



**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 Focusing on Workforce  
Development and Child Care  
Services**

**COMMONWEALTH OF VIRGINIA  
RICHMOND  
2018**



## COMMONWEALTH of VIRGINIA

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December 31, 2018

TO: The Honorable Ralph S. Northam, Governor of Virginia  
and  
Members of the Virginia General Assembly

During the 2016 General Assembly Session, Senator Barbara Favola introduced Senate Joint Resolution 95, directing the Commission on Youth to study the Department of Social Services' administration of the Temporary Assistance to Needy Families (TANF) Program. The study was conducted with extensive research and the Commission on Youth adopted six recommendations in October 2016 to improve the TANF Program in Virginia. Additional questions arose around workforce development and child care services for TANF families. The Commission requested a 2018 study to further explore funding for workforce development and child care services, review current programs in place, and make recommendations to improve workforce development and child care programs that support self-sufficiency.

On June 6, 2018, the Commission on Youth adopted a study plan for this request. At the Commission's December 4, 2018, meeting, the Commission approved the recommendations for this study, which are included in this report. This report represents the work of many government and private stakeholders who provided data and information for the study. The Commission on Youth gratefully acknowledges their support to this effort.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Dickie Bell".

Richard P. "Dickie" Bell

# **MEMBERS OF THE VIRGINIA COMMISSION ON YOUTH**

## **Virginia House of Delegates**

Richard P. "Dickie" Bell, Chair  
Emily M. Brewer  
Jerrauld C. "Jay" Jones  
Mark L. Keam  
Christopher K. Peace  
Todd E. Pillion

## **Senate of Virginia**

David W. "Dave" Marsden, Vice-Chair  
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Review of Virginia's Temporary Assistance for Needy Families  
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## **I. Authority for Study**

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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 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. The Commission on Youth developed and executed a study plan to review these issues. They conducted extensive research and held meetings with relevant stakeholders. The Commission adopted six recommendations in October 2016 to improve the TANF program in Virginia. In the 2018 study year, the Commission on Youth further investigated workforce development and child care for TANF recipients. The Commission on Youth explored funding for workforce development and child care programs, reviewed current programs in place, and made recommendations to improve workforce development and child care programs that support self-sufficiency.

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## **II. Members Appointed to Serve**

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

Members of the Virginia Commission on Youth are:

Delegate Richard P. "Dickie" Bell, Staunton, Chair

Delegate Emily M. Brewer, Smithfield

Delegate Jerrauld C. "Jay" Jones, Norfolk

Delegate Mark L. Keam, Vienna

Delegate Christopher K. Peace, Mechanicsville

Delegate Todd E. Pillion, Abingdon

Senator David W. “Dave” Marsden, Burke, Vice-Chair  
Senator Barbara A. Favola, Arlington  
Senator Charles W. “Bill” Carrico, Sr., Galax  
Avohom B. Carpenter, Chester  
Deirdre S. "Dede" Goldsmith, Abingdon  
Christian Rehak, Radford

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### **III. Executive Summary**

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During the 2016 General Assembly Session, Senator Barbara Favola introduced Senate Joint Resolution 95 (Appendix A). 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 six recommendations to improve the TANF program in Virginia. These recommendations were implemented and further study was requested pertaining to workforce development and child care services.

In the 2018 study year, the Commission on Youth further investigated workforce development and child care for TANF recipients. After presentations of the findings and recommendations at the Commission's November 20 and December 4, 2018, meetings, with great input from public comment, the Commission on Youth adopted thirteen recommendations at the December 4, 2018, meeting. These recommendations are listed below.

#### **Recommendation on Welfare Stigma**

1. Amend the *Code of Virginia* to rename the “Virginia Initiative for Employment not Welfare” (VIEW) to the “Virginia Initiative for Education and Work.”

## **Recommendations on Parent Education on Financial Literacy and School Readiness Options**

1. Request that the Virginia Department of Social Services (VDSS) present to the Commission on Youth the plan mandated by § 63.2-226. This *Code* section requires VDSS, in consultation with the Virginia Employment Commission and the Virginia Community College System, to develop and implement a plan to provide to citizens receiving any form of public assistance information regarding courses on financial literacy, offered online or through any other appropriate medium, that are available to such citizens at no cost to them, prior to the 2020 General Assembly Session.
2. Request VDSS to implement self-sufficiency pilots to learn how to make the transition smoother for families and to minimize the “benefit cliff.” The purpose of the pilot is to develop supports that provide a pathway for self-sufficiency through earning a living wage. Pilot programs may allow TANF cash assistance payments to be adjusted depending on the amount of income and services a recipient receives. VDSS shall report its findings with recommendations to the House Appropriations and Senate Finance Committees and the Virginia Commission on Youth by November 15, 2020.
3. Support more parent education on quality child care and the Child Care Subsidy, Virginia Preschool Initiative, Early Head Start, and Head Start Programs for low-income families. Support training for child care workers on how to approach parents about child care quality and available resources in the brief time that they have with parents. Encourage child care workers to provide information to families seeking child care assistance, including the child care microsite address ([www.childcareva.com](http://www.childcareva.com)) with child development information, early intervention services, and the importance of quality child care; a link to a short video on child care quality; and the VDSS brochure on “Choosing Quality Child Care.” Explore the possibility of creating a longer video or smart phone application on school readiness resources available and the importance of quality child care, to be available to play on smart phones and in waiting rooms and lobbies (social services’ offices, birthing hospitals, pediatricians’ offices, etc.).

## **Recommendations on Workforce Development Programs**

1. Introduce a budget amendment to increase funding to the Virginia Community College System’s “Road to Success in Virginia Program” to assist TANF recipients in obtaining needed job skills and earning credentials that are sought by employers in the local community.
2. Introduce a budget amendment to provide TANF funding for the Virginia Community College System’s standard credentialing program, “FastForward.” (A letter to the VDSS will be sent encouraging them to maximize federal dollars in this program.)
3. Request that VDSS study the subsidized employment program and develop a process that encourages more employers to be involved with the program. Efforts should be made to help link TANF/SNAP recipients to employers with jobs that are in high demand in the marketplace, especially those jobs that provide a living wage. VDSS should develop a process for connecting

employers that are willing to provide short-term and intentional training programs that lead to success and self-sufficiency. Request that VDSS report to the Virginia Commission on Youth prior to the 2020 General Assembly Session.

### **Recommendations on TANF Programming**

1. Request that VDSS study the different aid categories and income eligibility requirements for TANF. In addition, request that VDSS recommend outcome measures that go beyond work requirements. Success should be measured on long-term earnings and self-sufficiency. Request documentation on successful and unsuccessful strategies and the impact that child care quality and accessibility have on families and children. Request that VDSS report to the Virginia Commission on Youth prior to the 2020 General Assembly Session.
2. Monitor the TANF Reauthorization: H.R. 5861. Work with the National Conference of State Legislators (NCSL) to recommend the elimination of outdated regulations that impede TANF workers in assisting TANF recipients to meet work and education requirements.

### **Recommendation on Staff Professional Development**

1. Support the Virginia Department of Social Services and the League of Social Services Executives to continue their efforts on improving professional development for TANF and Virginia Initiative for Employment not Welfare (VIEW) workers. Support recent efforts of the Department to provide job coaching training for TANF and VIEW workers through the community colleges. Encourage the Workforce Innovation and Opportunity Act (WIOA) workgroup to consider providing enhanced services for the TANF population through this workforce development initiative. Encourage eligibility and benefits services workers to be cross trained.

### **Recommendations on Child Care Subsidies**

1. Request VDSS to develop a six-year plan to eliminate the wait list for fee child care participants.
2. Amend the *Code of Virginia* (§ 63.2-611 C.1.) to provide transitional child care to former TANF recipients participating in an education or training program leading to employment. This would allow former TANF recipients to receive child care services while they are earning a credential or degree to help them become self-sufficient.

### **Recommendation on Availability and Support of Quality Child Care**

1. Request that VDSS present to the Commission on Youth an update on the Child Care Provider S.T.E.P.S. Program (Shared Training, Education and Professional Development Services) pilot, which seeks to recruit more family child care providers in underserved/rural areas,



especially those with odd-hour, special needs, and infant/toddler care, prior to the 2020 General Assembly Session.

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#### **IV. Study Goals and Objectives**

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During the June 6, 2018, Commission on Youth meeting, Commission on Youth staff members were directed to review the workforce development and child care services related to the TANF program and to present findings and make recommendations.

##### **A. IDENTIFIED ISSUES**

- TANF was born out of the welfare reforms of the mid-nineties. The goal of the program 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.
- TANF program expenditures must meet one of four federal requirements:
  1. Provide assistance to needy families so children can be cared for in their own homes or in the 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
  4. Encourage the formation of two-parent families
- 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 annually from general funds. By using 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. In FY 2016, Virginia had 23,000 cases per month, with monthly payments averaging \$260 and a total expenditure of approximately \$73.3 million for that year.
- In FY 2016, 7,790 adults were enrolled in VIEW, a program that provides job readiness, job search, and job development/placement services to able-bodied recipients of TANF. The work activity rate of those enrolled was 81%.
- TANF funds are used for direct services to families, for program administration, and for a variety of programs referred to as “expanded funding.” States may also transfer up to 30% of the block grant to programs under the Child Care and Development Block Grant and Social Services Block Grant. Virginia transferred \$33.6 million in 2014.
- In FY 2016, Virginia spent \$45 million on Work Activities, \$7 million on Work Supports and Services, and \$34 million on Child Care.

## **B. STUDY ACTIVITIES**

At the June 6, 2018, meeting, the Commission on Youth approved the study plan for the Review of Virginia’s Temporary Assistance for Needy Families focusing on Workforce Development and Child Care Services for TANF families. The following study activities were approved.

- Review recent budget amendments and legislative bill proposals regarding TANF funds appropriated toward workforce development and child care services.
- Meet and interview impacted 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
    - TANF Committee
    - Child Care Committee
    - Child Welfare Committee
  - Virginia Community College System
  - Local Community Colleges and Community College Workforce Centers
  - Advocacy Organizations
- Research other states’ TANF policies, procedures and programs within the realms of workforce development and child care
- Synthesize findings of literature review and interviews of stakeholders
- Develop findings and recommendations
- Present findings and recommendations to the Commission on Youth
- Receive public comment
- Prepare final report

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## **V. Methodology and Objectives**

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The findings of the study are based on several research activities conducted by the Commission on Youth staff, in consultation with the Commission members.

### **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 2017 TANF study report and the consequent recommendation results, the *Code of Virginia* and the Virginia Department of Social Services’ regulations, and guidance document related to the TANF

program regarding workforce development and child care services. Information was collected on the TANF workforce development and child care services that are provided by other states. Commission staff interviewed each stakeholder group several times to determine what workforce development and child care services are being provided for TANF recipients currently, the funding that is expended on these activities, and any gaps of service or areas in need of improvement. Staff learned about the VDSS Child Care S.T.E.P.S. Pilot Project, Virginia Community College System's FastForward Program, VDSS Practice Profiles, and the United Way ALICE Project.

## **B. STAKEHOLDER INTERVIEWS**

Commission staff conducted interviews with relevant organization and program representatives to learn about current workforce development activities and child care services for the TANF recipients, some on more than one occasion. These stakeholders and TANF partners provided valuable information that contributed greatly to the study findings and recommendations. Stakeholders were asked to explain their connection to TANF funding and also any workforce development or child care programs their organization provided or knew about. Staff also asked about barriers, gaps in service, and any suggestions for improving services that assist TANF recipients on their path to self-sufficiency. The stakeholders were enthusiastic to share their knowledge and provide feedback. A great deal of information was collected.

Updates about the study were presented at the Virginia League of Social Services Executives' Committee meetings, as well as at smaller group meetings (Virginia Department of Social Services, Virginia Community College System, Comprehensive Children's Services). Interviews included representatives from the following agencies and organizations whose work contributed to TANF workforce development and child care services in some way. Recommendations were solicited from these stakeholders and narrowed down to priority items.

Virginia Department of Social Services (VDSS)

- Division of Benefit Programs
- Division of Child Care and early Childhood Development
- Division of Finance

Local Departments of Social Services

- Virginia Benefit Program Organization (BPRO)

Virginia League of Social Services Executives (VLSSE)

- Child Care Committee
- Employment Services Committee
- TANF Committee

House Appropriations Committee Staff

Senate Finance Committee Staff

Virginia Community College System Workforce Development Team

Comprehensive Children's Services (TANF/SNAP)

## C. RESEARCH ON OTHER STATES' TANF CHILD CARE SERVICES AS COMPARED TO VIRGINIA'S

During the summer of 2018, Commission staff reviewed other states' policies and procedures regarding child care for TANF recipients. The states reviewed included Connecticut, Delaware, Florida, Georgia, Illinois, Minnesota, North Carolina, Pennsylvania, Tennessee, Washington DC, and West Virginia. Some basic conclusions and gaps were identified from this documentation review of other states. A few notable issues stood out as challenges for Virginia, such as the high annual cost of child care compared to neighboring states; the lack of child care services for transitional TANF recipients who are participating in education and training programs to find employment or improve their employment situation; low availability of child care for low-income families; and the low TANF contributions to the child care program compared to other states.

Some identified differences include the following:

- Average Cost of Child Care <sup>1</sup>
  - Virginia = \$10,458 (~19% of family income)
  - North Carolina = \$9,255
  - Tennessee = \$5,857
  - West Virginia = \$7,926
- Families receiving transitional TANF and participating in education or training are not eligible for Child Care Subsidy in Virginia.
- Virginia has 2,151 child care centers; half of what North Carolina has for fewer children
- 47% of Virginian's live in a child care desert, meaning child care is not available for working parents <sup>2</sup>
  - North Carolina = 44%
  - Tennessee = 48%
  - West Virginia = 64%
  - Washington, D.C. = 27%
- Virginia uses about \$34 million from TANF for child care subsidies (~13% of TANF funds)<sup>3</sup>
  - North Carolina = \$180 million (34%)
  - Tennessee = \$19 million (10%)
  - West Virginia = \$13 million (11%)
  - Pennsylvania = \$568 million (49%)

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<sup>1</sup> <https://www.cnbc.com/2018/07/06/how-much-child-care-costs-in-every-state-in-america.html>

<sup>2</sup> <https://www.childcaredeserts.org/>

<sup>3</sup> <https://www.cbpp.org/research/family-income-support/state-fact-sheets-how-states-have-spent-funds-under-the-tanf-block>

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## VI. Background

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Without repeating the lengthy background information provided in the 2017 “Review of Virginia’s Temporary Assistance for Needy Families Program” by the Virginia Commission on Youth (Report Document 91), pertinent information from that study is provided in this report, as needed, to explain the reasoning behind the recommendations. The results of the research and analysis conducted by Commission staff are summarized in the following paragraphs.

Virginia’s Temporary Assistance for Needy Families, or TANF, is based on its 1995 initiative which includes the Virginia Independence Program (VIP) and the Virginia Initiative for Employment Not Welfare Program (VIEW). The essential elements of TANF include personal responsibility, work, and time-limited benefits. Eligibility for TANF is determined by income and the total number of dependents in the household. 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 TANF recipients the opportunity to gain work experience and job skills needed for living wages, to contribute to the self-sufficiency of their families, and to achieve financial independence. All TANF recipients must participate in VIEW unless determined to be exempt.<sup>4</sup>

In addition to the 24 months of TANF-VIEW cash benefits and one year of transitional benefits, there are five types of VIEW supportive services that include child care, transportation (including certain vehicle repairs), program and/or work-related expenses, emergency intervention, and medical and dental services. Education and training programs for VIEW participants could include on-the-job training, job search skills, job readiness assistance, vocational education, and approved training.<sup>5</sup>

Federal TANF funds may be used to help pay for child care services for parents who are working and need child care while they are at work, or for parents who are participating in an approved education or training program to become gainfully employed and need child care when they are at class. Virginia’s TANF Program works in conjunction with the Virginia Child Care Subsidy Program by helping to pay for child care services for eligible TANF parents who are employed: there is no provision to assist TANF parents with child care costs while they are attending approved education or training programs.<sup>6</sup> All TANF parents receiving a Child Care Subsidy must contribute toward the cost of care.<sup>7</sup>

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<sup>4</sup> “Review of Virginia’s Temporary Assistance for Needy Families Program,” Virginia Commission on Youth, Report Document 91, 2017.

<sup>5</sup> Ibid.

<sup>6</sup> *Code of Virginia* Section 63.2-611 C.1.

<sup>7</sup> Federal Child Care and Development Fund requirements.

## **A: WORKFORCE DEVELOPMENT SERVICES FOR TANF RECIPIENTS**

Workforce development is a crucial component that leads TANF families to earn sustainable incomes to support their families. It is sometimes a tricky balancing act to match TANF recipient talents with high-demand jobs that pay a living wage. Based on Virginia's TANF requirements, recipients must participate in an employability assessment looking at work history, education history, job skills, functional literacy level, and job readiness skills. Local departments of social services' staff work with the recipients to review the assessment results and develop an Activity and Service Plan that indicates the activities that the participant will engage in to obtain employment. In FY 2018, \$9,651,883<sup>8</sup> was spent on TANF Employment Services included VCCS Job Training, employment advancement for TANF participants, VIEW purchased services, and community employment and training programs.

Federal TANF law limits the time adults can use for training and incentivizes states to limit the variety of work development and training activities for TANF recipients. The rules emphasize immediate work instead of long-term career preparation. TANF parameters limit the types of allowable work participation rate activities and this encourages states to promote short-term education and training activities. However, many TANF recipients need basic skills, which may prolong their training and will not count toward the work participation rate. These families still have federal time limits for benefits. Consequently, parents must decide between using their limited time for TANF benefits to take care of their young children at home or use that time to obtain practical work experience on their path to self-sufficiency.<sup>9</sup>

Virginia uses the Workforce Participation Rate (WPR) as one measure of success for the TANF/VIEW program, and must meet the employment level of 50%.<sup>10</sup> Although WPR targets have been met in the past, Virginia lacks a way to measure the sustainability and self-sufficiency levels achieved with the various workforce development and employment services provided.<sup>11</sup> Federal TANF requirements emphasize work and limit how many hours of training and education activities can count toward the work participation rate. This creates a disincentive for TANF recipients to engage in the full range of workforce development activities available.<sup>12</sup> Merely counting the number of hours recipients are working toward employment is not as helpful as it once was, and is now seen as a process measure, not an outcome measure.<sup>13</sup>

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<sup>8</sup> Virginia Department of Social Services, Division of Finance, October 2018.

<sup>9</sup> <http://www.urban.org/sites/default/files/publication/79046/2000692-Supporting-the-Child-Care-and-Workforce-Development-Needs-of-TANF-Families.pdf>

<sup>10</sup> Virginia Department of Social Services. (2017). Temporary Assistance for Needy Families (TANF) Guidance Manual, [http://www.dss.virginia.gov/files/division/bp/tanf/manual/TANF\\_Entire\\_Manual\\_10-27-17.pdf](http://www.dss.virginia.gov/files/division/bp/tanf/manual/TANF_Entire_Manual_10-27-17.pdf)

<sup>11</sup> Interview with Commissioner S. Duke Storen, Virginia Department of Social Services, October 9, 2018.

<sup>12</sup> <http://www.urban.org/sites/default/files/publication/79046/2000692-Supporting-the-Child-Care-and-Workforce-Development-Needs-of-TANF-Families.pdf>

<sup>13</sup> Virginia League of Social Services Executives TANF/Employment Services Committee Report, by President Catherine Pemberton (no date).

TANF recipients who begin to make more money will gradually be ineligible for the other TANF support services and will hit the “benefit cliff.” Effective workforce development programs have been shown to address the “benefit cliff” by providing short-term training for credentials that lead to better jobs with higher income and job benefits.<sup>14</sup> Higher paying jobs require education and training in high-demand skills. Matching TANF recipients with high-demand, sustainable jobs is often a challenge as employers are not forthcoming.<sup>15</sup> The extensive requirements for holding TANF recipients accountable for their education and training attendance are sometimes barriers to program participation. The process is cumbersome and overwhelming for TANF recipients who already have so many obstacles.<sup>16</sup> The Cash Assistance appropriation decreased for TANF recipients from FY 2012 (\$113.7 million) to FY 2019 (\$65.7 million).<sup>17</sup>

The Virginia Community College System’s “Road to Success in Virginia Program” (RSVP) was allocated \$2 million in General Assembly 2017 to provide job training for TANF recipients at five community colleges (John Tyler, J. Sargeant Reynolds, Central Virginia, Virginia Western, and New River). Funds were used for credential-based training, supportive services, work-readiness training, adult basic skills education, subsidized work experiences with employers, business contacts for easy job placement, GED preparation and testing, and counseling with a Virginia Adult Career Coach who helped students progress through the program and addressed any obstacles that emerged.

All TANF recipients, especially those enrolled in the Virginia Initiative for Employment not Welfare (VIEW) program, are eligible to participate. Partnering with the Virginia Department of Social Services and Adult Education organizations, this program recruited and trained 175 TANF recipients in high-demand industries and exceeded the employment target of 50%. These recipients were able to transition from public assistance to lifelong careers and self-sustaining incomes. Funds for this RSVP program come from federal TANF funding.<sup>18</sup>

The RSVP program works in synch with the Virginia Community College System (VCCS) “FastForward” pay-for-performance program that focuses on short-term, noncredit industry credentials (typically 6-12 week programs) in high-demand jobs for TANF and non-TANF recipients. Previously, the FastForward Program was allocated \$7,500,000. FastForward serves people that traditional higher education programs do not serve (65% males as opposed to 45% in traditional higher education programs: two-thirds have dependents compared to one-fourth; and the average participant age is 36 years old compared to 21 years old) and provides support to earn

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<sup>14</sup> “FastForward: Credentials for a Career that Matters,” Virginia Community College System Information Sheet, 2018.

<sup>15</sup> Interview with Commissioner S. Duke Storen, Virginia Department of Social Services, October 9, 2018.

<sup>16</sup> Interview with Local Departments of Social Services’ TANF/Employment Services Staff, September 28, 2018.

<sup>17</sup> Personal Email communication from Mark Golden dated November 19, 2018, TANF Program Manager, Virginia Department of Social Services’ Division of Benefit Programs.

<sup>18</sup> Virginia Community College System website: [http://www.vccs.edu/vccsblog\\_post/workforce-initiative-update-the-road-to-success-in-virginia-program/](http://www.vccs.edu/vccsblog_post/workforce-initiative-update-the-road-to-success-in-virginia-program/)

short-term credentials in high-demand jobs. Two-thirds of FastForward students are new to the community college system.

Since its inception three years ago, 11,138 FastForward credentials were earned in 98% of Virginia's top 12 occupations (32% in skilled trades; 24% in logistics and transportation; 20% in welding and manufacturing; 15% in health care; and 9% in education, business and IT). Most FastForward graduates see a 25-50% wage gain after earning their credential. This includes the top five FastForward fields, including a 22% increase for truck drivers, 33% increase in manufacturing positions, 58% increase for welders, 21% increase in highway construction positions, and 21% increase for medical assistants. FastForward graduates reported having employer-sponsored health care (90%), paid sick leave (75%), paid vacation time (85%), better work schedules (88%), and working in their preferred field (82%). Twenty percent of all FastForward students received Temporary Assistance for Needy Families (TANF) or Supplemental Nutrition Assistance Program (SNAP) benefits. FastForward is serving the neediest, low-income families. These graduates earned an estimated \$81 million last year, representing a \$15 million increase prior to training. This resulted in approximately \$4,004,027 in annual income taxes paid by FastForward graduates.<sup>19</sup>

The Social Services workforce is another angle to consider as workforce development is explored. There are currently no mandated training requirements for TANF, VIEW, or Employment Services workers. These workers struggle every day to accurately apply policies, regulations, and laws while managing cases with complicated guidelines and staying abreast of available resources that will meet their clients' needs. Standardized training supports universal knowledge and shared foundational skills to help prepare TANF recipients for success.<sup>20</sup>

## **B: CHILD CARE SERVICES FOR TANF RECIPIENTS**

Financial assistance for child care services is provided through the Virginia Department of Social Services' Child Care Subsidy Program. Virginia's Child Care Subsidy Program is administered by the Virginia Department of Social Services and the 120 local departments of social services throughout the state. The Child Care Subsidy Program is divided into mandated and non-mandated services. All working TANF recipients who are working or in Transitional TANF, and VIEW and SNAP recipients, are eligible for child care services (mandated); however, non-mandated services are available for low-income families, if funding is available, and the family meets eligibility and non-financial requirements. Child care subsidy services are dependent on the locality's funding allocation and include (1) Fee Child Care for qualifying families who are not participating in VIEW/TANF working programs or not receiving TANF Transitional services; and (2) Head Start Wrap Around Child Care for eligible families who have at least one child participating in a federal-

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<sup>19</sup> "FastForward: Credentials for a Career that Matters," Virginia Community College System Information Sheet, 2018.

<sup>20</sup> TANF-ESP Committee Meeting, Virginia League of Social Services Executives, October 12, 2018.



to-local Head Start Program.<sup>21</sup> Child Care Subsidy is not available for Transitional TANF recipients who are participating in an approved education or training program per the *Code of Virginia* Section 63.2-611 C.1.

Each year, there are more children receiving non-mandated child care services than children receiving mandated child care services. In FY 2018, 13,609 children received mandated services and 18,900 children received non-mandated services indicating that the need for child care services is high for all low-income families. Last fiscal year (2018), Virginia spent \$57,620,573 on Fee Child Care (includes Fee TANF Education and Training Child Care) and \$5,148,028 on Head Start Wrap Around. TANF Child Care dollars are spent for TANF Working, TANF/VIEW Transitional, and TANF Transitional recipients, for a total of \$41,590,451.<sup>22</sup>

The federal Child Care and Development Block Grant allows funding to be used for consumer education. Each year, the Virginia Social Services System (Virginia Department of Social Services and 120 local departments of social services combined) provides resources for child care workers and parents regarding child care quality and consumer education. The child care microsite ([www.childcareva.com](http://www.childcareva.com)) includes information on typical milestones of child development (including growth), the importance of quality child care, and services for children who have special needs. The VDSS Division of Child Care and Early Childhood Development created a short video that can be sent to parents about child care quality (<https://www.youtube.com/watch?v=OjV5sRivmio>). A brochure, “Choosing Quality Child Care” is distributed by the local departments of social services to parents. As of October 2018, child care workers are required to take courses on child growth and development, as well as how to help parents make informed decisions about quality child care.<sup>23</sup> Additionally, the Virginia Department of Social Services’ website<sup>24</sup> has detailed information regarding child care programs, financial assistance, and child care quality. The message explaining why quality child care helps all children to be prepared for school and life is being shared.

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## **VII. Findings and Recommendations**

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Presentations of the findings and recommendations were provided at the November 20, 2018, Commission on Youth meeting. Public Comments were requested in person at the meeting, online, via email, and at the next meeting on December 4, 2018. Public comments received prior to the

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<sup>21</sup> “Review of Virginia’s Temporary Assistance for Needy Families Program,” Report Document 91, Virginia Commission on Youth, 2017.

<sup>22</sup> Personal Email communication from Shakema Sanders dated November 15, 2018, Virginia Department of Social Services’ Division of Child Care and Early Childhood Development, Associate Director Senior.

<sup>23</sup> Personal Email communication with Barbara A. Newlin and Mary Ward dated November 9, 2018, Virginia Department of Social Services’ Division of Child Care and Early Childhood Development, Division Director and Subsidy Program Manager, respectively.

<sup>24</sup> <http://dss.virginia.gov/family/cc/publications.cgi>

December 4 meeting were provided in advance to the Commission members for their review. The following recommendations were approved by the Commission on Youth on December 4, 2018.

### ***Finding 1 – Welfare Stigma***

*As explained previously, Virginia Initiative for Employment not Welfare (VIEW) is the work-related portion of Virginia’s Temporary Assistance for Needy Families (TANF) program that requires participants to be employed or engaged in a work preparation activity. TANF VIEW participants 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 become eligible to apply for TANF benefits. Upon entry into VIEW, the participant signs an Agreement of Personal Responsibility outlining the requirements of the client and agency. Local Departments of Social Services (LDSS) staff conduct an employability assessment and work with the participant to develop an Activity and Service Plan to specify the activities the participant will engage in to obtain employment.*

*Welfare is an outdated word and has a negative stigma, making employers and faculty hesitant to work with VIEW program participants who are motivated to improve their financial situation. It is a sensitive issue for struggling parents to admit that they are receiving public assistance, especially when they are studying hard and attending education or training classes, but are not working yet. To prove compliance with work activity requirements and compliance with the state’s work participation rate, local departments of social services closely track the hours of work-related activities in which TANF clients participate. TANF/VIEW participants must obtain signatures to verify classroom participation and program completion. By changing the meaning of the VIEW acronym to “Virginia Initiative for Education and Work,” a more positive and uplifting paradigm will be created to show support for participants to get on their feet again.*

*Changing the meaning of the VIEW acronym would demonstrate that Virginia is supportive of its struggling constituents and encourages them to complete education and training programs that will help them earn a living wage and become self-sufficient. Virginia Department of Social Services guidance manuals and accompanying training materials would need to be updated over time.*

### **Recommendation 1**

Amend the *Code of Virginia* to rename the “Virginia Initiative for Employment not Welfare” (VIEW) to the “Virginia Initiative for Education and Work.”

## ***Finding 2 – Parent Education on Financial Literacy and School Readiness Options***

*The Code of Virginia Section 63.2-226 requires that the Virginia Department of Social Services work with the Virginia Employment Commission and the Virginia Community College System to provide course(s) on financial literacy and implement a plan to communicate this to citizens receiving public assistance. Courses may be made available online or in the classroom and must be free. These courses already exist, and information is provided on the VDSS, LDSS, and federal websites (“Money Smart,” “Bridges Out of Poverty,” Nansemond County’s “Financial Literacy Education for Families,” and Shenandoah DSS/Habitat for Humanity’s budget and credit training program); however, there is no formal plan to disseminate this information.*

*The “benefit cliff” refers to the drop in public supports that occurs when earnings go up. TANF participants who transition off of public assistance struggle to regain their self-sufficiency as their income does not adequately make up for the loss of benefits and services right away. Former TANF participants are no longer eligible for TANF, SNAP, child care, health benefits or other services due to a slight increase in income. Cliffs that exist over a range of earnings for different programs are frustrating for struggling parents and may create a disincentive to work more hours or take a higher-paying job.*

*LDSS child care workers expressed a need for more assistance with how to provide information to TANF recipient parents about selecting quality child care and low-income child care options during the brief time that they have with parents. Although many resources and training opportunities are available, the time crunch is critical when working with demanding caseloads of busy families. It was suggested that the local departments of social services and pediatricians’ offices might show short, informational videos on quality child care and Virginia’s child care options for income-eligible families (Virginia Preschool Initiative, Early Head Start and Head Start, quality rated and licensed child care facilities, etc.). Smart phone applications would be another avenue to share critical information with parents on the importance of selecting quality child care.*

### **Recommendation 1**

Request that the Virginia Department of Social Services (VDSS) present to the Commission on Youth the plan mandated by § 63.2-226. This *Code* section requires VDSS, in consultation with the Virginia Employment Commission and the Virginia Community College System, to develop and implement a plan to provide to citizens receiving any form of public assistance information regarding courses on financial literacy, offered online or through any other appropriate medium, that are available to such citizens at no cost to them, prior to the 2020 General Assembly Session.

## **Recommendation 2**

Introduce a budget amendment to provide funding requesting VDSS to implement self-sufficiency pilots to learn how to make the transition smoother for families and to minimize the “benefit cliff.” The purpose of the pilot is to develop supports that provide a pathway for self-sufficiency through earning a living wage. Pilot programs may allow TANF cash assistance payments to be adjusted depending on the amount of income and services a recipient receives. VDSS shall report its findings with recommendations to the House Appropriations and Senate Finance Committees and the Virginia Commission on Youth by November 15, 2020.

## **Recommendation 3**

Support more parent education on quality child care and the Child Care Subsidy, Virginia Preschool Initiative, Early Head Start, and Head Start Programs for low-income families. Support training for child care workers on how to approach parents about child care quality and available resources in the brief time that they have with parents. Encourage child care workers to provide information to families seeking child care assistance, including the child care microsite address ([www.childcareva.com](http://www.childcareva.com)) with child development information, early intervention services, and the importance of quality child care; a link to a short video on child care quality; and the VDSS brochure on “Choosing Quality Child Care.” Explore the possibility of creating a longer video or smart phone application on school readiness resources available and the importance of quality child care, to be available to play on smart phones and in waiting rooms and lobbies (social services’ offices, birthing hospitals, pediatricians’ offices, etc.).

### ***Finding 3 – Workforce Development Programs***

*Child Care workers repeatedly described how the current workforce development programs (RSVP, FastForward, local grant programs and others) assist low-income citizens who meet eligibility criteria as set by the Virginia Department of Social Services to regain their financial footing and become self-sufficient faster. Currently, the Virginia Community College System’s “Road to Success in Virginia Program” (RSVP) provides job training for TANF (Temporary Assistance for Needy Families) recipients at five of Virginia’s community colleges (John Tyler, J. Sargeant Reynolds, Central Virginia, Virginia Western, and New River). RSVP helps TANF recipients to earn credentials and become financially self-supporting through education and training. This TANF-funded program could use some of the projected unspent TANF balance in FY 2020 (\$112 million). For the first year of the “Road to Success in Virginia Program,” great gains have been made for participating TANF recipients. With additional funding, the Program will be expanded to several more community colleges, and many underserved areas of Virginia will be targeted to assist TANF recipients on the path to employability and better paying jobs.*

*Increased funding and the alignment of RSVP with the Virginia Department of Social Services' eligibility guidelines allows the VCCS to build on the Program's momentum and extend its reach to deliver much needed occupational training, soft skills preparation, career coaching, and other supports to lead TANF recipients and ALICE (Asset Limited, Income Constrained and Employed) families out of poverty and into good jobs with family-sustaining incomes. The "Road to Success in Virginia Program" helps at-risk community college students who are receiving TANF benefits to navigate the education system, reduce the opportunity for failure and drop-out, overcome barriers, and earn credentials that will propel them to self-sustaining, living wages.*

*The RSVP program works in sync with the Virginia Department of Education's adult basic education program and the VCCS "Fast Forward" pay-for-performance program that focuses on short-term, noncredit industry credentials (typically 6-12 week programs) for high-demand jobs for TANF and non-TANF recipients. Currently, the FastForward Program is funded at \$9.5 million each fiscal year (Item 141 H). The Governor recommended increasing the program \$4 million in the second year using GF dollars. FastForward serves people who are not served by traditional higher education programs (65% of program participants are male, as compared to 45% in traditional higher education programs; two-thirds have dependents, compared to one-fourth in traditional programs; and average participant age is 36 years old, compared to 21 years old) and provides support for participants to earn short-term credentials in high-demand jobs.*

*Two-thirds of FastForward students are new to the community college system. Since its inception three years ago, **11,138 FastForward credentials were earned** in Virginia's top 12 high-demand occupations (32% in skilled trades; 24% in logistics and transportation; 20% in welding and manufacturing; 15% in health care; and 9% in education, business, and IT). FastForward graduates who are employed after training have seen a 25-50% wage gain on average. This includes the top five FastForward fields, including a 22% wage increase for truck drivers, 33% increase for positions in manufacturing, 58% increase for welders, 21% increase for positions in highway construction, and 21% increase for medical assistants. FastForward graduates reported having employer-sponsored health care (90%), paid sick leave (75%), paid vacation time (85%), better work schedules (88%), and working in their preferred field (82%). Twenty percent of all FastForward students received Temporary Assistance for Needy Families (TANF) or Supplemental Nutrition Assistance Program (SNAP) benefits prior to training. FastForward is serving the neediest, low-income families. FastForward graduates earned an estimated \$81 million last year, representing a \$15 million increase from their wages prior to training. This resulted in approximately \$4,004,027 in annual income taxes paid by FastForward graduates. Increasing funding to extend the reach and serve the growing population of low-income families is an economical and practical way for Virginia to lift up its own financially-struggling citizens.*

*The FastForward Program would work well in conjunction with the "Road to Success in Virginia Program" (RSVP). Both programs seek to quickly lift our neediest citizens out of poverty and off of public assistance by supporting short-term training programs for high-demand jobs. According*

*to the Virginia League of Social Services Executives TANF/Employment Services Committee Report quoting from a CLASP article published on June 7, 2016, titled, “Strengthening the Social Safety Net: Building on What Works and Avoiding Bad Ideas,” “effective skills training leading to credentials with labor market value are the ‘most important determinant of differences in workers’ lifetime earnings and incomes.’”<sup>25</sup>*

### **Recommendation 1**

Introduce a budget amendment to increase funding to the Virginia Community College System’s “Road to Success in Virginia Program” to assist TANF recipients in obtaining needed job skills and earning credentials that are sought by employers in the local community.

### **Recommendation 2**

Introduce a budget amendment to provide TANF funding for the Virginia Community College System’s standard credentialing program, “FastForward.”

### **Recommendation 3**

Request that VDSS study the subsidized employment program and develop a process that encourages more employers to be involved with the program. Efforts should be made to help link TANF/SNAP recipients to employers with jobs that are in high demand in the marketplace, especially those jobs that provide a living wage. VDSS should develop a process for connecting employers that are willing to provide short-term and intentional training programs that lead to success and self-sufficiency. Request that VDSS report to the Virginia Commission on Youth prior to the 2020 General Assembly Session.

### ***Finding 4 – TANF Programming***

*TANF is being monitored for reauthorization (H.R. 6861). Some of the regulations are outdated and impede the progress of TANF workers in assisting their clients to meet work and education requirements (e.g., faculty sign-off for education attendance; types of training that count toward education requirements; number of hours needed for training with full-time family obligations, substance abuse counseling; transportation limits, and family interactions, outdated income levels, etc.). Success measures in the TANF program measure process, not true outcomes. While it is great to know the number of hours a TANF recipient spends on working towards employment and holding them accountable, it does not guarantee that those recipients become employed with self-sustaining, living wages and employment benefits, such as health care, paid sick leave, paid vacation time, etc. Virginia is serving less families through the TANF Program because the Standard of Need has not been updated. In 1985 the income eligibility level for TANF was 61-*

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<sup>25</sup> Virginia League of Social Services Executives’ TANF/Employment Services Committee Report, by President Catherine Pemberton (no date).

*131% of the Federal Poverty Level. In 2018 we are serving less families with eligibility at 20-36% of the Federal Poverty Level.<sup>26</sup> Rewarding families that are moving toward earning a living wage makes sense, but different eligibility guidelines and outcome measures are needed to maximize the funding and serve the struggling families.*

*The Virginia League of Social Services Executives TANF/ESP Committee Report described the burdensome monitoring to track every hour of a recipient's work activity that may or may not resolve in self-sufficiency for the client.<sup>27</sup> Through a budget amendment (Item 342, O. [DSS]), the Board of Social Services combined Cash Assistance Groups I and II for the purposes of reaching more TANF recipient families due to stagnant income levels over the years. The higher Group II rates (37% of the Federal Poverty Level for 185% of Standard of Need) were used for the new group. TANF Employment Services workers suggested combining Groups II and III to receive the higher Group III rates for all (45% of the Federal Poverty Level for 185% of Standard of Need).<sup>28</sup> The National Conference of State Legislators (NCSL) can assist with reviewing the regulations and recommending changes.*

### **Recommendation 1**

Request that VDSS study the different aid categories and income eligibility requirements for TANF. In addition, request that VDSS recommend outcome measures that go beyond work requirements. Success should be measured on long-term earnings and self-sufficiency. Request documentation on successful and unsuccessful strategies and the impacts of child care quality and accessibility has on families and children. Request that VDSS report to the Virginia Commission on Youth prior to the 2020 General Assembly Session.

### **Recommendation 2**

Monitor the TANF Reauthorization: H.R. 5861. Work with the National Conference of State Legislators (NCSL) to recommend the elimination of outdated regulations that impede TANF workers in assisting TANF recipients to meet work and education requirements.

### ***Finding 5 – Staff Professional Development***

*Many meetings were held with the Virginia League of Social Services Executives' Committees (including the Child Care Committee, the TANF/Employment Services Program Committee, and the TANF/VIEW Committee. Separate interviews were held with numerous stakeholders in order to understand the issues that are contributing to obstacles in the TANF Program regarding*

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<sup>26</sup> Interview with Mark Golden on October 9, 2018; Meeting with Commissioner S. Duke Storen on October 9, 2018.

<sup>27</sup> Virginia League of Social Services Executives' TANF/Employment Services Committee Report, by President Catherine Pemberton (no date).

<sup>28</sup> Personal Email communication from Mark Golden dated November 19, 2018, Virginia Department of Social Services' Division of Benefit Programs, TANF Program Manager.

*workforce development and child care services. From these meetings, the general consensus was that TANF workers need standardized training. There are no mandated training requirements for Employment Services workers, which means there is no funding for training. Benefit Program Service workers and Eligibility workers need and want professional development to ensure consistency and optimal client services. Cross-training and succession planning would ensure that there is always an employee ready and able to help a TANF recipient with whatever is needed.*

*Luckily, training efforts for these workers has already begun. The Virginia Department of Social Services' Division of Benefit Programs held the first annual conference last year. TANF workers were thrilled to have the opportunity to refresh existing knowledge and learn new and streamlined ways to meet their clients' needs.*

*A resource for professional development is the "Practice Profiles" document developed by the VDSS Division of Family Services in collaboration with child serving agencies in Virginia. This document details an effective practice model with practice profiles that describe how the model should be implemented. Once professional practice and expectations are known, training can be developed that will prepare and remind TANF workers how to implement their program and effectively interact with clients. Training and realistic performance measures support accountability in job performance.*

### **Recommendation 1**

Support the Virginia Department of Social Services and the League of Social Services Executives to continue their efforts on improving professional development for TANF and VIEW workers. Support recent efforts of the Department to provide job coaching training for TANF and VIEW workers through the community colleges. Encourage the Workforce Innovation and Opportunity Act (WIOA) workgroup to consider providing enhanced services for the TANF population through this workforce development initiative. Encourage eligibility and benefits services workers to be cross-trained.

### ***Finding 6 – Child Care Subsidies***

*Each locality has a set TANF allocation with a finite amount of funds. Fee Child Care is non-mandated; therefore, localities may use their full allocation before serving all Fee Child Care eligible families. These families may be put on a waiting list for Fee Child Care. In 2018, there were 7,310 children (4,356 families) on the Fee Child Care waiting list.<sup>29</sup> Parents who can't afford quality child care will either end up using low quality child care options, or worse: end up leaving their young child at home unsupervised. Neither of these options is safe or healthy for the child. Virginia's TANF funds can help pay for these children to be in a safe and nurturing environment.*

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<sup>29</sup> Personal Email communication from Mary Ward dated November 9, 2018, Subsidy Program Manager, Virginia Department of Social Services' Division of Child Care and Early Childhood Development.



*Working families who are receiving transitional TANF benefits are eligible for child care services which are mandated services. In contrast, families receiving transitional TANF benefits, but are attending approved education and training programs that will lead to better employment, are NOT eligible for child care services, according to the Virginia Subsidy Program laws and regulations.<sup>30</sup> Federal laws and regulations allow transitional TANF families who are participating in approved education and training programs to receive child care services. Families who are trying to dig out of poverty may need to earn a short-term credential or complete an apprenticeship program. Just like working families, child care may be needed to allow parents the time to attend class.*

*Virginia TANF case workers supported these two ideas wholeheartedly. They work directly with struggling families and know the challenges they face with moving ahead and regaining their self-sufficiency. TANF surplus funds may be available to fund these initiatives and end the Fee Child Care wait list.*

### **Recommendation 1**

Request that the Virginia Department of Social Services develop a six-year plan to eliminate the wait list for Fee Child Care participants.

### **Recommendation 2**

Amend the *Code of Virginia* (§ 63.2-611 C.1.) to provide transitional child care to former TANF recipients participating in an education or training program leading to employment. This would allow former TANF recipients to receive child care services while they are earning a credential or degree to help them become self-sufficient.

### ***Finding 7 – Availability and Support of Quality Child Care***

*Finding quality child care in rural areas is not always easy. There are many underserved child care areas in Virginia, most notably in the Western, Eastern, and Piedmont regions of the state.<sup>31</sup> The Virginia Department of Social Services' Division of Child Care and Early Childhood Development convened a group of early care and education stakeholders to study the availability of quality child care, especially for children with special needs, infants and toddlers, children who may be homeless, military families, families needing care during non-traditional hours, and families needing care for their sick child. The group discovered that there were very few, if any, quality child care options in rural areas, and even fewer quality child care options for families receiving child care subsidies. Child Care Subsidy Vendors must be preapproved to provide child care for eligible families.*

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<sup>30</sup> *Code of Virginia* Section 63.2-611 C.1.

<sup>31</sup> Report of the Child Care Underserved Areas Workgroup, Virginia Department of Social Services, April 2017.

*As a result of the study, Child Care Provider S.T.E.P.S. was born. This pilot program, also known as Child Care Provider Shared Training, Education and Professional Development Services, is a collaboration of the Child Care and Early Childhood Division of the Virginia Department of Social Services and James Madison University. This pilot will establish a shared services network to support family day home child care providers. The Network will expand the availability of quality child care for infants, toddlers, children with special needs, and children needing care during non-traditional hours. Regional Family Day Home Specialists were hired to support Family Day Home providers to start a quality child care business or expand an existing child care business in high demand areas and especially for the target populations. The pilot was started in July 2018 and preliminary results should be available for sharing in about two years.*

### **Recommendation 1**

Request that VDSS present to the Commission on Youth an update on the Child Care Provider S.T.E.P.S. Program (Shared Training, Education and Professional Development Services) pilot, which seeks to recruit more family child care providers in underserved/rural areas, especially those with odd-hour, special needs, and infant/toddler care, prior to the 2020 General Assembly Session.

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## **VIII. Acknowledgments**

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

### Virginia Benefit Program Organization

Tonia Alexander, Self Sufficiency Case Specialist, City of Charlottesville DSS

### Virginia Community College System

Ellen Davenport, Assistant Vice Chancellor, Governmental Relations

Craig Herndon, Senior Vice Chancellor, Administration, Finance, and Technology

Randall Stamper, Assistant Vice Chancellor, Career Pathways and Workforce Programs

### Virginia Department of Social Services

Eleanor L. Brown, Senior Research Associate, Office of Research and Planning

Mark Golden, TANF Program Manager

Barbara Newlin, Director, Division of Child Care and Early Childhood Development

Shakema Sanders, Associate Director Senior, Division of Child Care and Early Childhood Development

Howard J. Sanderson, Senior Research Associate, Office of Research and Planning

S. Duke Storen, Commissioner

Dorrie Thompson, Former TANF/VIEW Consultant Senior, Eastern Regional Office  
Mary Ward, Subsidy Program Manager, Division of Child Care and Early Childhood  
Development

Ida Witherspoon, Budget Director, Division of Finance

Virginia League of Social Services Executives, Child Care Committee

Pamela Barton, Director, Isle of Wight DSS; Co-Chair

Jackie Clayton, Director, Northumberland DSS; Co-Chair

Virginia League of Social Services Executives, Child and Family Services Committee

Rebecca Morgan, Director, Middlesex DSS; Chair

Virginia League of Social Services Executives, TANF/ESP Committee

John Holtkamp, Director, Greenville/Emporia DSS; Chair

Virginia Office of Children's Services

Howard J. Sanderson, Department of Research, Virginia Office of Children's Services

York Poquoson Department of Social Services

Vicki Krussie, Self-Sufficiency Supervisor

**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.*

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Patron – Favola

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Referred to Committee on Rules  
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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.

Proposed TANF Budget 2018 – 2020

TANF Adopted Budget	Governor's Introduced Budget			Chapter 1 & 2 (2018 Special Session I)		
	HB 29	HB 30		HB 5001	HB 5002	
	FY 2018 Proposed	FY 2019 Proposed	FY 2020 Proposed	FY 2018	FY 2019	FY 2020
<b>TANF Program (Mandated Services)</b>						
Income Benefits	\$30,946,293	\$26,418,438	\$22,330,974	\$30,946,293	\$26,418,438	\$22,330,974
VIEW Employment Services	\$13,612,144	\$13,612,144	\$13,612,144	\$13,612,144	\$13,612,144	\$13,612,144
VIEW Child Care Services	\$1,250,137	\$1,250,137	\$1,250,137	\$1,250,137	\$1,250,137	\$1,250,137
Caseload Reserve	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
TANF State/Local Operations	\$53,568,212	\$53,568,212	\$53,568,212	\$53,568,212	\$53,568,212	\$53,568,212
Mandated Services Subtotal	\$101,376,786	\$96,848,931	\$92,761,467	\$101,376,786	\$96,848,931	\$92,761,467
<b>Expanded Services (Discretionary Activities)</b>						
Healthy Families/Health Start	\$9,035,501	\$9,035,501	\$9,035,501	\$9,035,501	\$9,035,501	\$9,035,501
Community Action Agencies	\$4,250,000	\$4,250,000	\$4,250,000	\$4,250,000	\$6,250,000	\$6,250,000
Domestic Violence Grants	\$3,346,792	\$3,346,792	\$3,346,792	\$3,346,792	\$3,846,792	\$3,846,792
EITC Grants	\$185,725	\$185,725	\$185,725	\$185,725	\$185,725	\$185,725
Comprehensive Health Investment Project	\$2,400,000	\$2,400,000	\$2,400,000	\$2,400,000	\$2,400,000	\$2,400,000
Boys and Girls Clubs	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Resource Mothers	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Child advocacy centers (CACs)	\$825,500	\$825,500	\$1,125,500	\$825,500	\$1,125,500	\$1,125,500
Northern Virginia Family Services (NVFS)	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Virginia Early Childhood Foundation (VECF)	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000
Grants for community employment & training	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$10,500,000	\$10,500,000
Long Acting Reversible Contraceptives (LARC)	-	\$6,000,000	\$6,000,000	-	\$3,000,000	\$3,000,000
Early Impact					\$250,000	\$600,000
FACETS (Homeless Services)					\$200,000	\$100,000
Visions of Truth STRIVE Program					\$75,000	\$75,000
Laurel Center (Domestic & Sex. Violence Sys.)					\$500,000	\$500,000
Expanded Services Subtotal	\$31,293,518	\$37,293,518	\$37,293,518	\$31,293,518	\$41,118,518	\$41,368,518
<b>Other Spending (Cost Avoidance)</b>						
At-Risk Child Care	\$12,857,212	\$12,857,212	\$12,857,212	\$12,857,212	\$12,857,212	\$12,857,212
Head Start Wraparound	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000
Local Staff Support	\$6,405,502	\$6,405,502	\$6,405,502	\$6,405,502	\$6,405,502	\$6,405,502
Comprehensive Services Act Transfer	\$9,419,998	\$9,419,998	\$9,419,998	\$9,419,998	\$9,419,998	\$9,419,998
Other Spending Subtotal	\$31,182,712	\$31,182,712	\$31,182,712	\$31,182,712	\$31,182,712	\$31,182,712
<b>Total TANF Budget</b>	<b>\$163,853,016</b>	<b>\$165,325,161</b>	<b>\$161,237,697</b>	<b>\$163,853,016</b>	<b>\$169,150,161</b>	<b>\$165,312,697</b>
*Annual Grant	\$157,762,831	\$157,762,831	\$158,285,172	\$157,762,831	\$157,762,831	\$158,285,172
Prior Year Balance	\$123,754,882	\$117,664,697	\$110,102,367	\$123,754,882	\$117,664,697	\$106,277,367
Annual Balance/Shortfall	\$117,664,697	\$110,102,367	\$107,149,842	\$117,664,697	\$106,277,367	\$99,249,842

\*The 2017 Consolidated Appropriations Act provides that 0.33% of states' TANF allotments be available for research, technical assistance, and evaluation for FFY 17 and FFY 18. This reduces Virginia's grant by \$522,341 each federal fiscal year (FFY). The reduction is reflected starting in SFY 18, because the total reduction for FFY 17 is taken from the FFY 17 fourth quarter award, which falls in SFY 18, first quarter. Under this Act, TANF was reauthorized for FFY 17 and FFY 18, so it is unclear whether the 0.33% reduction will be continued over more fiscal years. Therefore, the original grant amount is assumed for all other years that fully encompass FFY 19 and beyond.



COMMONWEALTH OF VIRGINIA  
Commission on Youth

## **Review of Virginia's Temporary Assistance for Needy Families (TANF) Program with an Emphasis on Workforce Development and Child Care**

November 20, 2018

Amy M. Atkinson

### 2016 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 reported recommendations prior to the 2017 General Assembly Session.

## 2018 Study Mandate



- At the June 6, 2018, Commission Meeting, the Commission adopted the 2018 Study Plan to explore funding and current programs for workforce development and child care programs, and make recommendations to improve these programs to support self-sufficiency.

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## Study Activities



- Reviewed budget amendments and legislative bill proposals regarding TANF funds for workforce development and child care
- Held stakeholder meetings with the following groups:
  - Virginia Dept. of Social Services and Local Departments of Social Services
  - House Appropriations Committee Staff
  - Senate Finance Committee Staff
  - Virginia League of Social Services' Executives
    - TANF/ESP Committee
    - Child Care Committee
    - Child Welfare Committee
  - Benefit Programs Professional Organization (BPPO)
  - Office of Comprehensive Services
  - Virginia Community College System
  - Local Community Colleges and Workforce Centers
  - Advocacy Organizations

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## Study Activities (Continued)



- **Researched Other States**

- Connecticut
- Delaware
- Florida
- Georgia
- Illinois
- Minnesota
- North Carolina
- Pennsylvania
- Tennessee
- Washington, D.C.

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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.

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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 benefits 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.

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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.

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## TANF Overview (Continued)



- 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).

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

## TANF Overview (Continued)



- 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 FPL for families in Group II localities
  - Approximately 45% of the FPL for families in Group III localities
- The average monthly payment is approximately \$312 across all families.
- 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: M. Golden, Personal Communication, November 19, 2018, and T. Steinhauser, Personal Communication, September 14, 2016.

## 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 requirements 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 that 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) (Continued)



### 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 Educational Development (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) (Continued)



### Exemptions to VIEW participation

- Caring for child under 12 months old (limited to 12 months in a lifetime)
- A temporary medical condition that prevents participation
- Under 18 or over 60 years of age
- A need to care for an 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 Programs



### Other Services Available to TANF Recipients

- Energy Assistance
- Child Care
- Women, Infants, and Children (WIC)
- National School Breakfast/Lunch Programs
- Housing Assistance
- Transitional Services
- Workforce Development

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 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 FY 19)
  - Expanded services/discretionary programs (\$41.1M FY 19)
  - Other spending/cost avoidance (\$31.2M FY 19)

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## TANF 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, and child care services are mandated:
  - 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.

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## TANF Child Care (Continued)



- **Mandated Services (13,609 children FY 18)**
  - TANF Working
  - Transitional
  - VIEW
  - SNAP (Supplemental Nutrition Assistance Program)
  - Employment and Training
- **Non-Mandated Services (18,900 children FY 18)**
  - 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 for child care services

Source: Personal Communication with VDSS, Division of Child Care and Early Childhood Development, November, 2018

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## TANF Child Care (Continued)



- **Recent Changes in Child Care**
  - As of 10/1/18, Child Care services transfer to the new locality when recipients move from one locality to another in Virginia.
  - Child Care Subsidy rates were raised to the 70<sup>th</sup> percentile of market rates or up to the amount of actual child care costs, not to exceed the 70<sup>th</sup> percentile of market costs.
  - There is now a 12-month continuous eligibility.
  - The Program now utilizes a two-tiered eligibility system with the exit limit set at 86% of the State Median Income if all other eligibility requirements are met.

Source: Personal Communication with VDSS, Division of Child Care and Early Childhood Development, November 2018

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## TANF Child Care (Continued)

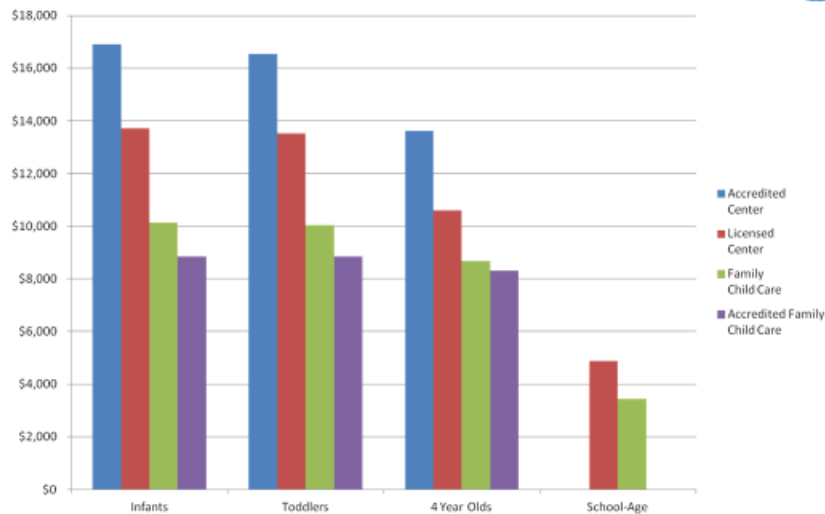


- Child Care Subsidy Wait List (as of 11/9/2018)
  - 4,356 families
  - 7,310 children
- TANF working families and VIEW participants are not put on waiting lists for Child Care Subsidy.
- Former TANF recipients participating in Transitional Child Care **must be working**, per the *Code of Virginia*.
- Transitional Child Care is **not allowed** for former TANF recipients in education/training programs.

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 and personal communication with VDSS, Division of Child Care and Early Childhood Development for clarification, November 2018.

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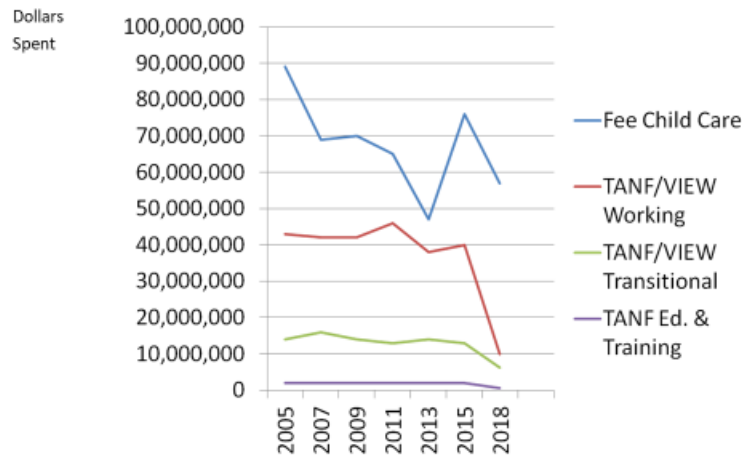
## Average Cost of Child Care in VA



Source: Child Care Aware of America's 2018 State Fact Sheet Survey Reflecting 2017 Virginia Data

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## TANF Child Care (Continued)



Source: Personal Communication, VDSS, Division of Child Care and Early Childhood Development, November 2018

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## TANF 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 – (\$9.9 M)
  - CCDF for Head Start – (\$2.5 M)

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## TANF Expenditures FY 18



### TANF Transfers to Child Care and Development Fund (CCDF)

▪ At-Risk Child Care	\$ 9,852,895
▪ Head Start Wrap-Around	\$ 2,500,000
<b>TOTAL TANF Transfer to CCDF</b>	<b>\$ 12,352,895</b>

### Local DSS TANF Funds

▪ VIEW Administration	\$ 792,963
▪ VIEW Program	\$ 2,500,000
<b>TOTAL TANF to Local DSS</b>	<b>\$ 3,292,963</b>

Source: Virginia Department of Social Services, Division of Finance, October 2018

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## TANF Expenditures FY 18 (Continued)



### Employment Services

▪ VCCS Job Training	\$ 526,104
▪ Employment Advancement for TANF Participants	\$ 6,488,125
▪ VIEW Purchased Services	\$ 1,304,383
▪ Community Employment and Training Programs	\$ 1,333,271

**TOTAL TANF Funded Employment Services** \$ 9,651,883

**General Funds** \$ 8,574,807

**Local Funds** \$ 1,809,835

Source: Virginia Department of Social Services, Division of Finance, October 2018

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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.
- There remains a structural imbalance in TANF funding; each year we are appropriating more than we receive in the block grant funding.

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

## TANF Surplus/Savings (Continued)



- At the height of the recession, October 2011, Virginia was serving over 37,000 households per month (\$116M per year).
- Currently, Virginia is serving 18,287 households per month (\$68.4M per year).

Source: M. Golden, Personal Communication, November 19, 2018.

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## TANF Challenges



- The challenge with 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 eligible families and children in need.

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. 27



## FINDINGS

## Welfare Stigma



### Virginia Initiative for Employment not Welfare (VIEW)

- It is a sensitive issue for struggling parents to admit that they are receiving public assistance, especially when they are studying hard and attending education or training classes, but are not working yet.
- TANF VIEW participants must obtain signatures to verify classroom participation and program completion.
- Employers are skeptical about working with the welfare population.
- By changing the meaning of the VIEW acronym to Virginia Initiative for **Education and Work**, a more positive and uplifting paradigm will be created to show support of participants to get on their feet again.

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## Parent Education on Financial Literacy and School Readiness Options



### Financial Literacy

- *Code of Virginia* § 63.2-226 requires that VDSS work with the Virginia Employment Commission and the Virginia Community College System to provide course(s) on financial literacy and implement a plan to communicate this to citizens receiving public assistance.
- Courses may be made available online or in the classroom.
- Courses must be free.
- These courses already exist, and information is provided on the VDSS, LDSS, and federal websites ("Money Smart," "Bridges Out of Poverty," Nansemond County's "Financial Literacy Education for Families," and Shenandoah DSS/Habitat for Humanity's budget and credit training program); however, there is no formal plan to disseminate this information.

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**Study How to Eliminate the Benefit Cliff**

- The benefit cliff refers to the drop in public supports that occur when earnings go up.
- TANF participants who transition off of public assistance struggle to regain their self-sufficiency as their income does not adequately make up for the loss of benefits and services right away.
- Former TANF participants are no longer eligible for TANF, SNAP, child care, health benefits or other services due to a slight increase in income.
- Cliffs that exist over a range of earnings are frustrating for struggling parents and may create a disincentive to work more hours or take a higher-paying job.



**Study How to Eliminate the Benefit Cliff (Continued)**

**The Cliff Effect**

IMPACT OF LOSING WORK SUPPORT BENEFITS AS INCOME RISES  
(Single parent with two children, one preschool-aged and one school-aged)



In this Colorado-based scenario, a single working parent with two children is shown breaking even with a combination of wages and work support benefits that include child care assistance, food stamps, Medicaid and income tax credits. However, as the parent's earnings rise, she begins to lose benefits, with child care assistance the largest by far.

The cliff effect occurs when even a modest increase in income leads to a complete termination of a benefit and a large net loss to the family.





### More Parent Education on Child Care Quality and Resources

- Many resources are available on Quality Child Care in Virginia:
  - VDSS microsite: [www.childcareva.com](http://www.childcareva.com)
  - Brief VDSS YouTube video - <https://www.youtube.com/watch?v=OjV5sRivmio>
  - VDSS's "Choosing Quality Child Care" Brochure
- Child Care staff need information on how to provide information on quality child care and low-income options during the limited time they spend with parents.
- LDSS staff and pediatrician's offices could show informational videos on quality child care and Virginia's options for income-eligible families.
- Smart phone applications on Virginia child care options and the importance of quality care could be shared with parents.



### Road to Success in Virginia Program (RSVP)

- Funded through VDSS and coordinated by the Virginia Community College System.
- Provides TANF recipients with coaching and continuous supports to complete their education programs/degrees (transportation, child care, etc.).
- Funding for FY 19 is \$2M



### Short-Term Credential - FastForward Program

- Complementary Program to the RSVP Program, which are both offered by the Virginia Community College System
- Serves people who traditional higher education programs leave behind to help create a pathway to a higher standard of living (income, health benefits, paid sick leave and vacation, etc.).
- To date, 11,138 short-term credentials have been earned, with the majority of students earning a 25-50%+ increase in wages after attaining their credential.
- \$9.5M (General Fund); could easily double this amount to serve all.
- 1 in 5 students received TANF or SNAP benefits before training.
- Annual income taxes paid by FastForward grads = \$4M+

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### Competitive Grants for Community Employment and Training Programs

- Some examples:
  - **Medical Case Management (MedVIEW)** – assists TANF recipients in obtaining medical, psychiatric, substance use or other care.
  - **Social Security Advocacy** – assists with multiple barriers/disabilities that preclude gainful employment for SSDI or SSI benefits.
  - **Formal Vocational Evaluation Services** – achievement, aptitude, interest testing to identify abilities, skills and vocational interests.
  - **Vocational/Career Counseling** – provides follow-up to vocational evaluation and identifies strengths, barriers, referrals.
  - **Supported Employment Services** – provides individualized assistance with significant employment barriers.

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## Workforce Development Programs (Continued)



### Subsidized Employment Program

- The Virginia Social Services System has people who need living wage jobs.
- Employers have in-demand positions that need skilled workers and are willing to provide short-term on-the-job training.
- Why not link the TANF participants to the high demand jobs with employers in need?
- Employers would pay living wages and fulfill their employee shortages.
- VDSS could develop a supportive program to link TANF recipients with employers in need.

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## TANF Programming



- Aid categories and income eligibility requirements for TANF are not allowing VDSS to serve the intended population.
- Success measures should not be limited to job attainment, but rather by long-term earnings and self-sufficiency.

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### **Federal Barriers to TANF Success**

- TANF is being monitored for reauthorization (H.R. 5861).
- Some of the regulations are outdated and impeded the progress of TANF workers in assisting their clients to meet work and education requirements (e.g., faculty sign-off for education; types of training that count toward education requirements; number of hours needed for training, substance abuse counseling, and transportation limits, family interaction, etc.).
- The National Conference of State Legislators (NCSL) can review the regulations and recommend changes.



### **Training for TANF/VIEW Workers**

- TANF/VIEW workers do not have annual mandatory training requirements.
- Child Protective Services, Child Care, Licensing, and Medicaid workers all have mandated annual training requirements.
- TANF/VIEW workers need training in job coaching, trauma-informed care, substance abuse characteristics and confrontation approaches, and other topics to meet the needs of their clients.



### Eliminate Extensive Wait List for Fee Child Care

- Fee child care is available to income-eligible families who are employed or attending an approved education or training program, and for families receiving child protective services.
- Currently, there are 7,310 children on the waiting list for fee child care; this represents 4,356 families.
- Families who do not meet TANF eligibility requirements are already struggling and still cannot afford child care.
- Children are put in unsafe, unhealthy, and unsupervised situations.
- To eliminate the wait list completely, it is estimated to cost \$67.5M.

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### Extend Transitional Child Care

- *Code of Virginia* § 63.2-611 C. requires 12 months of transitional child care.
- Because recent changes to the Child Care Subsidy Program include families being eligible for services for a continuous 12 months and graduated exit provisions, more families in transition will likely go on a wait list for the Fee Child Care Program with limited Fee Child Care dollars.
- Extending the transitional child care period to 24 months gives former TANF recipients more time to become self-sufficient before assuming the full cost of child care.
- Average annual costs of child care in VA range from \$3,432 for after-school/summer care to \$16,900 for infant care.
- Quality care is often out of reach for low-income families.

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### Child Care Services During Approved Education/Training

- *Code of Virginia* § 63.2-611 C.1. does not allow funds to be used for Transitional Child Care when the former TANF recipient is in an approved education/training program.
  - Provides for up to 12 months of Child Care for former TANF recipients **who are employed** (Transitional Child Care).
- Transitional Child Care participants **must be working**.
- A Child Care *Code* amendment could allow funds to be used for child care when Transitional TANF recipients are in approved education/training programs leading to employment.



### Phase-in the Co-Payment Increase

- Transitional TANF requires a co-payment for child care services.
- TANF recipients go from no co-payment on TANF to having a co-payment of 5% to 10% of their gross annual income in Transitional TANF.
- Recipients are ill-prepared to have the sudden cost of child care when they are struggling to make ends meet.
- Income has not kept up with inflation and the cost of living for the past several decades.



### **Child Care Provider S.T.E.P.S.**

#### **(Shared Training, Education and Professional Development Services)**

- VDSS Pilot Program to establish a shared services network to support family day home child care providers.
- Network will expand the availability of quality care for infants, toddlers, children with special needs, and children needing care during non-traditional hours.
- Partnership between VDSS Division of Child Care and Early Childhood Development and JMU.
- Covers 3 underserved areas of the state: Piedmont, Western, and Eastern Regions.
- Provides assistance with business operations, training, Child and Adult Care Food Program application, resources, coaching, recruiting, etc.

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# **DRAFT RECOMMENDATIONS**

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## Draft Recommendations



### Finding #1 – Welfare Stigma

The title “Virginia Initiative for Employment not Welfare” is demeaning and needs to reflect a more positive support system.

1. *Amend the Code of Virginia to rename the “Virginia Initiative for Employment not Welfare” (VIEW) to the “Virginia Initiative for Education and Work.” (This full title is currently found in the **Code of Virginia** Sections 2.2-435.8, 2.2-2472, 63.2-100, 63.2-601, 63.2-608, 65.2-101, 65.2-500, 65.2-502, and 65.2-512.)*
2. *Take no action.*
3. *Other options?*

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## Draft Recommendations (Continued)



### Finding #2 – Parent Education on Financial Literacy and School Readiness Options

TANF recipients are not prepared financially to transition off of public assistance. Parents do not understand the child care options available for low-income families, nor the importance and characteristics of quality child care in order to be “school ready.”

1. *Request that the Virginia Department of Social Services present to the Commission on Youth the plan mandated by § 63.2-226. This Code section requires VDSS, in consultation with the Virginia Employment Commission and the Virginia Community College System, to develop and implement a plan to provide information regarding courses on financial literacy, offered online or through any other appropriate medium, to citizens receiving any form of public assistance that are available to such citizens at no cost to them prior to the 2020 General Assembly Session.*
2. *Introduce a budget amendment to provide funding for VDSS to implement self-sufficiency pilots to learn how to make the transition smoother for families and to minimize the “benefit cliff.” The purpose of the pilot is to develop supports that provide a pathway for self-sufficiency through earning a living wage. Pilot programs may allow TANF cash assistance payments to be adjusted depending on the amount of income and services a recipient receives. VDSS shall report its findings with recommendations to the House Appropriations and Senate Finance Committees and the Virginia Commission on Youth by November 15, 2020.*

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## Draft Recommendations (Continued)



### Finding #2 (Continued) – Parent Education on Financial Literacy and School Readiness Options

3. *Support more parent education on quality child care and the Child Care Subsidy, Virginia Preschool Initiative, Early Head Start and Head Start Programs for low-income families. Support training for child care workers on how to approach parents about child care quality and available resources in the brief time that they have with parents. Encourage child care workers to provide information to families seeking child care assistance, including the child care microsite address ([www.childcareva.com](http://www.childcareva.com)) with child development information, early intervention services, and the importance of quality child care; a link to a short video on child care quality (<https://www.youtube.com/watch?v=OjV5sRivmio>); and the VDSS brochure on "Choosing Quality Child Care." Explore the possibility of creating a longer video or smart phone application on school readiness resources available and the importance of quality child care to be available to play on smart phones and in waiting rooms and lobbies (social services' offices, birthing hospitals, pediatricians' offices, etc.).*
4. *Take no action.*
5. *Other options?*

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## Draft Recommendations (Continued)



### Finding #3 – Workforce Development Programs

Educational and job preparation programs to assist TANF recipients are underfunded and underutilized.

1. *Introduce a budget amendment to increase funding to the Virginia Community College System's "Road to Success in Virginia Program."*
2. *Introduce a budget amendment to provide TANF funding for the Virginia Community College System's standard credentialing program, "FastForward."*
3. *Introduce a budget amendment to increase funding for the competitive grants for community employment and training programs.*
4. *Request that VDSS study the subsidized employment program and develop a process that encourages more employers to be involved with the program. Efforts should be made to help link TANF/SNAP recipients to employers with jobs that are in high demand in the marketplace, especially those jobs that provide a living wage. VDSS should develop a process for connecting employers that are willing to provide short-term and intentional training programs that lead to success and self-sufficiency. Request that VDSS report to the Virginia Commission on Youth prior to the 2020 General Assembly Session.*
5. *Take no action.*
6. *Other options?*

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## Draft Recommendations (Continued)



### Finding #4 – TANF Programming

Aid categories and success measures do not reflect the current TANF population, nor serve all in need.

1. *Request that VDSS study the different aid categories and income eligibility requirements for TANF. In addition, request that VDSS recommend outcome measures that go beyond work requirements. Success should be measured on long-term earnings and self-sufficiency. Request that VDSS report to the Virginia Commission on Youth prior to the 2020 General Assembly session.*
2. *Monitor the TANF Reauthorization: H.R. 5861. Work with the National Conference of State Legislators (NCSL) to recommend the elimination of outdated regulations that impede TANF workers in assisting TANF recipients to meet work and education requirements.*
3. *Take no action.*
4. *Other options?*

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## Draft Recommendations (Continued)



### Finding #5 – Staff Professional Development

Virginia's TANF and VIEW workers are not prepared to meet the added demands of today's TANF clients.

1. *Support the Virginia Department of Social Services and the League of Social Services' Executives to continue their efforts on improving professional development for TANF and VIEW workers. Support recent efforts of the Department to provide job coaching training for TANF and VIEW workers through the community colleges. Encourage the Workforce Innovation and Opportunity Act (WIOA) workgroup to consider providing enhanced services for the TANF population through this workforce development initiative.*
2. *Take no action.*
3. *Other options?*

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## Draft Recommendations (Continued)



### Finding #6 – Child Care Subsidies

Child Care Subsidies are underfunded with 7,310 children on the waiting list for fee child care.

1. *Introduce a budget amendment to gradually eliminate the wait list for fee child care participants. It is estimated that complete elimination of fee child care would cost the Commonwealth \$67.5M.*
2. *Amend the Code of Virginia ( § 63.2-611 C.) to extend transitional child care from 12 to 24 months. This would give former TANF recipients more time to become self-sufficient before assuming the full cost of child care.*

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## Draft Recommendations (Continued)



### Finding #6 (Continued) – Child Care Subsidies

3. *Amend the Code of Virginia ( § 63.2-611 C.1.) to provide transitional child care to former TANF recipients participating in an education or training program leading to employment. This would allow former TANF recipients to receive child care services while they are earning a credential or degree to help them become self-sufficient.*
4. *Lower the co-payment scale for Transitional TANF child care cases, which currently requires recipients to go from having no co-payment to having a co-payment of 5% to 10% of their gross income, in order to help recipients gradually adjust to the cost of child care.*
5. *Take no action.*
6. *Other options?*

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## Draft Recommendations (Continued)



### **Finding #7 – Availability and Support of Quality Child Care**

There are many child care deserts in Virginia where all families, and especially families eligible for child care subsidies, struggle to find quality child care, especially for odd-hour care, special needs care, and infant and toddler care.

1. *Request that VDSS present to the Commission on Youth an update on the Child Care Provider S.T.E.P.S. Program (Shared Training, Education and Professional Development Services) pilot, which seeks to recruit more family child care providers in underserved/rural areas, especially with odd-hour, special needs, and infant/toddler care, prior to the 2020 General Assembly Session.*
2. *Take no action.*
3. *Other options?*

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## Questions/Comments?

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