

## **REVIEW OF VIRGINIA'S TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) PROGRAM**

### **STUDY PLAN**

#### **Study Mandate**

- During the 2016 General Assembly Session, Senator Barbara Favola introduced Senate Joint Resolution 95. The resolution 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 reviewed this legislation and it was laid on the table. The House Committee on Rules requested the Commission on Youth to study the provisions set forth in the legislation and to report findings and recommendations prior to the 2017 General Assembly session.

#### **Identified Issues**

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

## **Study Activities**

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