 percent. Virginia's actual WPR was 43.9 percent.⁴¹ In 2015, Virginia spent about \$273 million in federal and state funds under the TANF

³⁴ Virginia Department of Social Services. (September 6, 2016). *TANF and the Child Care Subsidy Program*.

Presentation to the Virginia Commission on Youth Advisory Committee on the Review of Virginia's TANF Program.

³⁵ Ibid.

³⁶ Virginia Department of Social Services. (September 6, 2016). *TANF and Eligibility for Virginia's Benefit Programs*, Presentation to the Virginia Commission on Youth Advisory Committee on the Review of Virginia's TANF Program.

³⁷ Virginia Department of Social Services. (2016). *SFY 2015 Annual Statistical Report of VDSS*, http://www.dss.virginia.gov/files/about/reports/agency_wide/annual_statistical/pdf_versions/2015.pdf.

³⁸ Virginia Department of Social Services. (2016). *Temporary Assistance For Needy Families (TANF) Guidance Manual*, https://www.dss.virginia.gov/files/division/bp/tanf/manual/tanf_manual_complete_06302016.pdf.

³⁹ Virginia Department of Social Services. (August 1, 2016). *TANF Overview*. Presentation to the Virginia Commission on Youth Advisory Committee on the Review of Virginia's TANF Program.

⁴⁰ Ibid.

⁴¹ Ibid.

program. It spent 65 percent of these funds on core welfare reform activities, which include basic assistance, work activities and supports, and child care.⁴²

Temporary Assistance for Needy Families – Unemployed Parent (TANF-UP) Program

The Temporary Assistance for Needy Families - Unemployed Parent (TANF-UP) Program provides assistance to families with two able-bodied parents. This is a separate state program funded entirely by state funds and operated outside of the TANF program.⁴³ Although various conditions and eligibility requirements may be different under the separate state program, the basic benefit payment for which two-parent families are eligible under the separate state program shall not be less than what they would have received under TANF.⁴⁴

In order to be eligible for TANF-UP, members of the assistance unit must meet existing categorical requirements and eligibility conditions for TANF. This means the child must reside with their natural or adoptive parents reside and the family must be in financial need.⁴⁵ In addition, the parents must meet citizenship/alienage requirements. Both parents must participate in VIEW unless one parent meets an exemption. Only one parent can be exempt.⁴⁶

Expanded Services/Discretionary Activities Funded By TANF

In addition to the TANF cash assistance program administered by local departments of social services, the Virginia Department of Social Services has established other programs to provide additional services. Services are provided to families receiving TANF, other low-income families who have transitioned off TANF, or are at risk of becoming TANF recipients. These programs are required to meet at least one of the four purposes of the TANF program. Programs designed to meet purposes one and two require an income test.^{47 48} Virginia has set a maximum income level that ensures that benefits are provided for needy populations. The maximum income level for services provided under purposes one and two is 200 percent of the federal poverty limit.⁴⁹

Expanded funding is allocated from the TANF block grant and was over \$21 million in both FY 2017 and FY 2018.⁵⁰ TANF funding is currently appropriated for the following programs:

- Healthy Families (\$9.0 million)
- Domestic Violence Grants (\$3.3 million)
- Community Action Agencies (\$4.25 million)
- Comprehensive Health Investment Project (\$2.4 million)
- Boys and Girls Clubs (\$1 million)
- Resource Mothers (\$1 million)
- Earned Income Tax Credit (EITC) Grants (\$185,725)⁵¹

⁴² Center for Budget and Policy Priorities. (2016). *Virginia TANF Spending*, http://www.cbpp.org/sites/default/files/atoms/files/tanf_spending_va.pdf.

⁴³ 2016 Virginia Acts of Assembly, Chapter 780, Item 335 C.

⁴⁴ Ibid.

⁴⁵ Virginia Department of Social Services. (2016). *Temporary Assistance For Needy Families (TANF) Guidance Manual*, https://www.dss.virginia.gov/files/division/bp/tanf/manual/tanf_manual_complete_06302016.pdf.

⁴⁶ VA Code § 63.2-609.

⁴⁷ Virginia Department of Social Services. (2014). *Commonwealth of Virginia TANF State Plan Renewal*.

⁴⁸ Purpose 1 provides assistance to needy families so that children may be cared for in their own homes or in the homes of relatives and Purpose 2 seeks to end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage. Purposes 3 prevents and reduces the incidence of out of wedlock pregnancies and establishes annual numerical goals for preventing and reducing the incidence of these pregnancies, and Purpose 4 encourages the formation and maintenance of two parent families.

⁴⁹ Ibid.

⁵⁰ Virginia Department of Social Services. (August 1, 2016). *TANF Overview*. Presentation to the Virginia Commission on Youth Advisory Committee on the Review of Virginia's TANF Program.

⁵¹ Ibid.

Expanded programs receiving TANF funds will be highlighted in the paragraphs that follow. The information contained in the following paragraphs was obtained from stakeholder interviews, from program representatives, and from the Memorandums of Agreement and reports prepared by staff with the Virginia Department of Social Services and the Virginia Department of Health.

Healthy Families – Healthy Families is a nationally recognized home visiting program that targets families assessed as being at-risk for child abuse/neglect. New or expectant parents are screened for services, which are offered voluntarily. There are 32 sites in Virginia. There is not an income determination for Healthy Families; however, this program targets at-risk families.

Comprehensive Health Investment Project (CHIP) of Virginia – CHIP of Virginia are local public/private partnerships that provide comprehensive care coordination, family support, and referral to medical and dental services for low-income at-risk children. CHIP has six sites serving 26 localities across the Commonwealth. Eligible families include those who 1) are expecting a child or have minor children under the age of six in the home, 2) have an income level at or below 200 percent of the Federal Poverty Level (FPL), and 3) reside within any locality with a CHIP of VA program.

Resource Mothers – Resource Mothers is a home-visiting program providing a combination of social support, education, and practical assistance to first-time pregnant teens 19 of age and under with the goal of helping these teens successfully transition to parenthood. In Fiscal Year 2015, the Resource Mothers Program contractors included eight health district offices and five private contractors. There is no income determination; therefore, any pregnant teen is eligible to participate. There is a Memorandum of Understanding between the Virginia Department of Social Services and the Virginia Department of Health. The Virginia Department of Social Services oversees the statewide administration and financing for the program.

Domestic Violence – Domestic Violence services are provided as a grant to local domestic violence programs for purchase of crisis and core services for victims of domestic violence, including 24-hour hotlines, emergency shelter, emergency transportation, and other crisis services as a first priority. Domestic violence programs are statewide; each individual program has an area that it serves. Families do not have to be receiving TANF cash assistance in order to qualify for housing services. Due to the correlation between parenting, poverty and domestic violence, most shelter residents are TANF eligible. TANF funds make up a portion of the total funds awarded to local domestic violence programs.

Community Action Agencies – Community Action Agencies support a variety of programs that help individuals and families manage the conditions of poverty, overcome the causes of poverty, and ultimately move towards self-sufficiency. There are 28 local and three statewide agencies. All clients served using TANF funds must be at or below 200 of the Federal Poverty Level.

Boys and Girls Clubs – In Fiscal Years 2017 and 2018, the Virginia Alliance of Boys and Girls Clubs received TANF funding to expand community-based prevention and mentoring services across the Commonwealth. The Virginia Alliance of Boys & Girls Clubs proposed serving an additional 1,500 young people between the ages of 6 and 18 with Club programming across the following priority program areas:

- academic success,
- workforce development, and
- healthy lifestyles.

The Alliance intends that all eligible clubs will participate in the funding opportunity, providing Club programming to young people statewide.

Earned Income Tax Credit (EITC) – The Virginia Community Action Partnership (VACAP) supports community groups and local coalitions throughout the Commonwealth that provide free tax preparation services to low-income working individuals and families. There are 25 coalitions working with community volunteers that have received funding from the EITC grant. Families do not have to be receiving TANF cash assistance in order to qualify. The mission is to raise awareness of EITC among all eligible taxpayers and to educate workers, employees, clients, and customers of the importance of obtaining all tax credits to which they are entitled.

VIII. Findings and Recommendations

After presentations of the findings and recommendations at the Commission's September 20 meeting, and receipt of public comment, the Commission on Youth approved the following recommendations at the October 20th meeting:

Finding 1 – TANF recipients are not automatically guaranteed housing assistance

Housing affordability can be problematic for families receiving TANF benefits who are attempting to transition from welfare to work. Housing assistance enhances the effects of welfare reform strategies by promoting employment and increasing earnings. While some local public housing programs provide priority housing to certain individuals, e.g., domestic violence survivors who need to relocate due to abuse, TANF recipients are not prioritized for housing services. Moreover, income limits for these programs vary among localities so a TANF recipient may be eligible at a Housing Authority located in one locality but not another. The United States Department of Housing and Urban Development (HUD) sets income eligibility criteria for housing services based on the median income for each county or metropolitan area. Local Housing Authorities use income limits developed by HUD. There are two types of housing assistance, public housing and Section 8 (Housing Choice Voucher).

Public housing comes in all sizes and types, from scattered single-family houses to high-rise apartments for elderly families. HUD sets the lower income limits for public housing at 80% and very low income limits at 50% of the median income for the county or metropolitan area in which the recipient resides. The Virginia Section 8 (Housing Choice Voucher) program allows very low-income families to choose and lease or purchase safe, decent, and affordable privately owned rental housing. Participants may select a housing unit of their choice, provided these housing units meet the minimum program health and safety requirements. In order to qualify for the Virginia Housing Choice Voucher program, applicants must fulfil certain residency and income requirements. The Virginia Housing Choice Voucher program gives special eligibility consideration to the elderly, disabled and to families with children. The income eligibility threshold for the housing voucher program is 50% of the median income for the county or metropolitan area in which the family resides. By law, a public housing authority must provide 75% of its vouchers to applicants whose incomes do not exceed 30% of the area median income.

As of 2014, the Virginia Housing Development Authority (VHDA) listed 9,807 families on local housing agency waiting lists. Of those responding, 682 households indicated they are handicapped or disabled. Over 98% of the total households on the local housing agency waiting lists reported to be extremely low to very low-income.

Recommendation 1

Request the Virginia Department of Social Services (VDSS) evaluate the feasibility of establishing a TANF-funded emergency program to assist TANF families and families that received TANF support in the previous 12 months who require assistance paying for security deposits, utility deposits, and/or overdue rent to secure/retain affordable housing.

Finding 2 – Access to child care is essential for TANF families and those transitioning from TANF to the workforce

After housing costs, child care costs can challenge the continued employment and self-sufficiency of low-income parents. Many families pay 30% or more of their income for child care. In FY 2014, the annual cost of child care in Virginia was \$10,458 for an infant, \$7,957 for a four-year old, and \$3,339 for a school-aged child. Child care is a significant component in helping TANF families become self-sufficient and in enabling the working poor to break the cycle of poverty.

Virginia's Child Care Subsidy program, which is administered by the Virginia Department of Social Services (VDSS) and 120 local departments of social services (LDSS), provides low-income families with financial assistance for child care. The Subsidy is broken down into mandated services and non-mandated services.

The following families are prioritized (mandated) for child care services:

- *Virginia Initiative for Employment not Welfare (VIEW) & TANF working recipients;*
- *TANF education and training recipients;*
- *Transitional services for TANF/VIEW recipients; and*
- *SNAP (Supplemental Nutrition Assistance program) employment and training recipients. In Fiscal Year (FY) 2016, 17,361 were served.*

Certain low-income families may also be eligible (non-mandated) for the Child Care Subsidy based on the extent funding is available and if the families meet certain eligibility and non-financial requirements. The following categories that are eligible for child care subsidy services dependent upon the locality's funding allocation:

- *Fee Child Care – qualifying families who are not participating in VIEW/TANF working programs or not receiving TANF/VIEW transitional services; and*
- *Head Start Wrap-Around Child Care – families are eligible for the subsidy due to their child's participation in Head Start.*

In FY 2016, 21,394 children received child care services under this non-mandated category.

The Advisory Group learned that there are waiting lists in many localities for Child Care Subsidy under the non-mandated category. As of August 2016, there were 11,877 families and 19,055 children on the statewide waiting list (TANF working families and VIEW participants are mandated and not put on waiting lists for the Child Care Subsidy).

Families who are receiving the Child Care Subsidy and are not considered mandated may lose access to this benefit should they move from one locality to another. When Child Care Subsidy recipients move, they notify the new locality of their need for child care services.

Child care services in the original locality cease and the family reapplies in the new locality. These families are then placed on a locality's waiting list, even if they were receiving the child care subsidy in the locality where they previously resided.

The updated regulations for the Child Care and Development Fund (CCDF), the federal regulation that governs Virginia's Child Care Subsidy program, calls for states to maintain a family's authorization for services should they move within the state. A workgroup convened by the Virginia Department of Social Services is currently working on this transfer process. TANF will migrate into the Virginia Case Management System (VaCMS) this fall. Both programs will be in the same case management system for the first time. This effort will allow cases to be transferred so that families will not need to re-apply for the subsidy.

Recommendation 2

Support the VDSS efforts to include a component within the Virginia Case Management System that allows the seamless transition of the TANF child care subsidy from one local department of social services (LDSS) to another LDSS.

Finding 3 – Virginia's VIEW recipients receive a comprehensive array of supportive and transitional services that help them to maintain employment and achieve self-sufficiency.

Virginia's TANF program is designed to help needy families achieve self-sufficiency. States receive grants to design and operate programs that accomplish one of the purposes of the TANF program:

- 1. Provide assistance to needy families so that children can be cared for in their own homes;*
- 2. Reduce the dependency of needy parents by promoting job preparation, work and marriage;*
- 3. Prevent and reduce the incidence of out-of-wedlock pregnancies; and*
- 4. Encourage the formation and maintenance of two-parent families.*

The Virginia Initiative for Employment not Welfare program (VIEW) is the work-related portion of Virginia's TANF program which requires participants to be employed or engaged in a work activity. There is a 60-month federal lifetime limit on receipt of TANF cash assistance. TANF recipients who are in VIEW receive 24-months of cash benefits, plus one year of transitional benefits. After this time period, they must wait two years before they can again qualify for TANF. VIEW recipients will be discontinued from the program if their incomes increase above the 100% federal poverty level (FPL).

With a few exceptions, TANF recipients must participate in work activities. Upon entry into VIEW, the participant signs an Agreement of Personal Responsibility outlining the responsibilities of the client and agency. An employability assessment is then conducted which evaluates work history, education history, job skills, functional literacy level, and job readiness skills. An Activity and Service Plan is also developed, which indicates the activities the participant will engage in to obtain employment. Work activities include job search, job readiness, unsubsidized employment, subsidized employment, community work experience, public service, on-the-job training, vocational education, job skills training, English as a Second Language (ESL), Adult Basic Education (ABE) and the General Equivalence Diploma (GED). Core job activities include unsubsidized employment,

subsidized employment, Community Work Experience Program (CWEP), on-the-job training, job search and job readiness assistance, public service, vocational education and training.

Funding for Virginia's TANF program is dependent on the Commonwealth meeting a 50% work participation rate (WPR). Failure to meet the WPR results in a five percent reduction in the TANF block grant, which is \$7.9 million. In federal FY 2014, the Commonwealth's WPR was 43.9%. Virginia's actual target was 32.3% because of Virginia's caseload reduction credit – a percent reduction in the required WPR for each percentage reduction in the TANF caseload since 2005. The Advisory Group learned that Virginia does extremely well with workforce participation and usually ranks in the top ten states to achieve employment for TANF recipients. According to VDSS, since 1995 there have been 251,499 TANF participants. Of this number, 240,356 participated in a work activity and 169,366 entered employment. For FY 2016, there were 21,041 TANF participants with 19,084 participating in a work activity. The number of TANF recipients who entered employment was 12,939. Their average monthly earnings were \$1,192.

TANF Supportive and Transitional Services

In addition to cash assistance, TANF recipients are eligible for a wide range of benefits and services addressing conditions and causes of economic and social disadvantage of children and families. The intent of providing these supportive services is to remove barriers to the individual's work participation and to stabilize employment. As noted previously, this includes child care if such assistance enables the individual to work. Other supportive services include medical assistance, transportation and/or work related expenses, and emergency intervention. According to VDSS, as of September 2016, 71.26% TANF recipients received Medicaid and SNAP benefits. Other services available to TANF recipients include energy assistance, housing assistance, Women's Infants and Children (WIC), and the National School Lunch/Breakfast Program.

In addition, transitional services are available for up to one year after TANF assistance ends. Transitional services that may be available when a participant's TANF assistance ceases are transportation assistance, child care assistance, employment, and training services. Medical assistance, including transitional medical assistance for families with a working parent who becomes ineligible for TANF financial assistance because of increased earnings, is also available. Financial assistance of \$50 per month, if the participant is employed and is working at least 30 hours per week or more at the time of TANF closure.

Temporary Medical Condition Exemption to VIEW participation

All individuals must participate in VIEW unless otherwise exempt. There are eight exemptions to this work requirement. The exemptions include caregiving for minor children, enrollment in school or vocational training, a temporary medical condition that prevent entry into at least 20 hours per week of employment/training, an individual who is incapacitated, as determined by receipt of Social Security Disability benefits or Supplemental Security Income, an individual 60 years or older, an individual who is the sole caregiver of another member of the household who is incapacitated whose presence is essential for the care of the family member, and a six week exemption to a parent who has given birth to a child.

If the individual is unable to participate in VIEW for at least 20 hours per week because of a temporary medical condition substantiated by a medical statement, the eligibility worker must obtain a new medical and re-evaluate the exempt individual's incapacity immediately following the anticipated end of the incapacity originally noted on the medical statement. If the duration indicated on the medical statement is for longer than 12 months, or is identified

as permanent, a new form must be obtained every 12 months.

As of April 2016, there were a total of 1,727 cases that were exempt from VIEW. Of this number, 1,433 were exempt from VIEW due the temporary medical exemption that prevents entry into at least 20 hours per week of employment/training (83% of exempt VIEW cases). Because the medical exemption requirement does not require work activity, many of these TANF recipients' barriers to self-sufficiency continue to mount. Recipients with severe medical exemptions may actually be eligible for Social Security disability benefits in lieu of TANF.

Use of Data

Human service programs may place focus on the administration of individual programs rather than the outcomes that those programs and services are intended to produce. Families are enrolled in the programs for which they are eligible and they receive a particular set of services. The services families receive may not be integrated with other programs nor utilize data to maximize results. Increased data sharing and analysis can allow for the identification of best practices in the administration of state programs and services, allow programs to be more efficiently and effectively administered, and be accomplished in such a way that assures the protection of individuals' privacy.

In May of 2016, Governor Terry McAuliffe signed Executive Directive 7 to leverage the use of shared data and data analytics among state agencies to improve services and outcomes, maximize the use of resources, and increase the return on investment of citizens' tax dollars. The directive requires a review of all Commonwealth systems, practices, processes, policies, applicable laws, and regulations governing the sharing of data across agencies. The Executive Directive also calls for the creation of an inventory of state agencies' data analytics assets, capabilities, best practices and data-sharing activities. The Secretaries of Technology and Finance and Chief Information Officer are to report their findings from this effort no later than October 15, 2016.

Recommendation 3

Introduce legislation/budget amendment to extend transitional services to Virginia's VIEW recipients from 12 months for up to 24 months for recipients enrolled in an accredited post-secondary program for an industry-recognized license or certificate program, associate's degree, or other college certification program. Transitional services would terminate upon completion of the program. VDSS will establish policies for the extension of transitional services that are consistent with current VIEW policies. Virginia's TANF funds appropriated for expanded/discretionary services may be utilized to fund this expansion.

Recommendation 4

Request the VDSS, in conjunction with the Virginia League of Social Services' (VLSEE) TANF/Employment Services Committee, review Virginia's temporary medical exemption condition policies for VIEW cases. This review will include recommendations for improving Virginia's existing temporary medical condition exemption determination and re-evaluation policies with focus on the goal of expeditiously transitioning TANF's medically exempt cases to VIEW or facilitating their application to appropriate disability benefits programs. VDSS and the VLSEE's TANF/Employment Service Committee will report findings and recommendations to the Commission on Youth prior to the 2018 General Assembly Session.

Recommendation 5

Request the VDSS to evaluate the feasibility of mandating training for LDSS workers who work with TANF recipients which incorporates best practices in working with TANF recipients and helping them achieve self-sufficiency.

Finding 4 – There is a structural imbalance in TANF funding.

In Virginia, TANF is funded through an annual \$158.2 million federal block grant. The Commonwealth has flexibility to design/fund programs that address the needs of Virginia's low-income families. Virginia is required to spend \$128 million annually in General Funds known as Maintenance of Effort (MOE.) This represents 75% of the amount the state spent on welfare spending in 1994. A significant portion of TANF funds (\$74.9 million) goes to direct services to families under purposes 1 and 2. State and local state operations are \$53.6 million and \$2 million is reserved for a new eligibility system. States may also transfer up to 30% of the block grant for programs under the Child Care and Development Block Grant, also called the Child Care and Development Fund (CCDF) and Social Services Block Grant (SSBG). Virginia has transferred \$15.6 million to the CCDF for At-Risk Child Care and \$2.5 million for Head Start. Virginia has also transferred \$6.4 million to the SSBG for local start support and \$9.4 million for services under Virginia's Children's Services Act (CSA). This totals \$33.9 million of TANF funds transferred to both of these federal grants.

According to the Administration for Children and Families, in FY 2015, Virginia spent approximately 60% of TANF and state MOE on the combination of basic assistance which includes work, education, and training activities as well as child care. The remaining funds were for program management, transfers to the SSBG, other activities, and non-recurrent short-term benefits. Twenty-five states spent less than half of their TANF and MOE funds combined on these activities.

In addition to the TANF cash assistance program administered by LDSS, TANF can be used to fund a variety of programs and services known as "expanded funding." These programs must meet at least one of the four purposes of the TANF program and provide services to both families receiving TANF and to other low-income families who have transitioned off the TANF cash assistance program, or are at risk of becoming TANF recipients. Expanded funding is allocated from the TANF block grant and was over \$21 million in both FY 2017 and FY 2018. Expanded funding is currently appropriated for the following programs:

- *Healthy Families (\$9.0 million)*
- *Domestic Violence Grants (\$3.3 million)*
- *Community Action Agencies (\$4.25 million)*
- *Comprehensive Health Investment Project (\$2.4 million)*
- *Boys and Girls Clubs (\$1 million)*
- *Resource Mothers (\$1 million)*
- *Earned Income Tax Credit (EITC) Grants (\$185,725)*

FY 2016 closed with a TANF surplus/savings of \$70.5 million. However, there remains a structural imbalance in TANF funding and the challenge with the TANF surplus is making sure that long-term commitments are sustainable. Projected surpluses/savings for FY 2017 were \$48.1 million and in FY 2018 were \$20.7 million. Virginia is overspending \$20 million over the federal TANF appropriation each year. In FY 2019, Virginia may have a deficit if TANF funding remains at current levels and if caseloads start to increase. It is critical to

remember that the Commonwealth must ensure there is sufficient funding to meet the primary purpose of TANF, financial assistance and supportive services to needy eligible families and children. If there is a recession, funds appropriated to programs pursuant to these purposes could lose funding to fulfill the primary purposes of TANF.

Recommendation 1

Support the General Assembly's efforts that ensure that Virginia's TANF program is adequately funded and ensure that the primary purposes of TANF are maintained.

VIII. Acknowledgments

The Virginia Commission on Youth extends special appreciation to the following for their assistance on this study:

Members of the Advisory Group

Jon Martz, Director
New Kent Department of Social Services

SENATE JOINT RESOLUTION NO. 95

Offered January 13, 2016

Directing the Commission on Youth to study the Department of Social Services' administration of the Temporary Assistance for Needy Families Program. Report.

Patron-- Favola

Referred to Committee on Rules

WHEREAS, the Temporary Assistance for Needy Families (TANF) Program, administered by the Department of Social Services (the Department), offers Virginians living in poverty the opportunity to achieve economic independence by removing barriers and disincentives to work, providing positive incentives to work, and providing opportunities and work skills necessary for self-sufficiency; and

WHEREAS, the TANF block grant funds a wide range of benefits and services for low-income families with children, primarily distributed through monthly cash payments to be used to meet such families' basic needs; and

WHEREAS, states are permitted to reserve or save unused TANF funds without a time limit, which allows for flexibility in timing the use of TANF funds and to save for unexpected occurrences that might increase costs, such as recessions or natural disasters; and

WHEREAS, the Commonwealth has millions of dollars in unspent TANF funds; and

WHEREAS, a comprehensive study of the Department's administration of the TANF Program and an analysis of unused TANF funds may help to stabilize, strengthen, and better serve families in need; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the Commission on Youth be directed to study the Department of Social Services' administration of the Temporary Assistance for Needy Families Program.

In conducting its study, the Commission shall (i) evaluate the Department's administration of the TANF Program and identify the amount of and reasoning for unused TANF funds; (ii) determine whether TANF funds are being used for the intended purposes of the TANF Program or whether such funds are being diverted to other programs or non-TANF purposes; (iii) determine whether and how TANF funds can be better used to stabilize families economically, help provide educational opportunities, and provide parenting classes and identify other support services that could be made available through TANF funding to strengthen families; and (iv) consult with all relevant stakeholders.

All agencies of the Commonwealth shall provide assistance to the Commission for this study, upon request.

The Commission on Youth shall complete its meetings by November 30, 2016, and the Chairman shall submit to the Division of Legislative Automated Systems an executive summary of its findings and recommendations no later than the first day of the 2017 Regular Session of the General Assembly. The executive summary shall state whether the Commission intends to submit to the General Assembly and the Governor a report of its findings and recommendations for publication as a House or Senate document. The executive summary and report shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports and shall be posted on the General Assembly's website.

Appendix B

Review of Virginia's Temporary Assistance for Needy Families Program ADVISORY GROUP

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VIRGINIA COMMISSION ON YOUTH

Review of Virginia's Temporary Assistance for Needy Families (TANF) Program – Advisory Group Meeting

5th Floor East Conference Room
General Assembly Building
Richmond, VA 23219

August 1, 2016
10:00 a.m. – 12:00 p.m.

AGENDA

I. Welcome and Introductions

The Honorable Barbara Favola

II. Study Overview

Amy Atkinson, Executive Director

III. Overview of the TANF Program

*Thomas J. Steinhauser, Director, Division of Benefit Programs
Virginia Department of Social Services*

**IV. Overview of the Virginia Initiative for Employment not Welfare Program
(VIEW)**

*Mark Golden, TANF Program Manager, Division of Benefit Programs, Virginia
Department of Social Services*

VI. Advisory Group Discussion

Discussion on Surplus Options

VII. Next Steps and Adjournment

Upcoming Commission on Youth Advisory Group Meetings
September 7 at 10:00 a.m. – Virginia's Adoption Home Study Process Advisory Group
Twin Hickory Library, Henrico, Virginia

Upcoming Commission on Youth Meetings
September 20 at 10:00 a.m. in House Room C
October 20 at 1:00 p.m. in House Room C
December 6 at 10:00 a.m. in House Room C

Appendix D



VIRGINIA COMMISSION ON YOUTH

Review of Virginia's Temporary Assistance for Needy Families (TANF) Program – Advisory Group Meeting

The Capitol, House Room 3
Richmond, VA 23219

September 6, 2016
10:30 a.m. – 12:30 p.m.

AGENDA

I.	Welcome and Introductions <i>The Honorable Barbara Favola</i>
II.	TANF and Eligibility for Virginia's Benefit Programs <i>Mark Golden, TANF Program Manager, Division of Benefit Programs, Virginia Department of Social Services</i>
III.	Overview of Virginia's Child Care Subsidy Program <i>Barbara Newlin, Director, Division of Child Care and Early Childhood Development, Virginia Department of Social Services</i> <i>Mary Ward, Child Care Subsidy Manager, Division of Child Care and Early Childhood Development, Virginia Department of Social Services</i>
IV.	Virginia's Child Care Subsidy Program and Barriers to Access – A Local Perspective <i>Jon Martz, Director, New Kent Department of Social Services</i>
V.	Expanded Services/Discretionary Activities Funded by TANF <i>Amy Atkinson, Executive Director Commission on Youth</i>
VI.	Advisory Group Discussion
VII.	Next Steps and Adjournment

This is an electronic meeting with the following remote location

2255 Langhorne Road, Suite 4
Lynchburg, VA 24501

Upcoming Commission on Youth Meetings


Virginia's Adoption Home Study Process Advisory Group, September 7 at 10:00 a.m.
Twin Hickory Library, Henrico, Virginia

Full Commission Meeting, September 20 at 10:00 a.m. in House Room C

Full Commission Meeting, October 20 at 1:00 p.m. in House Room C

Full Commission Meeting, December 6 at 10:00 a.m. at The Faison Center

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COMMONWEALTH OF VIRGINIA
Commission on Youth

Review of Virginia's Temporary Assistance for Needy Families (TANF) Program

September 20, 2016
Amy M. Atkinson

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Study Mandate




- During the 2016 General Assembly Session, Senator Barbara Favola introduced Senate Joint Resolution 95. The resolution directed the Commission on Youth to:
 - evaluate the Department of Social Services' administration of the Temporary Assistance for Needy Families (TANF) Program and identify the amount of and reasoning for unused TANF funds;
 - determine whether TANF funds are being used for the intended purposes of the TANF Program or whether such funds are being diverted to other programs or non-TANF purposes;
 - determine whether and how TANF funds can be better used to stabilize families economically, help provide educational opportunities, and provide parenting classes and identify other support services that could be made available through TANF funding to strengthen families; and
 - consult with all relevant stakeholders.
- COY is to report recommendations prior to the 2017 General Assembly Session.

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Study Activities




- Research and review federal law, requirements and allowances
- Review and analyze Virginia laws, policies, procedures, and programs
 - *Code of Virginia* Recent budget amendment and legislative bill proposals for use of TANF funds
 - Virginia's Initiative for Employment not Welfare (VIEW)
- Review programs receiving TANF Funding

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Study Activities




- Conduct extensive background and literature reviews
 - National Conference of State Legislatures (NCSL)
 - Congressional Research Service reports
 - Other states' statutes, regulations, studies, and activities
- Convene an advisory group of stakeholders
 - Virginia Department of Social Services
 - Local Departments of Social Services
 - Virginia Department of Health
 - House Appropriations Committee Staff
 - Senate Finance Committee Staff
 - Virginia League of Social Services Executives – Employment/TANF Committee
 - Advocacy Organizations

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Study Mandate



Advisory Group Meetings

August 1, 2016

- I. Study Overview
- II. Overview of the TANF Program
- III. Overview of the Virginia Initiative for Employment not Welfare Program (VIEW)
- IV. Advisory Group Discussion – Discussion on Surplus Options


September 6 2016

- I. TANF and Eligibility for Virginia's Benefit Programs
- II. Overview of Virginia's Child Care Subsidy Program
- III. Virginia's Child Care Subsidy Program and Barriers to Access – A Local Perspective
- IV. Expanded Services/Discretionary Activities Funded by TANF
- V. Advisory Group Discussion

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Study Mandate



Advisory Group Membership

Tonia Alexander Charlottesville Department of Social Services	LaTonya Reed Public Benefits Attorney Virginia Poverty Law Center
The Honorable Barbara A. Favola Senate of Virginia, District 31	The Honorable Mark Sickles Virginia House of Delegates, District 43
The Honorable T. Scott Garrett Virginia House of Delegates, District 23	Michael Shook Associate Director Virginia Department of Planning and Budget
Mark Golden Virginia Department of Social Services	Tom Steinhauer Director Division of Benefit Programs Virginia Department of Social Services
Susan Massart Legislative Fiscal Analyst House Appropriations Committee	Mike Tweedy Legislative Analyst Senate Finance Committee
Jon Martz Director New Kent Department of Social Services	Emily Griffey Voices for Virginia's Children
Dr. Lilian Peake Deputy Commissioner for Population Health Virginia Department of Health	

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TANF Background

- TANF replaced the Aid to Families with Dependent Children Program with the passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.
- It changed the program from an entitlement program with very strong federal oversight to a block grant with maximum state flexibility.

Source: Virginia Department of Social Services. (August 1, 2016). TANF Overview. Presentation to the Virginia Commission on Youth Advisory Committee on the Review of Virginia's TANF Program. 7

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TANF Goal

- To maximize opportunities for TANF recipients to gain the training and job skills they need to become self-sufficient by providing supportive services and a benefit that meet the subsistence needs of the family.

Source: Virginia Department of Social Services. (August 1, 2016). TANF Overview. Presentation to the Virginia Commission on Youth Advisory Committee on the Review of Virginia's TANF Program. 8

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TANF Overview

- TANF programs must meet one of four federal requirements:
 1. Provide assistance to needy families so children can be cared for in their own homes or homes of relatives;
 2. End dependence of needy parents on government benefits by promoting job preparation, work and marriage;
 3. Prevent and reduce the incidence of out-of-wedlock pregnancies; and
 4. Encourage the formation of two-parent families.
 - Services under the first two purposes are means-tested and activate work requirements and time limits.

Source: Virginia Department of Social Services. (August 1, 2016). TANF Overview. Presentation to the Virginia Commission on Youth Advisory Committee on the Review of Virginia's TANF Program. ⁹

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TANF Overview

- Provides cash and other assistance to eligible needy families with children.
- Funded through an annual \$158.2 million federal block grant.
- The state has flexibility to design/fund programs that address the needs of Virginia's low-income families.
- Virginia is required to spend \$128 million annually in state general funds known as Maintenance of Effort (MOE.)
 - This represents 75% of the amount the state spent on welfare spending in 1994.

Source: Virginia Department of Social Services. (August 1, 2016). TANF Overview. Presentation to the Virginia Commission on Youth Advisory Committee on the Review of Virginia's TANF Program. ¹⁰

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TANF Overview

- There are two sets of requirements; eligibility requirements and work requirements.
- Eligibility for TANF depends upon one's income and the total number of dependents in the household.
- The Virginia Department of Social Services (VDSS) establishes the Standard of Need as the amount needed monthly to provide for the basic needs of a family for its size and locality.
 - Payment levels are called the Standards of Assistance.
- Gross income is screened at 185% of the Standard of Need.
 - Approximately 37% of the Federal Poverty Limit (\$662 for a family of 3).
- The average monthly payment is approximately 20% of the Federal Poverty Limit (\$336 for a family of 3).
- There is a 60-month federal lifetime limit on receipt of cash assistance; 2-year state limit.
- Virginia has eliminated its asset limits for eligibility determination.

Sources: T. Steinhauser, Personal Communication, September 14, 2016.

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TANF Overview

- Monthly TANF assistance payments are based on a variety of factors including the number of eligible persons in the assistance unit and the locality group in which the family resides.
- Locality groupings are the placement of a locality or municipality into either Group I, Group II, or Group III, which in turn, helps determine the TANF eligibility and payment levels for families residing in that locality.
- Because of wide variation in shelter cost within the Commonwealth, these groups of standards have been established.
- A family of 3 in a locality designated:
 - Group I – receives a standard of assistance of \$307.
 - Group II – receives a standard of assistance of \$336.
 - Group III – receives a standard of assistance of \$409.

Sources: Virginia Department of Social Services. Temporary Assistance For Needy Families (TANF) Guidance Manual.

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TANF Overview

Locality Groupings in Virginia – Group I

Counties	Counties	Counties	Counties	Cities
Accomack	Dinwiddie	Lancaster	Prince George	Bristol
Alleghany	Essex	Lee	Pulaski	Buena Vista
Amelia	Floyd	Louisa	Rappahannock	Clifton Forge
Amherst	Fluvanna	Lunenburg	Richmond County	Danville
Appomattox	Franklin	Madison	Rockbridge	Emporia
Bath	Frederick	Mathews	Russell	Franklin
Bedford	Giles	Mecklenburg	Scott	Galax
Bland	Gloucester	Middlesex	Shenandoah	Norton
Botetourt	Goochland	Nelson	Smyth	Suffolk
Brunswick	Grayson	New Kent	Southampton	
Buchanan	Greene	Northampton	Surry	
Buckingham	Greensville	Northumberland	Sussex	
Campbell	Halifax	Nottoway	Tazewell	
Carroll	Hanover	Orange	Washington	
Charles City	Henry	Page	Westmoreland	
Charlotte	Highland	Patrick	Wise	
Clarke	Isle of Wight	Pittsylvania	Wythe	
Craig	King & Queen	Powhatan		
Culpeper	King William	Prince Edward		
Cumberland				
Dickenson				

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TANF Overview

Locality Groupings in Virginia – Group II

<u>Counties</u>	<u>Cities</u>	<u>Cities</u>
Albemarle	Chesapeake	Portsmouth
Chesterfield	Covington	Radford
Henrico	Harrisonburg	Richmond
Loudoun	Hopewell	Roanoke
Roanoke	Lexington	Virginia Beach
Rockingham	Lynchburg	Williamsburg
Warren	Martinsville	Winchester
	Norfolk	
	Petersburg	

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TANF Overview




Locality Groupings in Virginia – Group III

<u>Counties</u>	<u>Cities</u>
Arlington	Alexandria
Augusta	Charlottesville
Caroline	Colonial Heights
Fairfax	Falls Church
Fauquier	Fredericksburg
James City	Hampton
King George	Manassas
Montgomery	Manassas Park
Prince William	Newport News
Spotsylvania	Poquoson
Stafford	Staunton
York	Waynesboro

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The Virginia Initiative for Employment not Welfare Program (VIEW)




- VIEW is the work-related portion of Virginia's TANF program that requires participants to be employed or engaged in a work activity.
- TANF recipients who are in VIEW are allowed to receive 24-months of cash benefits, plus a year of transitional benefits.
- After this time period, they must wait two years before they can again qualify for TANF.
- Upon entry into VIEW, the participant signs an Agreement of Personal Responsibility outlining the responsibilities of the client and agency.
- Local Department of Social Services' (LDSS) staff conduct an employability assessment looking at work history, education history, job skills, functional literacy level, and job readiness skills.
- LDSS staff and the participant develop an Activity and Service Plan which indicates the activities the participant will engage in to obtain employment.

Source: Virginia Department of Social Services. (August 1, 2016). Virginia Initiative for Employment not Welfare Program (VIEW). Presentation to the Virginia Commission on Youth Advisory Committee on the Review of Virginia's TANF Program.

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The Virginia Initiative for Employment not Welfare Program (VIEW) 


Work Activities

- Job search
- Job readiness
- Unsubsidized employment
- Subsidized employment
- Community work experience program (CWEP)
- Public Service
- On-the-Job Training
- Vocational Education
- Job Skills Training
- English as a Second Language
- Adult Basic Education (ABE) and the General Equivalence Diploma (GED)

Source: Virginia Department of Social Services. (August 1, 2016). Virginia Initiative for Employment not Welfare Program (VIEW). Presentation to the Virginia Commission on Youth Advisory Committee on the Review of Virginia's TANF Program.

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The Virginia Initiative for Employment not Welfare Program (VIEW) 

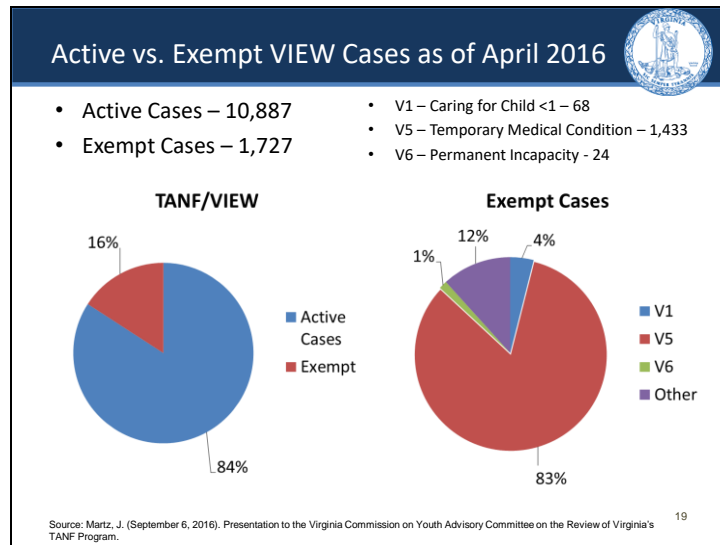
Exemptions to VIEW participation

- Caring for child under 12 months (limited to 12 months in a lifetime)
- A temporary medical condition that prevents participation
- Under 18 or over 60 years of age
- Needed to care for incapacitated household member

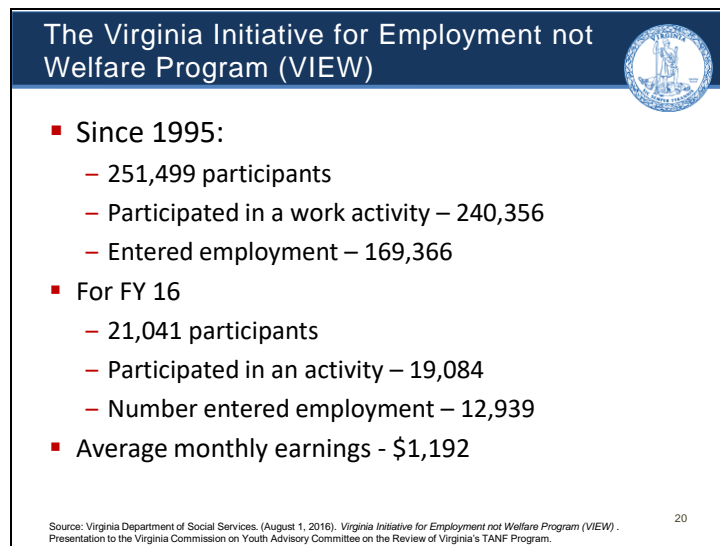
Source: Virginia Department of Social Services. (August 1, 2016). Virginia Initiative for Employment not Welfare Program (VIEW). Presentation to the Virginia Commission on Youth Advisory Committee on the Review of Virginia's TANF Program.

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TANF & Eligibility for Virginia's Benefit Programs



Services Received by TANF Recipients


TANF Only	1,138	2.54%
TANF and SNAP Only	5,742	12.83%
TANF and Medicaid Only	5,983	13.37%
TANF, SNAP and Medicaid	31,897	71.26%

Source: Virginia Department of Social Services. (September 6, 2016). *TANF and Eligibility for Virginia's Benefit Programs*. Presentation to the Virginia Commission on Youth Advisory Committee on the Review of Virginia's TANF Program.

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TANF & Eligibility for Virginia's Benefit Programs



Other Services Available to TANF Recipients


- **Energy Assistance**
 - 3 components: Fuel assistance provides winter heating assistance; Crisis provides for equipment replacement and repair as well as primary fuel when the individual has a cut-off notice; and Cooling Assistance assists with electric bills in the summer.
- **Child Care**
 - Recipients of TANF (VIEW and non-VIEW) are considered income eligible for Child Care Subsidy and services without a determination of the family's income eligibility.
- **Women's Infants and Children (WIC)**
 - WIC provides nutrition education, breastfeeding promotion and support, supplemental nutritious foods, counseling at WIC clinics, and screening and referrals to other health, welfare, and social services. WIC vouchers allow participants to purchase limited food items.
- **National School Breakfast/Lunch Programs**
 - The National School Lunch Program – Children that receive TANF are automatically certified to receive free school lunch.
 - The School Breakfast Program – Children in families between 130% and 185% of poverty may receive reduced price breakfasts for which they pay no more than 30 cents.

Source: Virginia Department of Social Services. (September 6, 2016). *TANF and Eligibility for Virginia's Benefit Programs*. Presentation to the Virginia Commission on Youth Advisory Committee on the Review of Virginia's TANF Program.

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TANF & Eligibility for Virginia's Benefit Programs



Other Services Available to TANF Recipients


- Housing Assistance – Two types
 - Public Housing - Housing Authorities use income limits developed by the U.S. Department of Housing and Urban Development. Income limits vary from locality; therefore, eligibility may vary by locality.
 - Housing Vouchers (Section 8) - The income eligibility threshold for the housing voucher program is 50% of the median income of the county or metropolitan area in which the recipient resides. By law, a public housing authority must provide 75% of its vouchers to applicants whose incomes do not exceed 30% of the area median income.

Source: Virginia Department of Social Services. (September 6, 2016). *TANF and Eligibility for Virginia's Benefit Programs*. Presentation to the Virginia Commission on Youth Advisory Committee on the Review of Virginia's TANF Program.

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TANF & Eligibility for Virginia's Benefit Programs



Other Services Available to TANF Recipients

- Transitional Services
 - A participant, whose TANF financial assistance is terminated either voluntarily or involuntarily, may be eligible to receive the following services for up to twelve months after termination, if needed:
 - Assistance with child care if such assistance enables the individual to work;
 - Assistance with transportation, if such transportation enables the individual to work;
 - Medical assistance, including transitional medical assistance for families with a working parent who becomes ineligible for TANF financial assistance because of increased earnings.
 - Financial assistance of \$50 per month, if the participant is employed and is working at least 30 hours per week or more at the time of TANF closure and remains employed and continues to work at least 30 hours per week or more.
 - The Department or local departments may purchase or otherwise acquire motor vehicles from the centralized fleet of motor vehicles controlled by the Commissioner of Highways and sell or otherwise transfer such vehicles to TANF recipients or former recipients.

Source: Virginia Department of Social Services. (September 6, 2016). *TANF and Eligibility for Virginia's Benefit Programs*. Presentation to the Virginia Commission on Youth Advisory Committee on the Review of Virginia's TANF Program.

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TANF Uses

- While a sizeable portion (\$74.9M) of TANF funds go to direct services to families (cash assistance, employment services, child care), TANF funds are also used for program administration:
 - State and Local Staff and Operations (\$53.6M)
 - Reserve for new eligibility system (\$2M)
 - Expanded services/discretionary programs (\$21.2M)
 - Other spending/cost avoidance (\$33.9M)

Source: Virginia Department of Social Services. (August 1, 2016). TANF Overview. Presentation to the Virginia Commission on Youth Advisory Committee on the Review of Virginia's TANF Program. 25

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TANF Uses/Child Care

- Virginia's Child Care Subsidy program, which is administered by VDSS and 120 local departments of social services (LDSS), provides low-income families with financial assistance for child care.
- The subsidy is broken down into mandated services and non-mandated services.
- TANF families are income-eligible for Child Care Subsidy;
 - Subsidy is available to all working TANF recipients who apply for assistance
 - VIEW participants do not have to file a separate application for the Subsidy
 - TANF recipients do not have a Child Care co-payment for the Subsidy

Source: Virginia Department of Social Services. (September 6, 2016). TANF and the Child Care Subsidy Program. Presentation to the Virginia Commission on Youth Advisory Committee on the Review of Virginia's TANF Program. 26

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TANF Uses/Child Care

- **Mandated Services (17,361 children FY 2016)**
 - TANF Working
 - Transitional
 - VIEW
 - SNAP (Supplemental Nutrition Assistance Program) Employment and Training
- **Non-Mandated Services (21,394 children FY 2016)**
 - Fee Child Care
 - Head Start Wrap-Around Child Care
- **Subsidy for recipients (non-VIEW) who participate in education or training programs**
 - Receive services based on available funding
 - May be placed on a waiting list

Source: Virginia Department of Social Services. (September 6, 2016). *TANF and the Child Care Subsidy Program*. Presentation to the Virginia Commission on Youth Advisory Committee on the Review of Virginia's TANF Program.

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TANF Uses/Child Care

- **When Subsidy recipients move:**
 - Child Care services in the original locality close and the family reapplies in the new locality
 - TANF recipient notifies new locality of their need for Child Care
 - Services are initiated in the new locality for VIEW and TANF non-VIEW families who are employed
- **New federal Child Care law calls for states to maintain a family's authorization for services if they move within the state**
- **A workgroup is currently working on the transfer process**
 - TANF will migrate into the Virginia Case Management System this fall
 - Both programs will be in the same case management system for the first time

Source: Virginia Department of Social Services. (September 6, 2016). *TANF and the Child Care Subsidy Program*. Presentation to the Virginia Commission on Youth Advisory Committee on the Review of Virginia's TANF Program.

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TANF Uses/Child Care

- Child Care Subsidy Wait List (8-29-16)
 - 11,877 families
 - 19,055 children
- TANF working families and VIEW participants are not put on wait lists for Child Care Subsidy

Source: Virginia Department of Social Services. (September 6, 2016). *TANF and the Child Care Subsidy Program*. Presentation to the Virginia Commission on Youth Advisory Committee on the Review of Virginia's TANF Program. 29

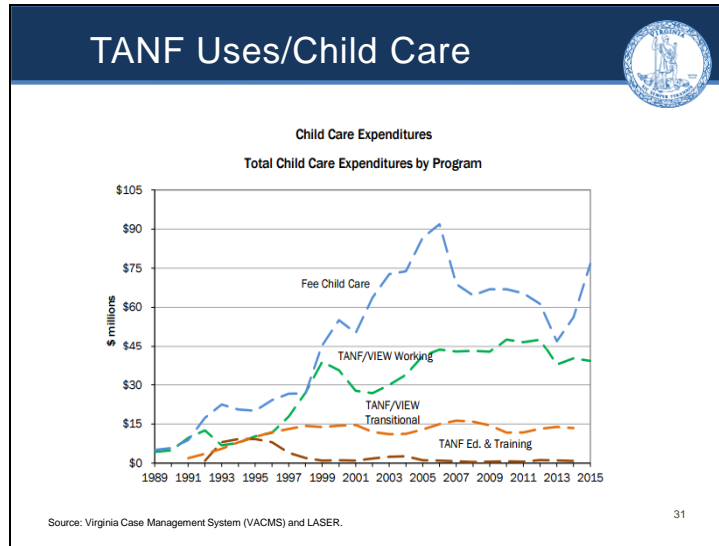
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Average Cost of Child Care

	Annual Cost of 1 Child in Child Care Center in Virginia in 2014
Infant	\$10,458
Four Year Old	\$7,957
School Aged Child	\$3,399

Source: Child Care Aware 2015 Report; Martz, J. (September 6, 2016). *Barriers to Child Care for Low Income Families*. Presentation to the Virginia Commission on Youth Advisory Committee on the Review of Virginia's TANF Program. 30

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- ### TANF Uses/Transfers
- States may also transfer up to 30% of the block grant for programs under the Child Care and Development Block Grant and Social Services Block Grant:
 - CCDF for At-Risk child care – (\$15.6M)
 - CCDF for Head Start – (\$2.5M)
 - SSBG for local staff support – (\$6.4M)
 - SSBG for CSA – (\$9.4M)
- Source: Virginia Department of Social Services. (August 1, 2016). TANF Overview. Presentation to the Virginia Commission on Youth Advisory Committee on the Review of Virginia's TANF Program.
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TANF Uses/Expanded Programs

- States may also use TANF to fund a variety of programs and services.
- The General Assembly spent \$21.2 million on eligible activities including:
 - Healthy Families (\$9.0M)
 - Comprehensive Health Investment Project (\$2.4M)
 - Resource Mothers (\$1M)
 - Domestic Violence (\$3.3M)
 - Community Action Agencies (\$4.25M)
 - Boys and Girls Clubs (\$1M)
 - EITC Grants (\$186K)

Expanded Services Subtotal (\$21.2M)

Source: Virginia Department of Social Services. (August 1, 2016). TANF Overview. Presentation to the Virginia Commission on Youth Advisory Committee on the Review of Virginia's TANF Program.

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TANF Uses/Expanded Programs

- **Healthy Families (\$9.0M)**
 - Healthy Families is a nationally recognized home visiting program that targets families assessed as being at-risk for child abuse/neglect.
 - New or expectant parents are screened for services, which are offered voluntarily.
 - There are 32 sites in Virginia.
 - Eligible Families – There is not an income determination for Healthy Families; however, this program targets at-risk families.
 - VDSS monitors 32 contracts and all sites submit quarterly/annual reports to VDSS.
- **Comprehensive Health Investment Project (CHIP) (\$2.4M)**
 - CHIP of VA programs are local public/private partnerships that provide comprehensive care coordination, family support, and referral to medical and dental services for low-income at-risk children.
 - There are 6 sites serving 26 localities across the Commonwealth.
 - Eligible Families – Any family 1) expecting a child or having minor children under age 6 in the home, 2) with an income level at or below 200% of FPL, 3) living within any locality with a CHIP of VA program.
 - There is an Memorandum of Agreement (MOA) between VDSS and VDH with VDSS overseeing statewide administration and financing of the 6 CHIP sites and VDH acting as the public health agency partner.

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TANF Uses/Expanded Programs

- **Resource Mothers (\$1M)**
 - Resource Mothers is a home-visiting program providing a combination of social support, education and practical assistance to first-time pregnant teens ages 19 and under and help them to make the transition to parenthood.
 - In FY 2015 the Resource Mothers Program contractors included 8 health district offices and 5 private contractors.
 - Eligibility – There is not an income determination, any pregnant teen is eligible.
 - There is an MOA between VDSS and VDH with VDSS overseeing statewide administration and financing.
 - VDH is the public health agency partner. VDH maintains documentation of expenditures. Reimbursement requests and cumulative performance and outcome results are submitted to VDSS quarterly.

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TANF Uses/Expanded Programs

- **Domestic Violence (\$3.3M)**
 - Domestic Violence services are provided as a grant to local domestic violence programs for purchase of crisis and core services for victims of domestic violence, including 24-hour hotlines, emergency shelter, emergency transportation, and other crisis services as a first priority.
 - Domestic violence programs are statewide; each individual program has an area that it serves.
 - Eligible Families – Families do not have to be receiving TANF cash assistance in order to qualify for housing services. Due to the correlation between parenting, poverty and domestic violence, most shelter residents are TANF eligible.
 - TANF funds make up a portion of the total funds awarded to local domestic violence programs.
 - VDSS administers the funds and monitors performance for each of the 50 grantees (30 of which serve TANF recipients), all sites report semiannually and annually to VDSS, and grantees are required to include an evaluation component.
- **Community Action Agencies (\$4.25M)**
 - Community Action Agencies support a variety of programs that help individuals and families manage the conditions of poverty, overcome the causes of poverty, and ultimately move towards self-sufficiency.
 - There are 28 local and 3 statewide agencies.
 - Eligible Families – All clients served using TANF funds must be at or below 200% of the federal poverty line.
 - VDSS administers the funds and monitors performance. Federal law requires the monitoring of each local Community Action Agency at least once every 3 years to ensure sub-recipients are meeting performance goals, administrative standards, financial management requirements, and other requirements (VDSS strives to do this at least annually). There is an annual funding application, quarterly reporting requirements, as well as annual performance results for outputs and outcomes.

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TANF Uses/Expanded Programs

- **Boys and Girls Clubs (\$1M)**
 - In FY 17 and FY 18, the Virginia Alliance of Boys and Girls Clubs received TANF funding to expand community-based prevention and mentoring services across the Commonwealth.
 - The Virginia Alliance of Boys & Girls Clubs proposes to serve 1,500 young people between the ages of 6 and 18 with Club programming across the following priority program areas:
 - academic success,
 - workforce development, and
 - healthy lifestyles.
 - The Alliance intends that all eligible clubs will participate in the funding opportunity, providing Club programming to young people statewide.
 - New appropriation for FY 17 and FY 18, VDSS administers the funds and monitors performance for the programs.
- **Earned Income Tax Credit (EITC) Grants (\$186K)**
 - The Virginia Community Action Partnership (VACAP) supports community groups and local coalitions throughout the Commonwealth that provide free tax preparation services to low-income working individuals and families.
 - 25 coalitions working with community volunteers received funding from the EITC Grant
 - Eligible Families – Families do not have to be receiving TANF cash assistance in order to qualify.
 - The mission is raise awareness of EITC among all eligible taxpayers and to educate workers, employees, clients, and customers of the importance of obtaining all tax credits to which they are entitled.
 - VDSS administers the funds and contracts with VACAP. VACAP is charged with reporting annually to the Governor and General Assembly expenditures, subcontractors, and numbers of individuals assisted. 37

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TANF Budgetary Actions FY 2017/2018

- \$21.2 million on expanded services
- \$2.2 million in FY 2017 and \$2.4 million in FY 2018 to increase the TANF cash benefit by 2.5% on July 1, 2016
- \$4.8 million in FY 2018 for a child support supplement up to \$100 per month for TANF families with more than one child
- \$2.0 million each year for workforce training for TANF recipients at community colleges
 - Expands the employment advancement program from 3 to 5 additional community colleges
- \$5.0 million increase of transfers to the Child Care and Development Fund of \$5.0 million in FY 2016 and an additional \$2.8 million in each year of the 2016-18 biennium for at-risk child care subsidies

Source: Virginia House Appropriations Committee, (March 10, 2016), Conference Report House Bill 30. Presentation to the Virginia House Appropriations Committee. 38

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TANF Surplus/Savings

- TANF funds not spent in any given year can be carried forward to following year.
- The block grant is a set amount and does not increase or decrease based on caseloads.
- FY 16 closed with a TANF surplus of \$70.5M.
- There remains a structural imbalance in TANF funding; each year we are appropriating more than we receive in the block grant funding.
- Projected surpluses/savings:
 - \$48.1M FY 2017 (\$180.6M Appropriated)
 - \$20.7M FY 2018 (\$185.7M Appropriated)

Source: Virginia Department of Social Services. (August 1, 2016). TANF Overview. Presentation to the Virginia Commission on Youth Advisory Committee on the Review of Virginia's TANF Program. 39


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TANF Surplus/Savings

- At the height of the recession, October 2011, Virginia was serving over 37,000 households per month (\$116M per year.)
- Virginia is now serving 22,500 per month (\$73M FY 2016.)
- In FY 16 alone, Virginia spent nearly \$43M less in TANF cash assistance than in FY 12.

Source: Virginia Department of Social Services. (August 1, 2016). TANF Overview. Presentation to the Virginia Commission on Youth Advisory Committee on the Review of Virginia's TANF Program. 40


TANF Challenges



- The challenge with the TANF surplus/savings is making long-term commitments that may not be sustainable.
- If caseloads start to increase, Virginia must ensure that there is sufficient funding to meet the primary purpose of TANF – financial assistance and supportive services to needy eligible families and children.

Source: Virginia Department of Social Services. (August 1, 2016). TANF Overview. Presentation to the Virginia Commission on Youth Advisory Committee on the Review of Virginia's TANF Program.

TANF Budget Outlook




TANF Budget Adjusted for Chapter 780

	FY 2016 Adopted	FY 2017 Adopted	FY 2018 Adopted
TANF Program (Mandated Services)			
Income Benefits	\$40,152,840	\$44,083,831	\$49,105,498
VIEW Employment Services	\$11,612,144	\$13,612,144	\$13,612,144
VIEW Child Care Services	\$12,197,804	\$12,197,804	\$12,197,804
Caseload Reserve	\$1,000,000	\$2,000,000	\$2,000,000
TANF State/Local Operations	\$54,068,212	\$53,568,212	\$53,568,212
Mandated Services Subtotal	\$119,031,000	\$125,461,991	\$130,483,658
Expanded Services (Discretionary Activities)			
Healthy Families/Health Start	\$4,285,501	\$9,035,501	\$9,035,501
Community Action Agencies	\$2,000,000	\$4,250,000	\$4,250,000
Domestic Violence Grants	\$2,346,792	\$3,346,792	\$3,346,792
ETC Grants	\$185,725	\$185,725	\$185,725
Comprehensive Health Investment Project	\$1,400,000	\$2,400,000	\$2,400,000
Boys and Girls Clubs	\$0	\$1,000,000	\$1,000,000
Resource Mothers	\$0	\$1,000,000	\$1,000,000
Visions of Truth Ministries	\$25,000	\$0	\$0
Zion Innovative Opportunities Network	\$25,000	\$0	\$0
Expanded Services Subtotal	\$10,268,018	\$21,218,018	\$21,218,018
Other Spending (Cost Avoidance)			
At-Risk Child Care	\$12,872,884	\$15,672,884	\$15,672,884
Head Start Wraparound	\$2,300,000	\$2,300,000	\$2,300,000
Local Staff Support	\$6,405,502	\$6,405,502	\$6,405,502
Comprehensive Services Act Transfer	\$9,419,998	\$9,419,998	\$9,419,998
Other Spending Subtotal	\$31,198,384	\$33,998,384	\$33,998,384
Total TANF Budget	\$160,497,402	\$180,678,393	\$185,700,060
Annual Grant	\$158,285,172	\$158,285,172	\$158,285,172
Prior Year Balance	\$72,735,005	\$70,522,775	\$48,129,554
Annual Balance/Shortfall	\$70,522,775	\$48,129,554	\$20,714,666
Structural Balance/Shortfall	(\$2,212,230)	(\$22,393,221)	(\$27,414,888)

Source: House Appropriations Committee Staff.

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Draft Recommendations 

Finding #1 – TANF Recipients are not automatically guaranteed housing assistance.

1. *Request the Virginia Housing Development Authority (VHDA), with input from local housing authorities; evaluate the feasibility of prioritizing housing services for Virginia’s TANF recipients. Such an evaluation will assess the barriers to providing housing assistance to TANF recipients including the time limitations of TANF and any other housing assistance program participation requirements. Request VHDA report findings and recommendations to the Commission on Youth prior to the 2018 General Assembly Session.*
2. *Take no action.*
3. *Other options?*

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Draft Recommendations 


Finding #2 – Access to child care is essential for TANF families and those transitioning from TANF to the workforce.

1. *Support the Virginia Department of Social Services’ (VDSS) efforts to include a component within the Virginia Case Management System (VaCMS) that allows the seamless transition of the TANF Child Care Subsidy from one LDSS to another LDSS.*
2. *Introduce a budget amendment to increase funds for child care subsidies to the working poor.*
3. *Support continued efforts to provide market-based subsidies to make quality child care a reality for vulnerable families.*
4. *Provide resources to assist families in identifying and accessing child care to meet their needs such as non-traditional hours of care, children’s special needs or other considerations.*
5. *Take no action.*
6. *Other options?*

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Draft Recommendations




Finding #3 – Virginia's VIEW recipients receive a comprehensive array of supportive and transitional services which help them to maintain employment and achieve self-sufficiency.

1. *a. Introduce legislation/budget amendment to extend transitional services available to Virginia's VIEW recipients from 12 months to 18 months. Virginia's TANF funds appropriated for expanded/discretionary services may be utilized to fund this expansion.*
- or -
 1. *b. Request VDSS to assess the feasibility and fiscal impact of extending transitional services available to Virginia's VIEW recipients from 12 months to 18 months. Request that VDSS report findings and recommendations to the Commission on Youth prior to the 2018 General Assembly Session.*
 2. *Request VDSS to assess the feasibility and fiscal impact of increasing Virginia's TANF income eligibility threshold for VIEW participants. Request that VDSS report findings and recommendations to the Commission on Youth prior to the 2018 General Assembly Session.*
 3. *Introduce legislation/budgetary language for VDSS develop policies for an improved temporary medical exemption determination process and the transition of TANF cases which are exempt due to a temporary medical condition. Such policies shall have the goal of expeditiously transitioning TANF's medically exempt cases to VIEW or facilitate their application to appropriate disability benefits and similar to the Veterans' Administrations' Stabilization Compensation Grant.*
 4. *Introduce legislation/budgetary language to fund designated staff to work with the TANF population that are exempt from VIEW due to a temporary medical condition to either transition them to VIEW, facilitate approval of disability benefits, or otherwise resolve medical issues.*
 5. *Provide funding for training for LDSS workers who work with TANF recipients to fulfill the goals of self-sufficiency.*
 6. *Request a presentation from the Secretary of Technology and Finance and the Commonwealth's Chief Information Officer on Executive Directive 7 on increasing the use of shared data and analytics among Virginia agencies with focus on enhancing government transparency, increasing operational efficiency and effectiveness, and minimizing duplication with particular emphasis on addressing Virginia's welfare and health and human services' programs for children and families.*
7. *Take no action.*
8. *Other options?*

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Draft Recommendations




Finding #4 – Virginia's locality groupings need to be re-assessed to ensure they are keeping up with current costs of living.

1. *Request the Virginia Board of Social Services to review the statewide locality groupings utilized by LDSS determining TANF payment amounts and assess the feasibility and fiscal impact of combining Locality Groupings I and II for the purposes of TANF cash benefits and using the Group II rates for the new group.*
2. *Take no action.*
3. *Other options?*

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Draft Recommendations 

Finding #5 – There is a structural imbalance in TANF funding.

1. *Support the General Assembly's efforts which ensure that Virginia's TANF program is adequately funded and ensure that the primary purposes of TANF are maintained.*
2. *Take no action.*
3. *Other options?*

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Questions/Comments?

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