

# Health & Human Resources Subcommittee

of the Senate Finance Committee

## TANF Block Grant funds

Allocated to local social services funding stream for  
Service Programs and Eligibility Determination

The Virginia League of Social Services Executives

Ben P. Owen, Past President

Director of Social Services King William County

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# Who are the Local Departments of Social Services

Virginia local social services are  
locally administered under state supervision.

- Local boards shall be established by local governments.
  - § 63.2-300.
- Agent of Commissioner. The local director shall act as agent for the Commissioner in implementing the provisions of federal and state law and regulation.
  - § 63.2-333
- Local Government Employees. Local directors of social services and staff are employees of local government.
  - § 63.2-325.

# What are the Services Provided by Local Departments of Social Services

## Assistance Programs

- TANF – Temporary Assistance to Needy Families
- Food Stamps
- Medicaid
- Auxiliary Grants
- General Relief
- Energy Assistance

## Service Programs

- Child Protective Services
- Foster Care
- Adoption Services
- Adult Services
- VIEW
  - (Virginia Initiatives for Employment not Welfare)
- Child Care

# Reimbursement from Funds Pool Administrative Allocations

- Definition of Administrative
  - For local department of social services The Appropriations Act uses the state Department of Planning & Budget definition that assigns all program staff as administrative allocations to local agencies.

# Reimbursement from Funds Pool

## Administrative Allocations

- Administration allocations for local agencies are made to local agencies through the annual budget each year.
- These allocations are generally made without formulas associated with case counts, work generated, or clients served.
- Original allocations were set in prior years and have incrementally adjusted as additional funds became available. Therefore, current allocations are historically based and incrementally adjusted.
- In effect, an agency's administrative burden may increase, or decrease, but the allocation remains relatively the same. There exists no direct correlation between work conducted and funds received. The only exception to this issue is in the VIEW program where an allocation is partially based on agency production and success.

# Use of TANF Funds by local departments of social services

In The Appropriations Act, Chapter 781 the Governor & General Assembly have provided funds from the TANF Block Grant to blend with General Funds, Non-General Funds, and local funding to provide a “pool” for local departments to be allocated funding for the services provided in their communities.

# How are the TANF Funds used by Local Departments of Social Services

## Funding Streams

- The TANF funds from The Appropriations Act are blended with the base appropriations provided for local assistance and service programs.
- Local departments are reimbursed for services provided.
- The state “pool” of funds us to reimburse local departments is capped.
- Reductions in any one funding stream in the blended pool causes reduction in other component streams due to matching requirements.

# Allocations System for local social services programs

- Funds Pool
  - General Funds
  - Non-General Funds: Federal Funds
  - Non-Federal Funds: TANF Block Grant
  - Local Government Funds
- Random Moment Sample Methodology (RMS)
  - RMS is only useful in allocating costs accurately among FEDERAL funding sources. It does not provide a mechanism to shift or maximize Non-General Funds (NGF).

# TANF Block Grant Funding Allocated to local departments of social services

## Local Direct Services Staff and Operations 2008-2010

- FY 2009 \$33,549,000 NGF-TANF
- FY 2010 \$33,459,000 NGF-TANF

## Local Eligibility & Administration 2008-2010

- FY 2009 \$12,168,977 NGF-TANF
- FY 2010 \$12,168,977 NGF-TANF

# Treading Water

***We can't continue to do it well***

- Over the years, local social service agencies have weathered client growth along with state & local budget reduction during the downturns in the Virginia economy.

# Potential Impacts of Reductions

- Delays in pre-admission screening and eligibility determinations for people in need of nursing home care
- Delays in providing Food Stamps and Medicaid
- Delays in providing child care services to those fortunate enough to find work

# Treading Water

## *We can't continue do it well*

- Current conditions do not provide any hope that local departments can continue to tread water, with significant client services growth, decreased resources, allocation reductions over multiple years, and increased complexity, intensity and severity of client needs. We are genuinely concerned about our ability to meet the needs of our clients as we attempt to meet state and federal mandates for services and still adhere to state-identified best practices.

# Complexity / Intensity / Severity

- Child protective services & child welfare cases are more complex, intense & severe
- Cases require more time, resources and staff involvement
- More involvement with courts, schools, medical community
- Cultural diversity & languages other than English
- Increasing number of homeless families with children

# Looking Ahead

- Local social services challenges remain the same
- Increasing Volume
- Increasing Complexity
- Resources that have not kept pace

# Closing

- Thank you for the time to make this presentation on local departments use of allocations from the TANF Block Grant.
- Please feel free to visit you local social services department to understand first hand the stress on the agency and their customers.

# Appendix

to Presentation to the Health & Human Resources  
Subcommittee, Senate Committee on Finance

**TANF BLOCK GRANT FUNDS  
ALLOCATED TO LOCAL SOCIAL SERVICES FUNDING STREAM FOR  
SERVICE PROGRAMS AND ELIGIBILITY DETERMINATION**

**THE VIRGINIA LEAGUE OF SOCIAL SERVICES EXECUTIVES  
BEN P. OWEN, PAST PRESIDENT, DIRECTOR OF SOCIAL SERVICES KING WILLIAMS COUNTY**

# Resources

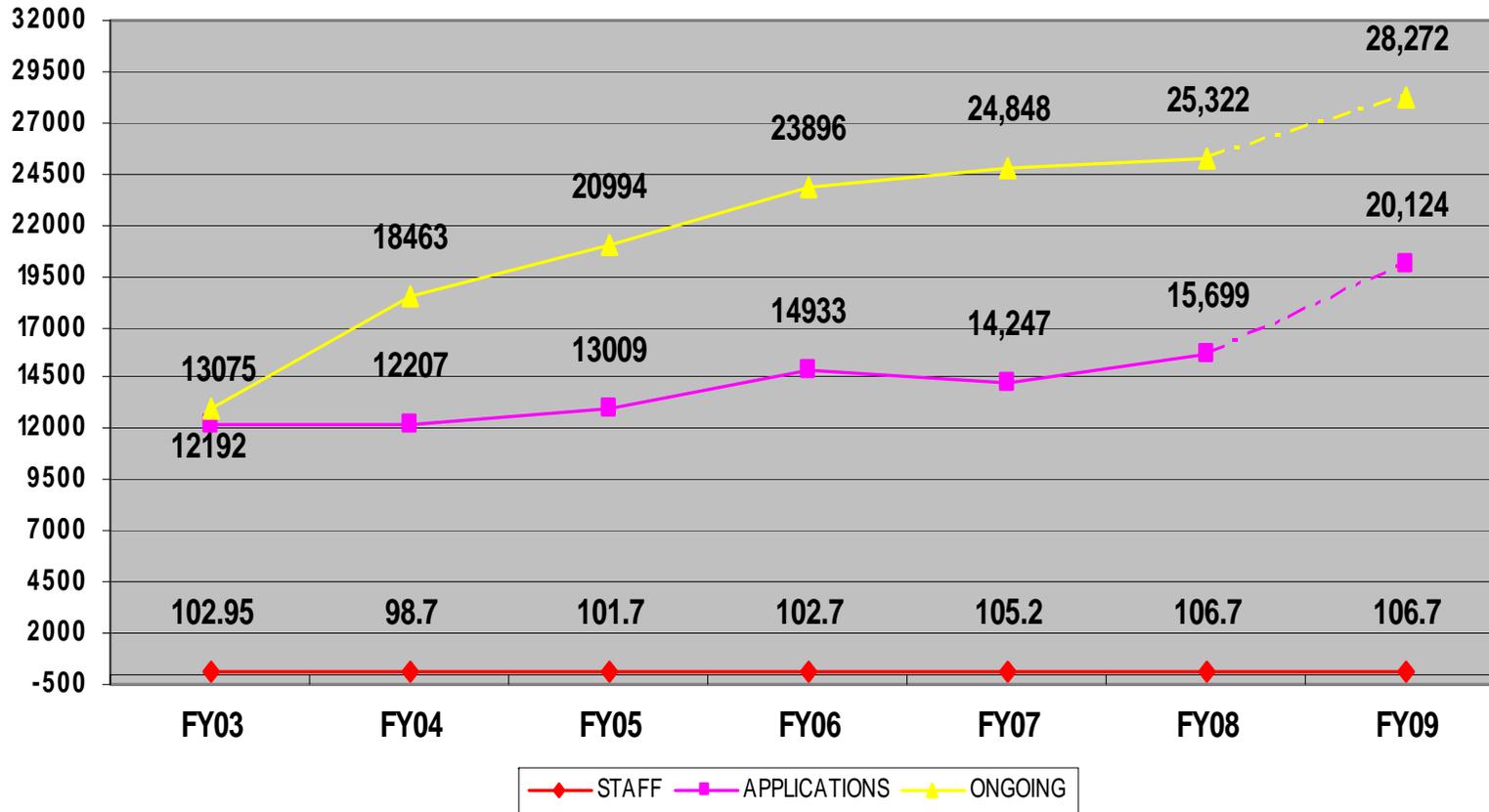
- Have not kept pace with the workload
- Staff reductions at the same time that work has increased
- Lack of state investment in the system over time
- State workload study reports, state Quality Management Review and internal audits all conclude that local departments do not have enough resource including staff

# What are local departments doing?

- Local priorities are being established by balancing risk factors
- Staff have been shifted to meet priorities in high risk areas
- Performance has suffered in the areas of timeliness, quality and customer outcomes.
- State owns the programs, establishes mandates, proscribes most processes
- Local priorities may conflict with state mandates

# Prince William Social Services

Comparison of Benefit Applications, Ongoing Caseload and Staff by Fiscal Year



## Benefits, Employment and Child Care Division Priorities, Prince William County Dept. of Social Services

Priority	Program Area	Activity	Mandatory ?	Impact of reduction or discontinuation of activity
1	Customer Access	Ability to file an application during office hours	Y	Basic customer right to apply
1	Benefits Intake	Processing within FS time frames	Y	Agency performance measure
1	Benefits Intake	Processing within TANF time frames	Y	Agency performance measure
1	Benefits Intake	Processing within Medicaid time frames	Y	Agency performance measure
1	Benefits	Fuel Assistance	Y	Agency has to pay if not processed by deadline
1	Benefits Intake	Offering an appointment within policy time frames	Y	Agency performance measure
1	Benefits Intake	Face to Face interview	N	Agency decision to continue for intake
1	Benefits Ongoing	FS renewals	Y	Loss or delay of benefits
1	Benefits Ongoing	FS Interims	Y	Loss or delay of benefits
1	Benefits Ongoing	TANF interims	Y	Loss or delay of benefits
2	Benefits Ongoing	Acting on reported changes timely	Y	Error rate
2	Employment	Assessments completed on time	Y	Agency performance measure/State Participation rate
2	Benefits Ongoing	TANF reviews	Y	Error rate
2	Benefits Ongoing	Medicaid reviews for Long Term Care	Y	Error rate, Medicaid Quality reviews
2	Child Care	New applications processed within time frames	Y	Quality reviews/Customer Access
2	Child Care	Unregulated providers approved timely	Y	Parental choice and access
3	Screening	Prescreening for benefit programs	N	Potential for more applications
3	Screening	Giving information about our programs on the phone	N	Reduction in customer service
3	Screening	Giving information about community resources on the phone	N	Reduction in customer service
3	Screening	Counseling and advising families in crisis: homeless, not eligible for DSS, but still in need, etc. on the phone	N	Reduction in customer service
3	Screening	Accepting names for CC wait list	Y	Required by policy
3	Fraud	Respond to referrals within time frames	Y	Reduced effectiveness
3	Fraud	Conduct up front investigations	Y	Increase in errors upon approval
3	Benefits Ongoing	Responding to requests for information by the client	?	Reduction in customer service
3	Benefits Ongoing	Responding to requests for information from other depts.	?	Reduction in customer service
3	Benefits Ongoing	Worker availability to customers by phone	?	Reduction in customer service
3	Benefits Ongoing	Worker availability to customers who walk-in	?	Reduction in customer service
4	Screening	Giving information about our programs in person	N	Reduction in customer service
4	Screening	Giving information about community resources in person	N	Reduction in customer service
4	Screening	Counseling and advising families in crisis: homeless, not eligible for DSS, but still in need, etc. in person	N	Reduction in customer service
4	Benefit Intake	Face to Face interview	N	Now conducting telephone interviews
4	Employment	Job Readiness classes	?	Reduced participation rate (agency measure)
4	Employment	Job Resource Room	?	Reduced participation rate (agency measure)
4	Employment	TANF Grant (state grant program)	N	Reduced participation rate (agency measure)
4	Employment	Transitional case management	Y	Could reduce services to customers
4	Child Care	881 Budget Line for Fee System	N	Reduce # of children served
4	Child Care	Semi-annual contacts conducted timely	Y	Error rate
4	Child Care	Verify training for unlicensed providers	Y	Error rate (payments to provider not legal)
4	Child Care	Maintain waiting list	N	List grows and becomes less usable
4	Child Care	Quality Initiative grant	N	No local training for providers
4	Benefits Ongoing	Completing PARIS and other match reports	Y	Error rate
4	Fraud	Manage collections	Y	Reduced effectiveness
4	Supervision	Supervisory case reviews	Y	Error rate
4	Supervision	DRIVE (local personnel evaluation system)	Y	County requirement

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**STATEMENT TO SENATE FINANCE COMMITTEE**  
**SUBCOMMITTEE ON HEALTH AND HUMAN RESOURCES**  
**ON BEHALF OF**  
**SOCIAL ACTION LINKING TOGETHER (SALT)**

**JUNE 29, 2009**

Good Afternoon. I am John Horejsi, Coordinator of Social Action Linking Together (SALT). I am here to share with you some major concerns about TANF.

Early on, Virginia has embraced welfare reform enthusiastically. However, our message is that it's time to reform "welfare reform." This is an opportune moment for the changes we need, because crisis requires us to reevaluate the role of public policy and action.

Homelessness is skyrocketing. The population of children who are homeless is exploding. Consider this: Almost 40% of the homeless are under 18. Closer to home, allow me to share just a few of the astounding needs from Catholic Charities of the Arlington Diocese that are before us.

- Catholic Charities experienced a 450% increase in requests for emergency assistance from families asking for help with their rent, utility bills and medication needs.
- The Catholic Charities emergency shelter is running at full capacity.
- Last year, the Virginia Coalition to End Homelessness (VCEH) reported 80,681 Virginians asked for shelter. 51,315 were turned away.
- Food needs have been the #1 request. With 17 tons of food delivered, Catholic Charities says they are still dangerously low on grocery supplies.

During this period of economic distress, we urge you to take advantage of the opportunity provided under the American Recovery and Reinvestment Act (ARRA), to take the opportunity to receive additional resources to serve some of Virginia's neediest families. The TANF Emergency Contingency Fund (ECF), created by Section 2101 of the Recovery Act, provides 80% federal funds for increased spending, and Virginia is eligible to receive up to \$79 million from this fund during federal fiscal years 2009 and 2010. While to date Virginia has only considered using the funds to address our rising TANF caseload, there is a significant opportunity to address several TANF needs such as:

**Cash Assistance.** In Virginia there is an increase in the TANF caseload compared to FYs 2007 and 2008, and therefore Virginia can receive reimbursement from the Emergency Fund for 80% of the increase in spending on assistance.

We urge you to consider increasing the benefits paid to recipients.

- A typical family of three now receives assistance at 20% of the Federal poverty level for a family of three.
- Virginia's needy families have received only one 10% increase since 1985.
- At the same time, the CPI increased over 100%.

Since the purpose of TANF is to provide assistance to needy families so that children may be cared for in their own homes or the homes of relatives, increased funding is imperative. We stress the need for "core services—a roof over their heads and an income to sustain them"—before directing any funds to other less essential activities. It is incontrovertible that children first need a home, and their parents need an income to pay the rent, buy clothing, heat the house, and all that is necessary to provide a safe, stable home—a living environment that not only provides the necessities needed to sustain life but also advances human dignity.

We note that almost 30% of Virginia's TANF caseload consists of "child only" cases; that is when children are being raised by grandparents or other relatives at about \$19.50 per week per child, not nearly sufficient to feed and clothe them and take care of their other normal and special needs. The state spends far more to support children through the foster care programs.

For every \$5 dollars that benefits are increased, \$4 will come from the Federal government. This money will be rapidly spent on necessities such as housing and childcare, stimulating the local economy.

**Non-Recurrent Short-Term Benefits.** This is an extremely flexible category designed to meet urgent and immediate needs. For example:

- TANF families could be provided with a one-time additional payment designed to allow families to purchase back-to-school supplies and clothing, including winter coats. This is a way to provide additional benefits to needy families without committing to the ongoing costs of a benefit increase.
- The Homeless Intervention Program (HIP), which is already funded with TANF dollars, runs out of money each year. As long as it does not pay for more than 4 months of rent, this can count as non-recurrent short-term benefits.
- These funds could be used to help low-income families pay overdue energy bills to avoid utility shut-offs.
- Families, including renters, forced to move as the result of foreclosures could receive assistance with first and last month's rent, security deposit and moving costs.

With so many families hurting, struggling just to survive, Virginia cannot afford to leave more money on the table. Please note that funds received from the regular TANF block grant can be used as the 20% match for the Emergency Fund, if they are reallocated from other purposes. Funding for the stimulus could be drawn entirely from surplus TANF block grant dollars resulting from Virginia's successful implementation of welfare reform since 1996.

Millions in TANF federal money have been redirected to other state programs in the current state budget, with \$9.8 million allocated to DSS for unspecified “eligible activities.” DSS could recover almost immediately some portion of the TANF money redirected to other programs as the initial seed money for our stimulus proposals, without any additional congressional or General assembly action required. DSS could also dedicate a portion of Virginia’s share of new dollars appropriated in the recent federal stimulus bill.

What are other States doing? A Wall Street Journal article reports 38 other States said they plan to apply for TANF Emergency Contingency funds. Also, Texas is using the availability of additional stimulus dollars through the ECF to temporarily increase—for 2009 and 2010—its back to school allowance that it provides for TANF recipients. The one-year allowance will increase from \$30 per child to \$105 per child. The state expects this increase to cost a total of \$14.7 million for two years. Texas is even less generous than Virginia, and still has declining caseloads, so if it’s possible there it should be doable in Virginia. We hear Maryland may be doing something similar.

**Put in Place Standards.** Unfortunately, there are too few controls on how “TANF Programming” money can be used. Virginia has grown dependent on TANF funds to balance its own budgets, using them for “everything under the sun,” as Welfare Reform architect Ron Haskins put it. This means there is too little available for needy families, those TANF is intended to benefit.

We strongly urge that the savings from Virginia’s TANF caseload decline of 54% be used first to raise TANF cash assistance to more adequate subsistence level, and we urge stricter requirements about how funds can be used when they are diverted to “TANF programming” rather than cash assistance.

Furthermore, funds dispersed through TANF programming grants and transferred to other Block Grants should be dispersed through a competitive process. Currently, they are dispersed based on executive and legislative discretion, leading to critical gaps in program and geographic needs.

In short, we urge that you assure that federal TANF block grant funds are again used for their intended purpose: to provide a safety net for poor children and to move families from welfare to work—not to balance state budgets.

Additionally, we want Virginia to modify the current lifetime ban on TANF for those convicted of drug felonies, a ban that does not apply to any other category of criminals and unnecessarily makes reentry for those former prisoners more difficult.

We hope that you will be open to our TANF stimulus and other budget suggestions, sensible suggestions that we firmly believe represent a necessary investment in Virginia’s low-income families.

## Striving for Family Stability Through TANF



Family stability is a primary goal of the TANF program. Social Action Linking Together (SALT) is requesting a 10% increase in TANF payments to parents and other kinship/relative caregivers of children in Virginia. Current TANF payments are inadequate to support families with children. As a result, children who might be cared for within their extended families often must be placed—at greater expense and with greater trauma to the child and his or her family—in non-relative foster care.

### **Kinship/Relative Care: A Case Study**

A growing number of children in Virginia are being raised by kinship/relative caregivers—relatives other than their biological parents. In most cases, kinship/relative care is preferable to other foster care situations, because the child maintains closer connection to his or her family of origin. However, these preferred caretakers labor at a disadvantage—the TANF payments they receive are only about 30% of the payment a non-relative foster care parent would receive.

The story of Darlene and Mickey Palmer, Grandparent Caregivers, is typical:

*We were in our early fifties living a good life. We were both college graduates (one with a Harvard master's degree) and earned a good living. Two adult children were on their own and doing well. We still had an eight-year old at home, who attended private school at Georgetown Day and whose interest in music resulted in opera and voice lessons at the Levine School of Music and the Kennedy Center performing arts summer camps.*

*When an emergency need arose for us to “take in” two of our grandchildren due to a tragic domestic violence crisis—and then eventually all four of them—we thought, “No problem. We have a house and food. What more do we need?” Like most grandparents and relatives who find themselves in this situation, we thought with our hearts.*

*But reality set in very quickly. We went from a family of three to a family of seven. The food was not stretching as far as we thought and the house was getting very crowded. The severity of our eldest daughter's problems became increasingly apparent, and it became clear to us that the children could not go back to their parents. Separating them into foster care homes was also out of the question, as far as we were concerned. Our new family was our new life.*

*After two years of battling for custody in an out-of-state court, we won permanent guardianship and custody of all four grandchildren. But winning custody drained our financial resources. Because we had put most of our excess income into improving our children's opportunities, we had little savings. Legal costs and traveling for the frequent*

*court appearances depleted all those reserves. We received no support from either parent and never would.*

*With diminished resources, we tried to use all the services available from state and county government such as TANF, Medicaid, etc. We had thought Temporary Aid for Needy Families (TANF), would be a real benefit. However, we received only \$310 per month for four children (about \$19.50 per week per child)—not nearly enough to feed and clothe them, and take care of their other normal and special needs. The state spends far more to support children through foster care programs.*

*Today, we are in our early sixties, living paycheck to paycheck. We deeply love our grandchildren. But we can no longer give them all the benefits we were able to provide our own children. We can love them and teach them to be good people and to get a good education, but we and they would be better off if the support we receive through TANF were increased.*

Because Darlene and Mickey Palmer love their children and grandchildren enough to step in during a time of her daughter's tragic family domestic violence crisis —and for the duration— their own financial stability is put at risk, and their dreams for retirement are deferred, perhaps forever. SALT believes that families like Darlene's and Mickey's—as well as those parents struggling to care for their own children—deserve greater support, and so requests a 10% increase in TANF payments to families in need.



# **SOCIAL ACTION LINKING TOGETHER**

## **Supporting Transitional Assistance for Drug Offenders**

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**The Issue.** Since the 1996 Welfare Reform Act, anyone convicted of a drug felony has been banned from ever receiving Temporary Assistance for Needy Families (TANF), also known as Welfare, or Food Stamps. States have the option to opt-out of or modify this lifetime ban, but many have not. To date, 15 states have maintained the federal ban, and 23 have modified the ban in some way, such as lifting it for food stamps but maintaining the lifetime ban on TANF benefits, or only applying it to specific drug felonies. While we do not support drug use and understand why the federal government is concerned about the sale, distribution and use of illicit drugs, we feel very strongly that those who have already been punished for a crime and have served their time in prison must have assistance in reentering society. TANF and Food Stamps offer badly needed assistance to those who are trying to begin a new life, and they should be made available to all those who need them.

- ❖ Many people do not come out of prison “job-ready,” and require substance abuse treatment, education, or job training before they can find sufficient employment. TANF and food stamps help them during this critical time.
- ❖ While it is true that the children of felons can still receive TANF and food stamps, these usually go towards helping with family costs, and the children and parents will be better served if assistance is given to each member of the family. Family support is crucial in stopping recidivism rates, and the government should make every effort to make it easier for families to stay together, rather than making the returning parent a burden.
- ❖ No other kind of felon is prohibited from receiving TANF or Food Stamps after incarceration. All those who have paid their debt to society and been punished for their crime should be allowed the same opportunity to rebuild their lives.
- ❖ Those who are reentering society are badly in need of services in order to prevent recidivism. According to a 2006 Zogby poll, over 70% of Americans believe that there should be state funded rehabilitative services available to prisoners both during and after incarceration. TANF and food stamps provide badly needed basic services and valuable nutrition during a former prisoners’ most vulnerable time.

### **Recommendations.**

We urge Congress to remove the lifetime ban on TANF and Food Stamps for those who have been convicted of a drug felony. This unfairly puts a lifetime punishment on one class of criminal, and increases recidivism by making it more difficult for prisoners to access services and provide for their families when they leave prison. Providing these services will support families, decrease recidivism, and provide assistance to those trying to rebuild their lives.

*If you have any questions or would like further information, please contact John Horejsi, [jhorejsi@cox.net](mailto:jhorejsi@cox.net)*



# **SOCIAL ACTION LINKING TOGETHER**

## **TANF Fact Sheet**

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**The Issue.** The 1996 Welfare Reform Act introduced many changes to Temporary Assistance for Needy Families (TANF), also known as Welfare. Among them, the money for TANF has been dispersed to states in block grants, with significant flexibility given to states in how much they give in TANF benefits, and how much of the money can be diverted to programs intended to help current and former TANF recipients. Unfortunately, with too few controls or guidelines on how TANF programming money can be used, states have grown dependent on TANF funds to balance their own budgets, using them for “everything under the sun,” as Welfare Reform architect Ron Haskins put it. This means there is too little available for needy families, those TANF is meant to benefit.

- ❖ Since 1996, Virginia’s TANF caseload has decreased by 54%, but VA families have only seen one increase in TANF benefits. Instead, almost \$20 million from the block grant goes to “TANF programming,” social service programs previously funded by the Virginia General Fund.
- ❖ In July 1998, the Wisconsin Budget Director sent a memo to all agency heads asking them to identify programs wherein TANF funds could replace state general funds. Starting in FY 1998, nearly the full Social Service Block Grant was used to replace state spending, not to expand program operations.
- ❖ In FY 01/002 Texas used \$162 million in TANF funds to replace state spending.
- ❖ According to the Center on Budget and Policy Priorities, “there is no obligation to direct supplanted state funds to low-income families,” and in many cases these state funds simply disappear, or are redirected towards other programs.

### **Recommendations.**

- ❖ Funding benefits and the VIEW program for TANF recipients must be the priority for the TANF program. Virginia—and other states—should be required to bring benefits up to the minimum poverty line before money can be used for other programs.
- ❖ Surplus funds should be given to programs in a targeted manner, and steps should be taken to ensure that these are given to programs that specifically serve current and recent TANF recipients.
- ❖ Funds dispersed through TANF programming grants and transferred to the Child Care Development Fund and Social Service Block Grants should be dispersed through a competitive process. Currently, they are dispersed based on the discretion of the General Assembly, leading to critical gaps in program and geographic needs.

*If you have any questions or would like further information, please contact John Horejsi, [jhorejsi@cox.net](mailto:jhorejsi@cox.net)*