

# KANSAS COULD DO MORE FOR POOR FAMILIES WITH CHILDREN An Analysis of TANF Budget and Policies

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# **INTRODUCTION**

Poverty rates for children in Kansas continue to rise. Vulnerable families across the state experience hardships due to a weak economy and low-wage jobs. Their need for basic necessities, assistance in finding employment and job-enabling child care is growing. Yet, Temporary Assistance for Needy Families (TANF) - the government "safety net" designed exactly to help the poorest of families – falls far short of that goal in Kansas.

TANF was created to help families move to a better future. The state has the money, but fewer Kansas families are receiving TANF than before the recession, despite the growth in poverty numbers.

United Community Services of Johnson County (UCS) undertook this study to cast light on Kansas budgetary trends and state policy changes and to show how both have affected poor families and community social service agencies. UCS facilitates community collaborations in Johnson County. Agencies that provide services to low-income families have expressed concerns about how Kansas Department for Children and Families (DCF) policy changes have created new challenges for their clients and for them. As clients have lost government assistance, they have turned to local providers for help. But often these agencies say they are disadvantaged in providing assistance not only because of limited resources, but because the state has not communicated policy changes or service trends.

This study is limited to state policy changes to TANF since November, 2011, and to Kansas budgetary trends since 2008. It is not an exhaustive look, but we uncovered areas for concern that should be further examined. Our recommendations are aimed at achieving the best possible outcome for children and their families.

UCS relied on public documents, information provided by the Kansas Department for Children and Families, a focus group of community organization case managers, and a survey of community providers and their clients. (See Methodology, page 24.) **United Community Services of** Johnson County (UCS), a nonprofit agency founded in 1967, provides data analysis, leads collaborative planning and mobilizes resources to enhance the availability and delivery of health and human services. UCS has a long history of monitoring trends, and examining the state policies and practices that influence the well-being of our community's most vulnerable residents. For example, when the former Social and **Rehabilitation Services privatized** child welfare in the 1990's, UCS convened a task force to examine how it was working and make recommendations for statewide improvements. Following federal welfare reform in 1996, UCS partnered with the United Way of Kansas to monitor the impact on families.

UCS believes investment in the human-service safety net benefits everyone, including businesses and residents of communities, and is critical to the success of our state and its counties. Maintaining an essential safety net is a shared responsibility of the state and federal governments in order to protect the state's most vulnerable residents the poor, the disabled, the very young and very old - and to support those who need help to achieve selfsufficiency.



# **EXECUTIVE SUMMARY**

The findings of this study suggest that the Kansas Department for Children and Families (DCF) which administers the Temporary Assistance for Needy Families (TANF) program, could do more to help poor families become and remain financially stable. In fact, the state's policies highlighted in this report work largely against that goal.

State rules and policies pertaining to TANF eligibility appear designed to reduce caseloads rather than to help families succeed. The policies include tighter time limits for receiving state help and rules that make it more difficult for parents to receive child care assistance so they can be employed. When considered together, DCF's policies present challenges to the poorest of Kansas families, who have turned to the state for help. These policies do not require approval or oversight beyond the leadership of DCF.

While the state is making TANF more difficult to access, the overall poverty rate steadily has increased, signaling that more people are in need of the state's help. The child poverty rate went from 17 percent to 22.8 percent from 2008 to 2012, and 34,000 more Kansas children became poor during that time. The number of Kansans receiving help through TANF cash assistance declined 33 percent between fiscal years 2008 and 2013. Meanwhile, the number of Kansas children living in poverty went up 20 percent.

Yet, despite the rising numbers, and unemployment and economic insecurity that continue as an aftermath of the recession, the state removed hundreds of people from the temporary assistance rolls and made it more difficult for others to get help. For every 100 Kansas families with children in poverty, fewer than 17 received TANF benefits in 2012. The ratio declined from 21 families out of 100 in 2008. Kansas lags behind the national average, which is nearly 26 recipients of TANF for every 100 poor families.

The reduction in the state's TANF caseload does not appear to be because of improved family circumstances, but because DCF has made it more difficult for families to access services by introducing stricter eligibility requirements and greater sanctions for not meeting work participation rules. Only 25 percent of all TANF applications in Kansas were approved in the last fiscal year. More families are leaving TANF due to time limits, but fewer are leaving because their earnings exceed the income limit. Only about one in 10 TANF cases was closed in 2013 because the recipient earned too much to retain eligibility. This suggests that few families are financially stable when they leave TANF.

For those who do qualify for TANF, cash assistance is inadequate to cover basic living expenses. A UCS survey last summer found that community service providers are seeing an increase in families seeking help with food, housing and child care. This indicates that many families are either not eligible for TANF or it does not stretch far enough to meet their basic living expenses. Cash benefits for Kansas' poorest families with children are the same today, in actual dollars, as when the program started in 1996.

Our budget analysis shows that Kansas is investing a decreasing share of TANF funds in basic aid to poor families. Core services of cash assistance and help with child care and finding employment accounted for less than one-third of total TANF expenditures in fiscal year 2013, down from more than one-half in fiscal year 2008. In calendar year 2012, only seven other states spent a smaller percentage on these activities so important to sustaining families while helping them to become self-sufficient.

Jobs are critical to the well-being of families, yet Kansas spends only four percent of its TANF budget on job training and employment help. In June 2013, only one out of 13 unemployed Kansans received TANF services. Little is done to help those on TANF who have significant barriers to employment. DCF does not track whether someone receiving TANF secures employment upon exiting.

Child care assistance is essential for working parents. Since May, 2013, parents receiving child care assistance through TANF funds have to be employed a minimum of 28 hours a week. They also have to earn at least the federal hourly minimum wage to qualify for this help. These rules are counterproductive to people finding jobs and being able to keep them. A parent who can find only a 25-hour a week job is ineligible for child care assistance.

Child care assistance levels are not adequate to reimburse for quality programs or to induce providers to accept children with TANF child care subsidy. In many communities, low-income parents cannot find child care because providers will not accept the state rate. Nowhere in Kansas is the reimbursement rate to child care providers more than 55 percent of the costs of care, despite federal recommendations of 75 percent.

Kansas has the money to provide services to more of the growing number of poor families. The state has substantial carryover funds in TANF. But Kansas is choosing to pay for other state expenses out of the TANF block grant. Kansas had a beginning balance in TANF block grant funds of \$48.7 million at the start of fiscal year 2014. These funds represent an opportunity to better address the needs of Kansas' most vulnerable families.

Further, the state agency does not actively engage with community partners who also can help these families, even though DCF policy choices and budget priorities have consequences for local communities as well as for providers and clients.

#### **Our conclusion:**

States have great flexibility regarding TANF program design and use of federal TANF or state funds to help people meet basic expenses, and find and retain employment. The state should improve its policies and funding choices to achieve better outcomes for needy families. It should work to return to the original mission of TANF – temporary assistance until people can get back on their feet, and employment and child care help for them to do so. Many of the improvements should come from dollars already available from the TANF federal block grant. Others can be made by strengthening communications and ties with community-based providers of services.

By this report, we hope to create discussion about ways the state can help families to achieve economic stability and improve their lives. A starting point would be for the state to have more data to guide its decisions in key areas, including whether DCF programs are even helping TANF recipients to find jobs. Our full recommendations are at the end of this report.

# **OVERVIEW OF TANF**

Congress created Temporary Assistance for Needy Families (TANF) in 1996, as part of the welfare reform law to replace Aid to Families with Dependent Children (AFDC). The goal was to provide a safety net for children, reduce welfare dependency, and connect families to work.

TANF is administered by the federal Administration for Children and Families. States can face a fiscal penalty if they do not comply with various statutory requirements, including setting time limits for receiving benefits, and meeting minimum work participation requirements. However, state governments have broad discretion to determine eligibility for TANF benefits and services. In Kansas, the Department for Children and Families, in operating TANF along with other child-welfare programs, has its strategic priorities as these: strengthen families, safely reduce the number of children in care, promote employment, exercise responsible stewardship of public resources, and build public/private partnerships.<sup>1</sup>

Kansas receives just under \$102 million each year for TANF from the federal block grant, which is not adjusted for inflation and is not increased to reflect changes in the state's cash assistance caseload, and so has declined in value by 33 percent since the program began. During the recession, contingency funds were made available to the states. Kansas accepted these additional funds in fiscal years 2009, 2010 and 2011, but since then has not requested any. If a state does not apply for these funds, they are distributed to other states who do apply.

States are required to contribute from their own funds under a maintenance-of-effort (MOE) requirement (which also has not been adjusted for inflation). The requirement is at least 80 percent (in some cases 75 percent) of a state's historic spending in the former AFDC program. Spending above these minimum requirements can benefit the state by helping it meet its work participation rate and enabling it to qualify for the federal contingency funds. Kansas' 80 percent MOE requirement is \$66 million each year and, like many states, Kansas has exceeded that requirement in recent years. Kansas counted \$88 million of expenditures toward this requirement in fiscal year 2013, down from \$109.5 million in fiscal year 2008.<sup>2</sup>

**How to Qualify for TANF in Kansas:** A family must have at least one child in the home under the age of 18 (or be pregnant) and meet income guidelines. Income eligibility varies depending on assets, family composition and other conditions. The maximum monthly earnings an applicant can receive and still be eligible for assistance is \$519 a month for a family of three. Ninety dollars in earned income is disregarded. A family cannot have savings of more than \$2,000. Vehicles are exempt from the limits.

# NEED RISES, WHILE FEWER HELPED BY TANF

#### Public Assistance Trends

The TANF caseload is declining, while poverty is increasing. The number of Kansas children younger than 18 who live in poverty increased by 34,000 between 2008 and 2012, and the poverty rate overall went from 17 percent to 22.8 percent. <sup>3</sup> Yet, fewer poor children are helped by TANF than before the recession. At the same time, community service providers report dramatic increases in requests for assistance.

A much smaller share of poor families receive cash assistance from TANF than they did just five years ago. For every 100 Kansas families with children in poverty, only 16.5 families received TANF benefits in 2012. The ratio declined from 21.3 out of 100 in 2008, despite rising poverty levels and sustained economic insecurity stemming in part from the recent recession. In comparison to other states, Kansas performs substantially below the national average: Nationally, for every 100 poor families, 25.9 received TANF benefits in 2012.<sup>4</sup>

The numbers of Kansans receiving help through cash assistance declined 33 percent between fiscal years 2008 and 2013. Two other core TANF programs – child care and employment – experienced similar declines. At the same time, enrollment in the food stamp program climbed 68 percent. The difference in the downward trend for TANF programs and the upward trend for food stamps can be linked to policy authority. State government determines eligibility for TANF benefits and services; the federal government sets food stamp financial eligibility and program guidelines.



Source: Kansas Department for Children and Families, Public Assistance Reports.

**How to Qualify for Food Stamps in Kansas:** An applicant must be a citizen, lawful permanent resident or qualified immigrant, and be in a family earning less than 130 percent of poverty and have no more than \$2,000, excluding a house and car. The food stamp program is called SNAP – Supplemental Nutrition Assistance Program.

# **COMMUNITY TRENDS**

Across Kansas, a wide range of community service providers - including nonprofit agencies, places of worship, and local governments - offer short-term help to families experiencing difficulties making ends meet. Based on responses to an on-line survey conducted by United Community Services this past summer, organizations report an increase in families and individuals seeking help with basic needs, including food, housing and child care. These responses suggest that many poor families are either not eligible for TANF or that public assistance is not adequate to help families meet the costs of these necessities.<sup>5</sup>



## **Community Providers Say Requests for Help Going Up**

Source: UCS survey of community organizations

When families have exhausted their TANF benefits, community service providers say that there often are few options available to them in local communities. Further, some providers say they believe that former TANF clients are not doing better after exiting TANF.

# **BUDGET DECISIONS LEAVE POOR WITHOUT BASICS**

## LESS PURCHASING POWER FOR FAMILIES

Cash benefits for a TANF-eligible family of three with no other income range from \$386 to \$429, depending on where in Kansas the family lives. Cash assistance benefits for poor families with children are the same today, in actual dollars, as in 1996. That means a family's purchasing power today is 33 percent below its 1996 level, after adjusting for inflation. Kansas TANF benefits are so low that they only provide family income at 26 percent of the poverty line. (The 2013 federal poverty level for a family of three is \$19,530). Had benefits kept pace with inflation over the years, they would be \$513 - \$570 per month for a family of three.

For most families, TANF cash grants are not sufficient even to cover rent. The fair market rent for twobedroom apartment ranges from \$577 in non-metropolitan areas to \$783 in the Kansas City area, an amount in excess of the TANF grant in every county. <sup>6</sup> While information was not available for this project on the number of Kansas TANF households that also receive housing assistance, a Government Accounting Office study found that only 16 percent of TANF recipients nationally receive subsidized housing.<sup>7</sup> In Kansas, housing subsidies are so limited that many housing authorities close waiting lists when wait times exceed one year, and routinely purge the lists. Consequently, few TANF households benefit from housing assistance.

An important element to household stability is the ability to save. Kansas limits the assets that a household can have and still be eligible for TANF to \$2,000, plus vehicles. This limit prevents parents from building any financial cushion to sustain their families immediately following their exit from the program, or to manage emergencies such as car repair. In addition, the asset limit does not encourage people to save. States that have moved away from asset limits have found a reduction in administrative costs associated with verifying what recipients have in assets. This cost reduction is another potential advantage of this approach. <sup>8</sup>

# **Neglecting Essential Services**

To address the primary goal of welfare reform, the core components of the TANF program are: cash aid for temporary assistance; help with preparing for, finding and keeping a job; and child care while parents are working. Kansas is spending a diminishing portion of its total TANF budget of about \$200 million on these family-sustaining activities.

In 2012 (calendar year), Kansas ranked eighth lowest when compared to other states with respect to combined spending on cash aid, employment and child care. Only seven other states expended a smaller percentage of their total TANF budget on core programs.<sup>9</sup>



Comparison of all states and percentage of total TANF budget spent on core TANF components.

Kansas spending for the core components as a percentage of the total TANF budget has fallen even further since 2012. These core services accounted for less than one-third of all TANF expenditures in fiscal year 2013, down from more than one-half in fiscal year 2008. (TANF block grant funds transferred to other units of state government are considered as expenditures for the purpose of this analysis. For budget details see page 20, Appendix 1.) <sup>10</sup>



## Kansas Spends Less Than 1 of Every 3 Dollars on Core TANF Components

# **Basic Assistance is Declining**

Basic assistance is provided as cash aid to help families temporarily meet their needs is a diminishing share of the combined TANF block grant and state (MOE) spending in Kansas. At TANF's onset in 1996, Kansas used a majority of funds for basic assistance. In fiscal year 2008, the percentage was 23 percent. That figure fell to 16 percent just five years later, and is budgeted at only 13 percent in fiscal year 2014. Nationally, states on average spend more than twice that - 29 percent - on cash aid.<sup>11</sup>

# **Insufficient Help in Finding Jobs**

Kansas never has invested a significant portion of the TANF budget in services to assist TANF recipients in finding employment, with the spending being roughly 6 percent of the total until recent years. That percentage fell to 4 percent in fiscal year 2013, or about \$7 million, and is budgeted at the same level in fiscal year 2014.

# **Child Care Assistance Drops**

State spending for child care assistance, targeted to help parents train for, secure and maintain employment, has declined dramatically also, from 24 percent of the total TANF budget in fiscal year 2008, to 10 percent (\$17.7 million) in fiscal year 2013. Child care expenditures represent 14 percent of the 2014 budget.

# **Earned Income Tax Credit Contributions**

Kansas joins other states in counting the refunds that many low-income persons receive under the state Earned Income Tax Credit (EITC) towards the state's share of funding to support TANF. The state has nearly doubled the amount in the category since fiscal year 2008, a reflection of the growing number of

Source: Legislative Research Information Request. DCF budget fiscal years 2008-2015.

low-wage households in the state. The amount was \$56.6 million in the last fiscal year, which ended June 30. The EITC widely is considered among the most effective policies for increasing the work and earnings of female-headed families. By boosting employment among single mothers, the EITC also produces large declines in the numbers of families who receive cash welfare assistance. <sup>12</sup>

# **TANF Going for Other State Needs**

Spending from TANF for foster care, adoption and family preservation represents 12 percent of the TANF budget in fiscal year 2014, up from 7 percent in fiscal year 2008. While the TANF law allows such expenditures, Congress did not anticipate this diversion of funds when it created the block grant program.<sup>13</sup>

Further, a new reading initiative is budgeted at \$12 million, with \$9 million to come from TANF funds in fiscal years 2014 and 2015. Its purpose is to help students in school districts with low reading scores and high poverty rates. This program alone represents 6 percent of the total TANF budget. That is more than is spent on work-related activities (less than 4 percent of the total TANF budget) and about one-half the amount the state spends on direct cash aid (13 percent of the total TANF budget). <sup>14</sup>

These trends in total TANF spending raise concerns about the extent to which Kansas is using TANF or state MOE funds for activities beyond the core welfare reform areas, thus diverting funds from supporting needy families to purposes largely unrelated to providing a safety net or work opportunities for poor - and especially deeply poor - families.



# Decline in Spending for Core Services Over 5 Years Total TANF Budget

Source: Source: Legislative Research Information Request. DCF budget fiscal years 2008 and 2013.

## Kansas Has Money to Do Better

Kansas had a beginning balance in TANF block grant funds of \$48.7 million at the start of fiscal year 2014. These funds represent an opportunity to better address the needs of Kansas' most vulnerable families. Yet, Kansas has chosen not to increase investments in core services (cash benefits, employment services and child care), which help to address the realities of the current economy for the lowest-income families. And, Kansas has made policy and process decisions that make it more difficult for people to access TANF benefits, thereby reducing the numbers of people helped, even as the numbers of children in poverty go up.

The funds represent an opportunity to reverse the policies and decisions that have kept people without the safety net, and boost the amount of cash aid to families, increase child care reimbursement rates and enhance employment services.

# PROGRAM POLICIES: REDUCED CASELOADS, UNCERTAIN OUTCOMES

Our project does not include an exhaustive review of all Department for Children and Families policies, but focuses on those changes since October, 2011 that appear to influence how many individuals or families receive TANF cash assistance and child care. The majority of the changes reviewed, alter eligibility requirements and apply stricter sanctions. Particularly when considered together, the rules present challenges for families who have turned to the state for help, and they seem designed to reduce caseloads rather than help families to succeed.

The program policies are documented in the Kansas Economic and Employment Services Manual (KEESM). <sup>15</sup> An inventory of policy changes can be found at the end of this report (Page 21, Appendix 2.)

To take effect, these decisions do not require oversight or approval beyond the leadership of the Department for Children and Families. Based on observations of community providers, staff at the department's various service centers do not appear to uniformly implement new policies. Changes to policy or procedure are not routinely communicated to stakeholders external to DCF or even affected TANF recipients. Community service providers mostly report learning about changes only in the course of navigating benefits on behalf of their clients.

#### • Application Denials on Upswing

While the number of applications by persons seeking TANF coverage has shown only a slight decline since fiscal year 2011, the state's approval rate for applications has gone down dramatically. Only 25 percent of all TANF applications were approved in the last fiscal year, 2013. Five years earlier, almost half of the applications that were submitted were approved.

	Applications Received	Applications Approved	Applications Denied	Approval Rate
FY 2008	31,548	14,307	16,997	46%
FY 2009	38,631	15,499	22,849	40%
FY 2010	41,383	15,533	25,585	38%
FY 2011	40,676	14,993	25,286	37%
FY 2012	35,051	9,454	24,876	27%
FY 2013	33,196	8,248	24,489	25%

## Percentage of TANF Applications Received and Approved FY2008 - FY2013

Source: Legislative Research Information Request. Monthly Kaecses System Extracts 11/7/13

Two policy changes effective November 2011 are notable for increasing the numbers of applications denied. One decision reduced from 60 months to 48 months the life-time limit on TANF benefits that a person can receive. That resulted in 352 applications being turned down in fiscal year 2012 and 487 in fiscal year 2013. A second policy effective that month required applicants to complete a job search before their application was approved. That was the reason for 709 applications in fiscal year 2012 being turned down, and another 1,235 in fiscal year 2013. (This policy has been changed, effective July 1, 2013).

As is generally the case, failure to cooperate or to complete the application process, as well as voluntary withdrawals of applications, accounted for a significant share of denials. Community service providers have suggested that some of these situations may reflect families frustrated with or confused by the application process. The Department for Children and Families staffing model makes it difficult for applicants to communicate directly with DCF staff about procedures they don't understand.

DCF uses a list of 67 reasons for assistance denials, some of which appear overlapping, making it difficult to fully analyze trends. A more thorough department analysis of reasons for turning down applications may yield information that would inform the application procedure and process, and result in a more efficient use of DCF staff time, as well as applicant time and limited resources.

# • Work First But No Training

In November 2011, DCF adopted a policy to require TANF applicants to search for employment prior to a determination of eligibility, a period which can stretch to 45 days. The applicant job search requirement called for applicants to complete 20 contacts and 20 hours of search for work each week – even before receiving TANF benefits. Data on TANF denials does not attribute any denials to an applicant becoming employed as a result of the policy.

In July 2013, DCF modified the policy to require TANF applicants to register on the KansasWorks employment site, complete a work readiness assessment, and be certified as ready to work. Registration may be on-site at one of the 17 full-time Workforce Centers statewide, or on-line at a DCF service center if no Workforce Center is located within 20 miles of the DCF center. (It is not clear if Applicant Job Search still is required in certain circumstances. KEESM 3411 makes reference to AJS, and some community service providers report that applicants are still being asked to comply with this policy.)

The new policy to register on KansasWorks is an improvement over the earlier Applicant Job Search requirement in that it connects TANF applicants with Workforce Centers. Yet, it falls short by not utilizing the Workforce Centers for a wider range of services for TANF recipients. An emphasis on work first does not help unemployed or underemployed parents improve their skills in order to secure better paying jobs in the future. Many, if not most, TANF applicants do not have the skills to secure jobs that pay household sustaining wages.

# Back to Work for New Mothers

Prior to May, 2013, mothers with newborns younger than 6 months were exempt from work requirements. In May, the state changed the child-under exemption to 2 months old, requiring mothers to return to work soon after giving birth. While this policy has not been in effect long enough to document an effect on TANF caseloads, it does create the possibility of negative outcomes, particularly given the fact that in 36 Kansas counties, there is no child care vacancy for those using state subsidies to help purchase infant care (18 months or less). (No data is available on child care for 2-month-olds.) <sup>16</sup> This policy also runs counter to research recommending that parents be exempted from work requirements until children turn age 1, in order to maximize the investment in children's brain and social development, as well as trends around the country where more states are extending child-under exemptions, in large part to reduce the strain on their child care systems.<sup>17</sup>

# • Toughened Sanctions

Stricter sanctions for failure to meet work requirements were implemented Nov. 1, 2011. These tiered sanctions ultimately can lead to the entire household, including children, being disqualified from TANF benefits for at least 10 years. The first incidence of non-compliance results in a minimum three-month penalty; the second, a minimum of six months; the third, a one-year penalty, and the fourth or subsequent non-compliance, a 10-year loss of TANF eligibility.

Findings from a study by Kansas Department of Social and Rehabilitation Services in 1999 estimated that one-quarter of its TANF population had a learning disability and another one in five parents had an IQ of less than 80.<sup>18</sup> Other studies suggest that people who experience learning disabilities or have low intelligence find it difficult to understand and comply with the often-complicated program rules. For example, parents may not be able to understand the instructions related to the time or place of appointments or may not be able to organize the necessary child care or transportation as a result of their impairment. As a result, parents may be sanctioned for their inadequate communication or problem-solving skills.<sup>19</sup>

The same stricter, tiered sanctions were implemented Nov. 1, 2012 for failure to cooperate with Child Support Enforcement. Custodial parents may have valid reasons, including safety concerns, for not wanting to involve non-custodial parents in child support collections.

# • Tighter Time Limits

TANF households were on assistance in fiscal year 2013 for an average of 14 months (endnote), demonstrating that for most families TANF offers needed help during a difficult, but temporary, period. For some families though, significant barriers to employment exist and the state's initiation in November 2012 of stricter 48-month time limits for being on TANF (reduced from 60 months), will disproportionately impact the most vulnerable families. In fiscal year 2013, 742 cases were closed due to people reaching the time limits. The full effect of this particular change will likely not be seen for some time, as the families at greatest risk hit this time limit in the future.

## • Drug Testing

The state of Kansas in 2014 will implement drug testing of DCF applicants who are suspected of drug use. Experience in other states with similar policies suggests that a small percentage of applicants will test positive for drugs. Drug testing is a less effective approach than what Kansas has had in place for several years: a statewide contractor assesses and implements evidence-based practices (a combination of treatment and case management) for those at-risk of substance abuse. Unlike the new drug testing requirement, this approach addresses not only drugs, but alcohol.<sup>20</sup>

# **EMPLOYMENT SUPPORT INADEQUATE FOR SUCCESS**

# **DWINDLING HELP IN FINDING EMPLOYMENT**

Employment and Training is the TANF component that helps poor parents find work. The goal should be for families to leave TANF employed and with earnings that enable them to support their families. Yet, according to codes assigned by DCF workers to closed cases, less than one in 10 cases closed in fiscal year 2013 due to "excess earnings," or earning too much - a dramatic reduction from one in three in fiscal year 2008. This would suggest that few families are financially stable when they leave TANF.

A much smaller share of the state's unemployed receive TANF employment services than they did just two years ago. In June 2013, for every 13 unemployed people in the state, one received TANF, compared to one in nearly every 8 in 2011. TANF employment services were provided to 6,957 people in June 2013, about 6,000 fewer than in June, 2011. Only four percent of the total TANF budget is expended on this critical function. Funding has been reduced by 40 percent since fiscal year 2008.



#### Fewer Unemployed Kansans Helped by TANF

Source: Kansas Department for Children and Families, Public Assistance Reports. Source: U.S. Bureau of Labor Statistics.

#### Too few jobs and too little pay

When TANF was adopted in 1996, the nation was experiencing an economic expansion, low unemployment and unusual labor-market opportunities, even for low-income parents who had significant employment barriers. Today, the labor market presents far different opportunities for these parents. Full-time permanent employment, with benefits, and a wage above the federal poverty level is not the norm for low-skill jobs that require no or little education.

At the end of June, 87,000 Kansans (8.7 percent) were unemployed and looking for work. <sup>21</sup> Yet according to the Kansas Job Vacancy Survey, Kansas has only enough job vacancies to employ about half of the unemployed. And of the 40,000 state-wide job vacancies in second quarter 2013, more than four in 10 were part-time or temporary and one-half paid less than \$11 an hour. <sup>22</sup>

# • Employment and Training Outcomes

Scant information is available to the public regarding the success or outcomes of the employment and training component of Kansas TANF. Even a request to Kansas Legislative Research by a state legislator yielded little information.<sup>23</sup> The request asked for data on job-training programs provided to TANF applicants and job placement, including types of jobs for which training is offered, job placement rates and median wages for individuals completing training. The response was "DCF uses the Department of Labor Market Information Services to determine best training programs for a particular region, job vacancy and wages. DCF policy requires that this information is researched before a client is approved to go into a training program paid for with TANF dollars." A follow-up inquiry asked for more information, particularly actual wages, industries actually placed in, as well as overall placement rates. The response to the follow-up question was, "We just do not have this information. We have however started tracking monthly new hires for TANF recipients." <sup>24</sup>

The lack of data concerning employment and training suggests that DCF does not have adequate information to design an effective training and employment program, nor is it holding itself accountable for employment outcomes. This is particularly concerning given the strategic priority set by DCF to promote employment. Without outcomes data, it is difficult for the state to know if families are on the path to economic self-sufficiency.

# • Comprehensive Services Needed

Policies implemented last July require TANF applicants to complete KEYTRAIN, a work readiness assessment that includes reading, locating information and applying mathematics. KEYTRAIN is completed at one of the 17 Workforce Centers in Kansas, or at a DCF office in some regions. This partnership with Workforce Centers is limited to TANF applicants completing the on-line training. A closer partnership has not been established with the Workforce Centers, which have the capabilities to deliver a wider range of services and supports to the TANF adult population. It does not appear that TANF funds are transferred to the Department of Commerce to offset costs for the work readiness assessment.

Workforce Centers have the capabilities to help TANF recipients develop workplace skills and find a job. Workforce Centers also have the ability to extract employment data from various state-level sources, which allows them to track employment outcomes. DCF currently cannot perform this same level of outcomes tracking.

# • Barriers to Employment

Most TANF recipients have at least one barrier to work and many have multiple barriers. Findings from the 1999 study by the former Department of Social and Rehabilitation Services found that 80 percent of Kansas TANF recipients had a disability – mental, physical, learning or low IQ.<sup>25</sup> The likelihood of work declines as the number of disabilities increases. And, the frequency of state sanctions for not following the rules increases. In addition to disabilities, parents can experience other barriers to work - lack of

child care, inadequate transportation, limited education or skills. Parents typically require enhanced assistance to prepare for, find and keep jobs.

Success for recipients with barriers to employment often requires case management and broad support services. Individual plans should be geared to helping individuals overcome varied and multiple challenges. Much of the caseload requires a mix of treatment and work opportunities. Many recipients require mental health, substance abuse, or other types of counseling, often beyond the time these activities can count as work participation.<sup>26</sup>

Assessments can identify potential barriers to employment so specialized services can be implemented quickly. For substance abuse, TANF does include an assessment and intensive case management for adults identified with substance abuse. However, only a small percentage of all TANF clients (12 percent) score at high risk for substance abuse, <sup>27</sup>so few TANF recipients benefit from intensive case management.

Securing and maintaining employment requires more than telling someone to submit job applications. The first step is a better understanding of the impairments and barriers to work experienced by TANF recipients. Next is implementing best practices, which include developing work opportunities outside the competitive labor market, such as supported employment, unpaid work experience with on-site support and monitoring, subsidized job placements, intensive case management, job coaches, unsubsidized transitional employment, and mental health coordination.

# CHILD CARE POLICIES COUNTERPRODUCTIVE TO WORK

# **Child Care Eligibility Rules Affect Employment**

Quality, accessible and affordable child care is an essential support for working parents and the foundation of academic and life success for young children. Dependable child care is an essential prerequisite for most poor parents' entrance into the labor market.

Kansas, like many states, in addition to TANF recipients, provides child care assistance to households who work and meet income eligibility (up to 185 percent of the federal poverty level) in order to support their ability to work. This financial help is funded with TANF dollars. However, unlike most states, Kansas now requires all adults in the household to participate in work for a certain number of hours each week in order to receive child care assistance.

In November, 2011, DCF began to require child care assistance recipients who are not receiving TANF to be employed a minimum of 20 hours per week. In May, 2013, this requirement was increased to 28 hours per week, and in October, 2013, a requirement was added that adults also must earn at least the federal minimum wage per hour. The 28-hour/minimum wage requirement may preclude people from accepting part-time work that is less than 28 hours, if they cannot also receive help with the cost of child care.

While the ideal is that all workers have full-time work, earning more than the federal minimum wage of \$7.25 an hour, the reality is different. Forty percent of jobs are part-time in Kansas, and these jobs may be the only option for employment in some parts of the state. One in five part-time jobs in Kansas offers, on average, less than \$7.50 in starting wages.<sup>28</sup>

Requiring parents to work a minimum number of hours to receive any child care assistance can create a challenge for those who need child care to maintain the work hours they have. Parents may have to start with a limited number of work hours before they can eventually build up to longer hours, but they can never have this opportunity in the first place without child care. These eligibility requirements can force parents to choose between quitting or rejecting a job that could ultimately be a ladder out of poverty, and leaving their children without quality child care. And ultimately, it can be counterproductive to parents securing and keeping paid employment.<sup>29</sup>

## Low Reimbursement Rates Hinder Care

While eligible families get help with child care, it is typically not enough to cover the cost of care. A study of market rates for child care in Kansas, commissioned in the spring of 2013 by DCF in accordance with federal requirements, revealed that in no region of Kansas did DCF subsidies cover more than 55 percent of the current market rate for a licensed child care provider. <sup>30</sup> Federal regulations recommend, but do not mandate, that rates be set at the 75<sup>th</sup> percentile of current market rates.<sup>31</sup>

Access and affordability are linked because without reasonable reimbursement rates, child care providers will not accept children with a DCF subsidy. The market rate study showed that, in some communities, there was no provider who would take the state subsidy for children of any age. In 36 Kansas counties, there was no vacancy at a provider who accepted the state subsidy for an infant. <sup>32</sup>

#### An Obstacle to Work

Case managers across Kansas are concerned that many communities do not have any child care providers who accept the state subsidy, which results in low-income parents having few options while they work. Parents often have to make the choice between going to work and leaving their children in an unsafe situation. Community-based providers report this is a significant obstacle to employment among parents who are committed to working their way out of poverty, but not at the expense of their children's safety and well-being.

# COMMUNITY PARTNERSHIPS ARE KEY

A strategic priority for DCF is to build public/private partnerships. Actions by DCF seem counterproductive to this priority. For example, DCF has terminated two partnerships with statewide organizations that offered support for some TANF clients. A contract with domestic violence/sexual assault service providers to offer specialized services to victims was terminated in July 2012. The Social Security Disability Advocacy Project and contract with Kansas Legal Services was ended in January 2013. This project helped TANF clients file for Supplemental Security Disability Income (SSDI/SSI).

In local communities, non-profit organizations, places of worship and local governments work together to supplement the public safety net. The message from providers across the state (based on a focusgroup and on-line survey) is that DCF does not actively engage with them as community partners, even though DCF policy choices and budget priorities have consequences for local communities.

Community service providers are affected in multiple ways by internal restructuring at DCF, TANF policy changes, and the allocation of TANF financial resources. When people are not helped by the state safety net, they turn to their communities. While local organizations cannot replace the public safety net, clear

communication about pending policy changes and emerging service trends affords them the time to understand how changes will impact them and consider how, or if, they might be able to respond, particularly if those changes impact demand for services.

Central to this concern is DCF's lack of communication with local providers about policy changes. When asked in a survey how they learned about key policy changes since fiscal year 2011, the most frequent response from community providers was "discovered through work with clients," followed by "did not know about this change." When asked about their relationships with DCF, only 20 percent of the respondents replied they worked collaboratively with DCF on projects in their community. Nearly 40 percent had no current contact with DCF; the majority indicated they previously had contact but that staff person is no longer employed at DCF.

The internal structure for administering TANF was reorganized in 2011. Rather than the one client-one case worker model, functions are now managed by teams, resulting in reduced response rate and limited information sharing. Individuals who want to speak with a DCF worker may only leave a phone message to an agency-wide answering system, rather than ask to speak with a specific person. More than half of the community providers responding to an on-line survey reported waiting at least three days to receive a call back from a DCF worker regarding a family they were working with. Individuals calling on their own behalf reported waiting the same length of time, and one in five said a return call never came.

# **OUR RECOMMENDATIONS**

States have great flexibility regarding TANF program design and use of federal TANF or state maintenance-of-effort funds. The TANF fund balance presents an opportunity for increased cash aid to poor families, more child care support and strategic investment in evidence-based programs that will help move harder-to-serve populations to successful employment.

Our recommendations, organized according to the Department for Children and Families' own Strategic Priorities, are offered to generate conversation about safety-net improvements that could achieve the best possible outcome for Kansas children and their families. The majority of TANF funds should be expended for core welfare activities – basic aid, employment, and child care.

#### **Strengthen Families:**

- Increase the monthly TANF cash grant. If the original state grant had increased with inflation the maximum monthly grant for a family of three would be \$570; instead it is \$429. Poor families lack the resources to pay for basic needs. Increasing basic aid will allow families to purchase essentials that help them maintain stability while they find a job.
- *Eliminate TANF Asset limits*: Kansas' rules for denying cash assistance to families who have modest levels of savings (\$2,000) are outdated. The low benefit levels, stringent work requirements, and time limits on benefits are sufficient to ensure that families won't apply for TANF unless they really need the help. Moreover, these rules add to administrative costs and discourage low-income families from developing the habit of saving.
- **Reassess policies and practices that deny aid to income eligible families**: Kansas policies appear to be aimed at reducing welfare caseloads, rather than helping people to find jobs where they can

provide for their families, improve their lives, and move away from public assistance. Current practice is not the way to help vulnerable children and families.

## **Promote Employment:**

- Spend a larger share of TANF resources on activities designed to prepare recipients for work. Kansas has never invested a significant portion of its TANF dollars in work activities. Adequate resources must be invested in a range of education and training activities related to gainful employment, including paid work-study positions and subsidized employment. TANF clients also need supportive services such as case management, job placement assistance, career counseling and funding to help with emergency needs.
- Expand partnership with Department of Commerce and Workforce Centers. Workforce Centers could provide a wide range of services for TANF clients, beyond administering KEYTRAIN. Use TANF funds to contract with Workforce Centers to deliver a more comprehensive scope of services to TANF clients to include developing workplace skills, finding jobs and managing supported employment programs or other innovative job programs. To be successful, Workforce Centers will need staff with training and expertise to work with this population. This partnership offers the advantage of coordinating employment programs, ability to extract data from an existing system to track outcomes, more efficiency and greater potential for positive outcomes, as well as more employment services.
- **Design programs to address the specific employment barriers of TANF clients**. DCF should more thoroughly understand barriers that individual clients face, collectively and individually, so that the TANF program can be designed to achieve positive employment outcomes. For most TANF recipients, securing successful employment often requires case management and support services. Use Solutions Recovery Care Coordinators for substance abuse as a model to expand to other hard to serve population.
- **Establish outcome measure related to employment**. The goal for DCF should be to help parents successfully transition to employment that will allow them to support their families and keep their children safe. DCF does not currently track whether TANF clients secure employment.
- **Expand educational opportunities**: Expand opportunities for TANF recipients to participate in education, while at the same time receiving cash benefits and child care.
- **Reset child care policies**. Child care policies for eligible households prior to Nov. 2011 set eligibility at 20 hours of work a week. Given the nature of part-time employment in Kansas, 20 hours seems a more reasonable threshold than the current 28 hours. Prior to May 2013, the TANF work exemption for mothers with newborns was 6 months. Returning to 6 months would increase the likelihood that mothers could find infant care.
- Increase child care subsidy payments to 75 percent of the median. Parents cannot work without child care. Child care subsidies must be sufficient to ensure that infants and toddlers can access and receive quality, developmentally appropriate care.
- Increase number of child care providers across the state that accept DCF payment: Work in partnership with Child Care Aware of Kansas to have adequate numbers of quality providers in all communities. Raising reimbursement rates will help by making it profitable to be a licensed provider.

#### **Exercise Responsible Stewardship of Public Funds:**

• Spend a larger percentage of TANF funds on programs that directly benefit families – cash aid, work-related activities and supports, and child care. State spending on these core programs has fallen dramatically. At the same time, expenditures for foster care, adoption, and family

preservation programs are projected to eclipse child care expenditures in fiscal year 2015. The school reading initiative, new in fiscal year 2014, costs almost twice as much as currently is spent on employment activities. Assuring that parents can meet their child's/children's basic needs and find a good job should be the focus of TANF dollars.

- Use available funds for programs that are evidence-based and likely to realize positive outcomes for families. Investigate policies and programs that have been rigorously evaluated and implement those that show best results for employment. Spend the largest portion of TANF funds on the core purposes of welfare reform.
- Accept additional federal funds available to serve this population. Take advantage of opportunities to draw down additional federal funds that would benefit these Kansans. The state misses opportunities to serve people by not accepting some federal dollars, such as TANF contingency funds and food stamp outreach grants, which would benefit the TANF population.
- Use data to inform budget and policy decisions, and improve client outcomes: Understanding who applies for TANF, the barriers they face to employment, length of time, sanctions, status upon exit from TANF, as well as other client data, would allow for more strategic choices about allocation of resources, program design and policy implementation.

# **Build Public/Private Partnerships:**

- Work in partnership with community organizations. The safety net is most effective when state government and local communities work together. Partnerships with organizations that serve the same population can yield better results. Outreach is a critical component of public programs. Clear communication about pending policy changes and emerging service trends allows for a two-way dialogue that can lead to better decisions and more efficient implementation.
- **Reduce barriers that hinder access to services**: Eliminate barriers to accessing local service centers/and or caseworkers. Uniformly train and implement policies across all service centers. Inform people who come to DCF for help about all safety net programs for which they might be eligible.

#### **APPENDIX 1**

#### TANF Block Grant and Maintenance of Effort Dollars in Millions

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Fy 2015
	Actual	Actual	Actual	Actual	Actual	Actual	Estimate	Estimate
Beginning Balance	22.0	25.4	48.7	20.5	37.4	41.6	48.7	40.2
TANF Block Grant	101.9	101.9	101.9	101.9	101.9	101.9	101.9	101.9
Other TANF		13.6	13.0	22.3		2.3		
Subtotal Revenue	101.9	115.5	114.9	124.2	101.9	104.2	101.9	101.9
Transfers								
Child Care & Development Fund	26.1	20	14.6	16.8	16.9	11.4	20.6	14.5
Social Services Block Grant	7.2	7.2	7.2	7.2	10.2	10.2	10.2	10.2
Other Transfers			18.7	3.4	0.1	1.4	4.6	3.1
Subtotal	-33.3	-27.2	-40.4	-27.4	-27.2	-23.0	-35.3	-27.8
Total Available	90.7	113.7	123.2	117.3	112.1	122.8	115.3	114.4
Expenditures								
TANF Cash Assistance	18.2	15.2	31.3	23.4	22.1	21.1	16.8	14.9
TANF Employment Services	11.2	11.9	11.9	10.9	8.9	6.0	5.6	6.0
Child Care Assistance	9.2	7.4	7.9	6.0				
Foster Care Contracts	5.7	5.9	21.2	12.6	15.0	16.9	18.0	17.5
KS Reading Roadmap*							12.0	12.0
Administration/IT	15.8	17.4	17.4	16.2	18.8	17.4	14.4	11.5
All Others	5.2	7.2	12.8	10.8	5.8	12.7	8.3	8.4
Total	65.3	65.0	102.7	80.0	70.5	74.1	75.1	70.2
Ending Balance	25.4	48.7	20.5	37.4	41.6	48.7	40.2	44.1

#### **TANF Maintenance of Effort Claim**

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Fy 2015
MOE Category	Actual	Actual	Actual	Actual	Actual	Actual	Estimate	Estimate
TANF Cash Assistance	29.8	30.0	18.4	28.7	20.0	8.5	8.1	8.1
Child Care Assistance	14.4	13.1	12.5	10.2	7.6	6.3	6.7	6.7
Earned Income Tax Credit	29.4	36.8	37.1	25.6	51.9	56.6	58.5	58.6
All Others	36.0	23.0	28.3	27.7	19.0	16.6	13.7	13.7
Total	109.6	104.9	96.3	92.3	98.5	88.1	87.0	87.0

Caseload							
	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	
TANF Average Monthly Persons	32,773	31,828	36,972	38,963	31,730	21,887	
Employment Average Monthly Adults	12,229	11,766	12,510	13,634	11,088	7,622	
Child Care Average Monthly Children	21,211	20,964	20,319	19,734	17,682	16,330	

Note - for the purposes of the budget analysis, transfers were considered as expenditures.

\* Media reports of Gov. Brownback's press conference suggest that \$3M will be from another source.

Source: Budget information provided by Legislative Research to Representative Barbara Bollier, November 8, 2013. Source: Averge monthly number served retrieved from DCF Public Assistance Report, June 2013.

# **APPENDIX 2**

# **INVENTORY OF POLICY CHANGES OCTOBER 1, 2011 – OCTOBER 1, 2013**

# DCF Economic and Employment Services Manual Listing for Summary of Changes and State Commissioner's Letters

Торіс	Policy	Manual Code
Revisions No. 5	50, October 1, 2011	
Minor child must attend school	A child, age 7 through 18, must be enrolled in school, including a registered home school. Ineligibility for the entire household will exist if a child in the home is not enrolled in school.	KEESM 2110
Revision No. 52	1, November 1, 2011	
Minimum employment 20 hours per week for non-TANF child care	Non-TANF child care recipients are required to be employed a minimum of 20 hours per week in order to qualify for child care assistance (exemption for documented physical or mental condition). Minimum will not be waived for individuals who are within 6 months of completing their education/training.	KEESM 2835
	If self-employed, individuals must be working a minimum of 20 hours per week. If after six months of self-employment an individual is not earning at least the federal minimum wage per hour, child care plans will be terminated.	KEESM 2820
	Note this policy revised May 1, 2013 to 28 hours per week.	
Income of co- habitants	Assistance units include the boyfriend or girlfriend co-habiting with the person legally responsible for the child. The income resources of the co-habitant will be used in determining eligibility and benefit levels.	KEESM 2835
Tiered penalty for non- cooperation with child support enforcement	Failure to cooperate with Child Support Enforcement for a child receiving child care assistance will disqualify the parent from receiving child care benefits for all children for whom he or she is legally responsible. First disqualification results in a minimum of three months and cooperation must be established. With fourth and subsequent failures, the minimum disqualification is 10 years.	KEESM 2165, 2165.1, 2165.2
	TANF eligibility will end for the entire mandatory family unit (MFU) of the person who fails to cooperate with the child support enforcement.	
Tiered penalties for non- cooperation with work	A tiered household penalty system is implemented for non-cooperation with work program activities. The first non-cooperation is a minimum of three months penalty; second non-cooperation a minimum of six months penalty, third non-cooperation a minimum one year penalty; fourth or subsequent non-cooperation, a ten year loss of TANF eligibility.	KEESM 3500, 3511, 3522 KEESM 3410
program	Adults and MFU that loses eligibility for ten years for TANF due to fourth or subsequent non-cooperation penalty excluded from receiving job transition services.	

48-month time limit Applicant job search during applicant process	<ul> <li>48-month time limit set for TANF. Hardship provisions only allow households to remain eligible for 60 months. Hardship extensions are granted for caretaker of disabled family member, disability that precludes employment, domestic violence, prevention and protective services case, or on executive approval. Months of assistance are counted from Oct. 1, 1996.</li> <li>Applicant job search required while TANF application is in the processing period. All TANF applicants required to complete 20 job contacts/applications to be eligible for cash benefits. Applicants and new recipients required to continue to job search 20 hours and complete 20 job contacts/applications a week until they meet with their EES worker to assign a new work program.</li> </ul>	KEESM 2240, 2241, 2242, 2243, 2243.1, 3110 KEESM 3100, 3411
Devision No. 51	Note: this policy replaced on July 1, 2013.	
Diversion payment program	2, December 1, 2011 Lump Sum Non-recurrent diversion Payment Program Option: Families can accept a onetime payment of \$1,000 to assist during a temporary emergency or crisis that endangers their ability to stay employed or accept a gainful offer of employment. The \$1,000 payment must meet the entire need. The members of the unit cannot have received TANF cash benefits in Kansas or any other state as an adult or as an emancipated minor. Acceptance results in the family being ineligible for TANF benefits for 12 months and will have a 42-month life-time limit for TANF benefits.	KEESM 1118
Revision No. 53	3, January 1, 2012	
Fraud lifetime penalty	Lifetime penalty for TANF and child care households that are found guilty of fraud. Penalty applies to both programs, even if fraud is only committed in one. There is no dollar minimum for fraud.	KEESM 11121.3, 11200, 11221, 22130
Revision No. 55		
Domestic Violence	Contract with domestic violence/sexual assault service providers terminated. Policy on OARS (Orientation Assessment Referral Safety) removed from KEESM. TANF applicants or recipients who disclose domestic violence/sexual assault provided contact information for local provider.	Portion of KEESM 3330.9 removed
	, October 1, 2012	
Domestic Violence	New policy to reflect how DCF staff are to refer TANF recipients to their Domestic Violence/Sexual Assault local program and provision of on- going services.	KEESM 3330.9
Revision No. 5	7, January 1, 2013	
SSI/SSDI	DCF will no longer pay for representation for a TANF client to file for SSI/SSDI. Social Security Disability Advocacy Project and contract with KLS no longer in place.	KEESM 1724 removed

Revision No. 58	3, May 1, 2013	
Minimum employed 28 hours per week for non-TANF childcare	All adults in a Non-TANF child care case are required to be employed a minimum of 28 hours per week in order to qualify for child care assistance. The minimum weekly hours of employment for post- secondary students will remain 20. Existing cases to be reviewed and closed if not in compliance. TANF recipients who lose eligibility for TANF due to employment are not subject to the 28-hour-per-week requirement for two months following the loss of TANF eligibility. However, if not employed at least 28 hours per week, the child care plan will only be written for those two months. If employed at least 28 hours per week at the end of those two months, they may re-apply for child care assistance.	KEESM 2835
Work program exemption of 2 months for new mother	The Work program exemption for a single parent of a child who is 6 months or younger will be changed to 2 months, "to reflect a timeframe that runs closer to the general workplace guidelines".	KEESM 3220
Revision No. 59	9, July 1, 2013	
Work readiness assessment	TANF applicants are required to register on-line for KansasWorks (KWK). They must also complete a module of the KeyTrain assessment at the local Workforce Center. The KeyTrain assessment will be completed in- house at DCF offices which are not co-located with a WorkForce Center in the same town.	KEESM 1412.1, 2121 and multiple other sections
Drug Conviction	Anyone convicted on or after July 1, 2013 of a felony drug offense is prohibited from receiving TANF benefits for 5 years after the date of the conviction for a first offense. Subsequent felony convictions result in a lifetime ban of TANF assistance for the individual.	KEESM 2183
Revision No. 61	l, October 1, 2013	
Minimum earnings for non-TANF childcare	Adults included on a child care case not only must be employed 28 hours per week, but <b>also</b> be earning at least the federal minimum wage per hour.	KEESM 2820, 2835
Fraud	Misuse of TANF benefits is an element of fraud. This includes use of cash assistance to buy non-food items such as alcohol, cigarettes, tobacco products, or lottery tickets.	KEESM 11210
Work experience	The Work Experience component will be limited to a period of 6 months during the 48 months of TANF eligibility.	KEESM 3310.4

# **Acknowledgements**

During the course of the project UCS held conversations with people in various positions of knowledge about TANF and child welfare across the state. We thank them for their time and perspective. To gain a clearer understanding of the impact of policy changes in communities around Kansas, UCS convened a focus group of case managers working in family support programs. UCS invited community service providers to complete an on-line survey and asked several providers to invite their clients to complete a survey. Their commitment to clients and their willingness to help tell their stories is greatly appreciated. Special thanks to Representative Barbara Bollier, Scott Anglemyer, Shannon Cotsoradis, Paul Johnson, Laura Scott and Tawny Stottlemire.

# Methodology

The methodology included secondary and primary qualitative and quantitative research. The primary author is Karen Wulfkuhle, Executive Director, UCS. Research assistance was provided by Melinda Lewis, Associate Professor of Practice at the KU School of Social Welfare. Additional consultation was provided by Liz Schott, Senior Fellow, Center on Budget and Policy Priorities.

- A review of the regulatory and procedural changes made by DCF (and its predecessor SRS) since 2008 as published in THE KANSAS ECONOMIC AND EMPLOYMENT SERVICES MANUAL <u>http://content.dcf.ks.gov/EES/KEESM/Keesm.htm.</u>
- Analysis of information on TANF policies and budget provided by Kansas Legislative Research at the request of Representative Barbara Bollier.
  - Reasons for TANF exit
  - Number of applications and approval rates
  - Procedures regarding the length of time for application processing
  - The number and percent of cases where TANF benefits were terminated but families remained on food stamps
  - Procedures for appeals when benefits are terminated
  - Expenditures by category within the TANF block grant and to satisfy maintenance of effort (MOE) requirements
  - Expenditures and approach for anti-fraud efforts using TANF block grant moneys
  - Outcomes data on job training and placement programs.
- In-person interview with Michelle Schroeder, Director of Policy and Legislative Affairs, DCF.
- On-line survey of community-based service providers regarding their observations of the effects of DCF policy changes on children and families receiving TANF, as well as their interactions and experiences with DCF, including around specific policy and procedural shifts.
- Survey of persons seeking assistance from a community-based service provider.
- Focus group with case managers working in community organizations across the state.
- A review of trends in TANF policy around the country, and identified key considerations in policy implementation.

#### NOTES

<sup>2</sup> For more information on TANF see *Welfare Rules Databook: State TANF Policies as of July 2011*. August 2012, The Urban Institute. And *ChartBook: TANF at 16*. Updated August 22, 2012, Center on Budget and Policy Priorities.

<sup>3</sup> Current population survey, U.S. Census Bureau.

<sup>4</sup> Calculation for 2012 provided via personal correspondence from Liz Schott, Senior Fellow, Center on Budget and Policy Priorities.

<sup>5</sup> Community input was secured between July and August 2013. UCS conducted an on-line survey with community service providers to understand how changes in TANF policies may have affected their organizations and the clients they serve. 71 surveys were completed. Participants included CAP agencies and members of Homelessness Continuums of Care from across the state of Kansas. Community service providers multiple Kansas locations made a survey available to their clients to find out how they are faring. 207 surveys were returned and analyzed. UCS facilitated a focus with 17 case managers from across the state who work directly with low-income clients, including TANF recipients.

<sup>6</sup> FY 2013 Fair Market Rent Document System. Retrieved from <u>www.huduser.org/portal/datasets/fmr/fmr/fy2013\_code</u>

<sup>7</sup> Government Accounting Office. *Means-Tested Programs: Information on Program Access Can Be an Important Management Tool.* GAO-05-221. March 2005. Retrieved from <u>http://www.gao.gov/assets/250/245577.pdf</u>

<sup>8</sup> Black and Huelsman. Overcoming Obstacles to College Attendance and Degree Completion: Toward a Pro-College Savings Agenda. 2012. Washington, DC: New America Foundation. Retrieved from <u>http://assets.newamerica.net/sites/newamerica.net/files/policydocs/Black\_Huelsman\_collegesavingsFinal.pdf</u>

<sup>9</sup> Chart prepared by Ife Floyd, Center on Budget and Policy Priorities using 2012 calendar year TANF expenditures data for all 50 states as provided by states to Health and Human Services.

<sup>10</sup> UCS received detailed budget information via a request to Legislative Research by Representative Barbara Bollier. Financial data was provided for fiscal years 2008-2015 and included TANF federal block grant and state maintenance of effort.

<sup>11</sup> Calculation for 2012 provided via personal correspondence from Liz Schott, Senior Fellow, Center on Budget and Policy Priorities.

<sup>12</sup> Marr, Charlite, and Huany. *Earned Income Tax Credit Promotes Work, Encourages Children's Success at School, Research Finds.* April 2013. Retrieved from <u>http://www.cbpp.org/cms/?fa=view&id=3793</u>

<sup>13</sup> ChartBook: TANF at 16.

<sup>14</sup> Media coverage can be found at Kansas Health Institute. <u>http://www.khi.org/news/2013/nov/13/brownback-administration-plans-new-reading-initiat/</u>

<sup>15</sup> The DCF Policy Manual can be retrieved from <u>http://content.dcf.ks.gov/EES/KEESM/Keesm.htm</u> Regular updates to the KEESM are scheduled for January 1, May 1, July 1, and October 1 of each year.

<sup>16</sup> Mercer. *Kansas Child Care Market Rate Study, State of Kansas.* Department For Children and Families. May 1, 2013. Retrieved from <u>http://dcf.ks.gov/services/ees/Documents/Child Care/Provider Market Rate Study.pdf</u>

<sup>17</sup>Karla Sklar. *Charting a New Course for Children in Poverty*. April 2010. Zero to Three. Retrieved from <u>http://zerotothree.org/public-policy/policy-toolkit/tanf-june-16-2010.pdf</u>

<sup>18</sup> Martin Gerry and Candace Shively, *The Kansas Learning Disabilities Initiatives*. National Technical Assistance Center for Welfare Reform, University of Kansas and Kansas Department of Social and Rehabilitative Services. January 1999.

<sup>&</sup>lt;sup>1</sup> Fiscal Year 2015 Budget Proposal for Kansas Department for Children and Families.

<sup>19</sup> Bloom, Loprest, Zedlewski. TANF Recipients with Barriers to Employment. August 2011. Urban Institute.

<sup>20</sup> DCF has a Memorandum of Understanding with the Kansas Dept. on Aging and Disabilities, the state authority overseeing substance abuse services. KDADS provides oversight to a statewide contractor, Heartland Regional Diagnostic and Recovery Center to employ Solution Recovery Care Coordinators (SRCC). SRCC provide a targeted approach to TANF clients at high risk of substance abuse. Every adult approved for TANF must attend an orientation where SRCC staff members administer the Substance Abuse Subtle Screening Instrument (SASSI) to determine if that person is at high risk for substance abuse. Between January 2013 and September 2013, 12 percent scored high (217 of 1,180). Individuals who score high are assigned an SRCC case worker who completes a second assessment that includes biological, psychological and social components, and develops a case plan to address not only the substance abuse problem, but other barriers to employment.

<sup>21</sup> U.S. Bureau of Labor Statistics.

<sup>22</sup> Kansas Department of Labor, Labor Market Information Services, Second Quarter 2013 Job Vacancy Survey.

<sup>23</sup> Representative Barbara Bollier, in August 2013, requested information from Legislative Research on Department for Children and Families to help understand budget trends and policy changes. For a complete list of information requested see Methodology.

<sup>24</sup> Correspondence to Representative Barbara Bollier in response to Legislative Research request for information from DCF.

<sup>25</sup> Gerry and Shively, *The Kansas Learning Disabilities Initiatives*.

<sup>26</sup> Bloom, Loprest, Zedlewski. *TANF Recipients with Barriers to Employment*. August 2011. Urban Institute.

<sup>27</sup> As reported by Heartland Regional Diagnostic and Recovery Center for fiscal year 2013.

<sup>28</sup> Kansas Department of Labor, Labor Market Information Services, Second Quarter 2013 Job Vacancy Survey.

<sup>29</sup> Fact Sheet: *On the Edges: Child Care Assistance Policies that Affect Parents, Providers, and Children.* National Women's Law Center. December 2012

<sup>30</sup> Mercer. Kansas Child Care Market Rate Study, State of Kansas

<sup>31</sup> *Pivot Point - State Child Care Assistance Policies 2013.* October 2013. National Women's Law Center. Retrieved from <a href="http://www.nwlc.org/sites/default/files/pdfs/final\_nwlc\_2013statechildcareassistancereport.pdf">http://www.nwlc.org/sites/default/files/pdfs/final\_nwlc\_2013statechildcareassistancereport.pdf</a>

<sup>32</sup> Mercer. Kansas Child Care Market Rate Study, State of Kansas.