



## **VIRGINIA COMMISSION ON YOUTH**

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

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

August 1, 2016  
10:30 a.m. – 12:30 p.m.

#### **Meeting Notes**

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##### **Advisory Group Members:**

The Honorable Barbara Favola, The Honorable Scott Garrett, The Honorable Mark Sickles, Tonia Alexander, Mark Golden, Susan Massart, Jon Martz, Lilian Peake, LaTonya Reed, Michael Shook, Tom Steinhauser, Mike Tweedy, Emily Griffey

##### **Guests:**

The Honorable Joe Flores, Janet Areson, Victoria Baldwin, Laura Bateman, Whitney Davis, Latonya Hairston, Stephen Haner, Elliot Haspel, Kim Hulcher, Josh Myers, Lilian Peake, Lauren Schmitt, Dorrie Thompson, Otissa Williams

##### **General Assembly Staff:**

Sarah Staton, David May

##### **Virginia Commission on Youth Staff:**

Amy Atkinson, Will Egen, Leah Mills

##### **Welcome and Introductions**

*The Honorable Barbara Favola*

*Amy Atkinson*

*Virginia Commission on Youth*

Senator Favola welcomed the Advisory Group members and guests and thanked everyone for attending. She asked everyone to go around the table and introduce themselves. Senator Favola then turned the meeting over to Ms. Atkinson to discuss the plans for the meeting.

Ms. Atkinson stated that Senate Joint Resolution 95 (Favola) directed the Commission on Youth to (i) 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; (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.

The House Committee on Rules laid this legislation on the table but 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.

Ms. Atkinson reviewed the meeting handouts with the Advisory Group and then provided an overview of the purpose of the Temporary Assistance for Needy Families (TANF) program. Ms. Atkinson referred the Advisory Group members to TANF worksheet created for the meeting. She stated that the Commission was to review the unused TANF surplus as well as how TANF could better support and strengthen families. Ms. Atkinson stated that Commission staff had started meeting with stakeholders but that the Advisory Group could certainly assist the Commission by referring other appropriate stakeholders to Commission staff. She noted that Mr. Steinhauser and Mr. Golden with the Department of Social Services would provide the Advisory Group with overviews of TANF and the Virginia Initiative for Employment not Welfare (VIEW) program. Then, the Advisory Group would review the questions listed on the TANF worksheet.

### **Overview of the TANF Program**

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

Senator Favola thanked Mr. Steinhauser for attending and providing an overview of TANF. Mr. Steinhauser discussed the origins, benefits, funding conditions, and work requirements for TANF. He also outlined the four purposes of the TANF program:

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

Mr. Steinhauser stated that services under the first two purposes are means-tested and activate work requirements and time limits.

Mr. Steinhauser then discussed funding for TANF. TANF is funded through a federal \$158.2 million annual block grant. Virginia has flexibility to design/fund programs to address the needs of Virginia's low-income families. Virginia is required to spend \$128 million annually in state general funds known as Maintenance of Effort (MOE). This amount represents 75 percent of the amount the Commonwealth spent on welfare spending in 1994.

Mr. Steinhauser noted there is a 60-month federal lifetime limit on receipt of cash assistance and a two-year state limit. After receiving TANF for 24 months, recipients must wait for another 24-months to apply again. The TANF income eligibility threshold is about 20 percent of the federal poverty limit (\$336 for a family of three). There are three locality groupings in Virginia. This is based on the rationale that housing costs greatly vary throughout the Commonwealth and benefits can be tailored accordingly. Recipients must participate in a program to enhance their employability as a condition of eligibility for assistance, unless exempt.

Funding for TANF is dependent on the Commonwealth meeting a 50 percent Work Participation Rate (WPR). Failure to meet the WPR results in a five percent reduction in the TANF block grant, which is - \$7.9 million. The Commonwealth's actual WPR was 43.9 percent. Virginia's actual target was 32.3 percent because of Virginia's caseload reduction credit.

While a significant portion of TANF funds (\$74.9 million) go to direct services to families under purposes 1 and 2. State and local state operations are \$53.6 million and \$2 million is reserved for a new eligibility system. Under purposes 3 and 4, TANF can be used to fund a variety of programs and services known as “expanded funding.” Expanded funding is allocated from the TANF block grant and was over \$21 million in Fiscal Years 2017 and 2018. Expanded funding is currently used for:

- Healthy Families (\$9.0 million)
- Domestic Violence (\$3.3 million)
- Community Action Agencies (\$4.25 million)
- Comprehensive Health Investment Project (\$2.4 million)
- Boys and Girls Clubs (\$1 million)
- Resource Mothers (\$1 million)
- Earned Income Tax Credit (EITC) Grants (\$186 million)

Delegate Garrett noted that about 19 percent of the TANF appropriation went to state and local operations. TANF serves approximately 23,000 families so administrative costs are about \$2,300 per family per year. Mr. Steinhauser said that this funding went to local governments.

States may also transfer up to 30 percent of the block grant for programs under the Child Care and Development Block Grant and Social Services Block Grant. The challenge with the TANF surplus is making long-term commitments that may not be sustainable. Fiscal Year 2016 closed with a TANF surplus of \$70.5 million. There remains a structural imbalance in TANF funding. Projected surpluses for Fiscal Year 2017 were \$48.1 million and in Fiscal Year 2018 were \$20.7 million. It was noted that Virginia is spending \$20 million over the surplus each year. In Fiscal Year 2019, Virginia may have a deficit if nothing else changes and funding remains at current levels. If caseloads start to increase, it is critical to remember that the Commonwealth must ensure there is sufficient funding to meet the primary purpose of TANF – financial assistance and supportive services to needy eligible families and children.

Mr. Steinhauser stated that, during the height of the recession, in October 2011, Virginia was serving over 37,000 households per month at \$116 million per year. Currently, 22,500 families per month are being served each month. In State Fiscal Year 2016, Virginia spent \$43 million less in TANF cash assistance than in State Fiscal Year 2012.

Discussion ensued about purposes 3 and 4 of TANF. It was noted that if there was a recession, funds appropriated to programs pursuant to these purposes could lose funding. Mr. Steinhauser stated this was correct.

Senator Favola thanked Mr. Steinhauser for his presentation.

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

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

Senator Favola introduced Mr. Golden and stated that Mr. Golden would provide an overview of the VIEW program. Mr. Golden reviewed the program requirements and exemptions for the VIEW program. Exemptions include the following:

- Caring for child under 12 months (limited to 12 months in a lifetime);
- A disability which prevents participation;
- The recipient is under 18 or over 60 years of age; and
- The recipient is needed to care for incapacitated household member.

All other recipients of TANF must participate in work activities. VIEW also includes supportive services such as child care, transportation, medical/dental, program and/or work related expenses and emergency intervention. In addition, transitional services are available for up to one year after TANF assistance ends. Upon entry into VIEW, the participant signs an Agreement of Personal Responsibility outlining the responsibilities of the client and agency. An employability assessment is then conducted which evaluates work history, education history, job skills, functional literacy level, and job readiness skills. An Activity and Service Plan is also developed, which indicates the activities the participant will engage in to obtain employment.

Work activities include job search, job readiness, unsubsidized employment, subsidized employment, community work experience, public service, on-the-job training, vocational education, job skills training, English as a Second Language (ESL), Adult Basic Education (ABE) and the General Equivalence Diploma (GED). Core job activities include unsubsidized employment, subsidized employment, Community Work Experience Program (CWEP), on-the-job training, job search and job readiness assistance, public service, vocational education and training

Each state must meet the Work Participation Rate requirement or be sanctioned. Failure to meet the requirement results in a loss of \$7.9 million in TANF funds and the requirement to spend an additional \$8.5 million in state funds. Mr. Golden then outlined the Work Participation Rate calculation. To count as participating, a recipient must achieve 20 hours per week for single parents with children under 6 or 30 hours per week for all other families. Above 20 hours per week, additional core activities or the following non-core work activities may count as participation: job skills training and below post-secondary education. Since 1995, there have been 251,499 VIEW participants with 240,356 participating in a work activity and 169,366 entering employment. In Fiscal Year 2016, 21,041 participants with 19,084 participating in an activity. The number who entered employment was 12,929 with average monthly earnings of \$1,192. Virginia does extremely well with workforce participation and employment and usually ranks in the top ten states to achieve employment for TANF recipients. The Advisory Group concurred that this was an accomplishment that should be highlighted.

Senator Favola thanked Mr. Golden and asked if anyone had any questions. A question was raised whether individuals receiving Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI) could receive TANF. Mr. Golden noted that TANF recipients could not receive SSI/SSDI but a child with a mother on SSI could receive TANF. The 19 percent of administrative resources discussed earlier go towards local agency staff for review doctors' letters and determining exemptions. Transition services were then discussed and the Advisory Group was informed that transitional services could be covered up to a year after TANF has expired. A member asked if local agencies conduct transitional planning while the recipients were still receiving TANF. Mr. Golden and Mr. Steinhauer noted that VIEW caseloads in larger localities could be upwards of 250 cases. Caseloads were declining but larger localities still had significant caseloads. The *Code of Virginia* has a funding formula to help with caseloads and work activities. Delegate Sickles noted the if the average salary was \$1,192 a month; this would be the equivalent of approximately \$14,000 a year.

Delegate Garrett inquired about other safety net programs and whether TANF recipients would also be eligible for these programs. Mr. Steinhauer stated this was correct and, for example, 83 percent of TANF recipients participated in the Supplemental Nutrition Assistance Program (SNAP). Many elderly recipients may not participate because their SNAP benefits would be minimal due to their Social Security benefit. SNAP also has a work requirement similar to TANF.

Discussion ensued about the new eligibility system, the Virginia Case Management System, which will help improve communication and streamline eligibility determinations. Multiple state agencies are tasked with determining eligibility for the various safety net programs (e.g., SNAP, Medicaid, energy

efficiency programs). Moreover, there are federal privacy requirements. This system will help local case workers and is a one-stop process that is paperless. This system will help ensure that the process is not being reduplicated.

### **Advisory Group Discussion`**

#### *Findings/Recommendations*

The Advisory Group reviewed the TANF worksheet prepared by Commission on Youth Staff. The Advisory Group discussed the items on the worksheet, which set forth in Senator Favola's study resolution.

Item #1 – Identify the amount of and reasoning for unused TANF funds.

The Advisory Group concurred that the presentations covered this issue.

Item #2 – Are TANF funds being used for the intended purposes or are such funds being diverted to other programs or non-TANF purposes?

Discussion ensued whether TANF families access services from the expanded funding programs that meet purposes 3 and 4 of TANF and what percentage of recipients accessing these programs were TANF recipients. How many TANF families take advantage of these programs and do these expanded funding programs have income eligibility requirements. Questions were raised whether the seven programs funded in the Biennial Budget had reporting requirements. The Advisory Group concurred that it would be helpful to have a detailed presentation on these programs as well as the populations served.

Item #3 – How can TANF funds 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?

The Advisory Group discussed the expanded funding services under purpose 3 and 4 of TANF and asked what the services were and whether these programs included prevention components designed with the goals of keeping families off TANF. Over \$21 million was appropriated for the seven expanded funding programs Fiscal Years 2017 and 2018. What direction should the General Assembly take to ensure families better reach self-sufficiency? The Department of Social Services has a video, "The Road to Self Sufficiency" that it shares with families transitioning from TANF. The issue with child care and families losing access to child care benefits once transitioning off TANF was also discussed. There was a significant waiting list in localities for non-VIEW childcare. All day child care is more costly, particularly when the family has multiple children. There are also conflicts with federal requirements for high-quality child care providers and the inability for children to receive child care services from family members (e.g., grandmothers and other family members). The Advisory Group concurred that a presentation on child care access for TANF/VIEW recipients would be very helpful and the possibility of a step-down child care program. It was noted that in Fiscal Year 2016, an additional \$5 million was appropriated for at-risk child care from the TANF block grant.

The members then discussed § 63.2-601.2 in the *Code of Virginia*, which was enacted by the 2011 General Assembly. The statute requires Department of Social Services develop a Statewide TANF funding pool program. This was never implemented but was created to establish a process for use of expanded funding. This was established during the time when caseloads were more extensive. The Advisory Group may want to look at this provision for expanded funding programs and determine whether it could be utilized or "tweaked" for expanded programs under purposes 3 and 4.

Item #4 – Relevant stakeholders

The Advisory Group stated that they would send any other names/contact information to Commission on Youth staff.

Ms. Atkinson thanked everyone for the discussion and stated the Commission would work on the following action items for the next TANF Advisory Group meeting.

Action Items for the next Advisory Group meeting

- Request a presentation from the Department of Social Services regarding all safety net programs/services TANF recipients may be eligible for, what programs TANF recipients were likely to be receiving, and the eligibility requirements for each program.
- Request a presentation from a local Department of Social Services' representative about the barriers that TANF recipients have when transitioning off TANF, particularly accessing child care subsidies with focus on TANF's interface with child care.
- Request additional information from the Department of Social Services on the support/transitional services local departments of social services provide to TANF recipients when they are transitioning from TANF to the workforce. The Department will provide an overview of these services along with how they are provided (e.g., contract with nonprofits, variability of services among each local department).
- Compile a presentation on TANF's existing seven expanded funding programs established to meet purposes 3 and 4 under TANF. Highlight eligibility requirements, whether these programs are means tested, the percentage of TANF recipients that access these programs, funding sources, and any available outcome data. Discuss how many of the individuals served under purposes 1 and 2 are served by these programs along with any outcome data about these programs (numbers served, locations, outcomes, etc.). Discuss the reporting requirements for these programs.
- Share with members of the Advisory Group the Department of Social Services' video, "The Road to Self Sufficiency" that it shares with families transitioning from TANF.

Senator Favola stated that the Advisory Group should keep in mind the goal of the study to ensure TANF funding was being used to ensure that families achieve self-sufficiency. Delegate Sickles stated that it was amazing that currently there were only 20,000 families receiving TANF.

Senator Favola asked Commission staff to send the Advisory Group members potential meeting dates in August and September. The meeting adjourned at approximately 12:25 p.m.