



THE INTERSECTION BETWEEN KINSHIP CARE AND TANF:

POLICY QUESTIONS AND PROPOSALS

Across the nation, child welfare services and the Temporary Assistance for Needy Families (TANF) block grant are intricately linked. TANF, the 1996 replacement for Aid to Families with Dependent Children (AFDC), is a critical funding source for child welfare services while also being the main source of cash assistance to many of the same or similar families. A series of state surveys by the Urban Institute and Child Trends, funded by Annie E Casey and Casey Family Programs¹ consistently shows that the TANF block grant provides approximately 22 percent of the federal funds spent by states on a range of child welfare services. At the same time many of the challenges faced by families involved with child welfare revolve around vital human services such as housing, financial assistance, and access to needed services. The biggest overlap between the two programs occurs in the provision of kinship care assistance to families caring for relative children.

In 2008, with the enactment of the Foster Connections to Success and Promoting Adoptions Act (PL 110-351), Congress allowed states to use Title IV-E foster care funds to provide subsidized guardianship/kinship care. Since its creation, 32 states have taken this Title IV-E option. Those states use Title IV-E for kinship care for children who have been in state custody and TANF “child-only” grants for relative care, presumably for families that only need financial support. The remaining 19 other states² have not taken the Title IV-E option and instead require relatives to either become licensed/approved foster care parents or rely on TANF for kinship care support.

¹ DeVooght, K., Fletcher, M., Vaughn, B., Cooper, H., (2012), *FEDERAL, STATE, AND LOCAL SPENDING TO ADDRESS CHILD ABUSE AND NEGLECT IN SFYS 2008 AND 2010*, Washington, DC: Child Trends.

² For the purposes of this paper the District of Columbia is classified as a state.

Generally a TANF-funded kinship care grant is larger than a typical TANF cash assistance grant to a poor family. At the same time these TANF kinship care grants provide less cash support than what is provided under Title IV-E kinship care programs.³

There is a fiscal incentive for states to use only TANF to assist kinship caregivers. The state spending requirements for federal and state TANF funds are locked based on the original act's formula set nearly twenty years ago. In other words state spending requirements for and receipt of federal funding for TANF has never grown since 1996. In contrast, Title IV-E funds are not locked in and states have to provide a match in state dollars to draw federal funds for kinship. Under Title IV-E, state and federal funding goes up or down according to need and the eligibility of children served.

This paper takes a closer look at this TANF kinship care population and seeks to raise some policy questions in regard to kinship care, TANF funding, and the cross-over between child welfare and TANF. It is an attempt to inform future policy decisions in regard to the two federal programs and raise questions about the best way to assist some of the country's most vulnerable families and children.

Historical Background

TANF's predecessor, AFDC was the primary funder of foster care placements as a result of federal policy changes in the early 1960s as enacted first by the Department of Health Education and Welfare (HEW) ruling referred to as the "Fleming Rule" in 1960 and later through a conforming law passed by Congress in 1961 (PL 87-31). In 1980 Congress enacted PL 96-272 which separated AFDC and foster care funding and created a separate Title IV-E foster care funding title in the Social Security Act while also creating a new adoption assistance program under the same title.

In 1996 TANF was created by eliminating AFDC, ending the individual entitlement to cash assistance and replacing it with a block grant entitlement to states. The TANF block grant allows states to spend their allocation on cash assistance and a range of services that address one of the four purposes written into the block grant including the first purpose which relates to child welfare and reads: "*provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives.*" In addition the TANF law amended Title IV-E foster care by adding, "*...the State shall consider giving preference to an adult relative over a non-related caregiver when determining a placement for a child, provided that the relative caregiver meets all relevant State child protection standards.*"

³ Mauldon, J., Speiglmán, J., Sogar, C., Stagner, M., (2012), *TANF Child-Only Cases: Who Are They? What Policies Affect Them? What Is Being Done?* Chicago, IL: University of Chicago, Chapin Hall.

While TANF was recognized as an important source of support for relative care for “children who could not be cared for by their parents, Title IV-E remained limited to relatives licensed as meeting the same requirements as non-relative foster parents. In 2008 this changed with the enactment of the Fostering Connections to Success Act (PL 110-351) when states were given an option to expand Title IV-E funding to kinship-guardianship placements if certain conditions were met including ruling out reunification and adoption as appropriate options.

TANF and its predecessor AFDC have for decades had a “child-only” caseload. These cash assistance caseloads occur in families where the head of the household is not counted in calculating the monthly cash assistance grant. In a majority of these “child only” families the parent is in the household but may be disabled and eligible for SSI, disqualified in the benefit calculation (for example an ineligible immigrant parent) or, more recently under TANF, disqualified for failure to meet certain rules (sanctioned or penalized). The remainder of the child-only population is made up primarily of families where a relative (mostly grandparents) is the head of the household and not counted as part of the family for the calculation of benefits.

Changes Since 2008

Since Title IV-E kinship care became available some state policymakers see the two structures, TANF and Title IV-E, as important options. Under Title IV-E kinship guardianship, children are in state custody, removed from the home and placed with a relative, spend time in Title IV-E foster care, and after it has been determined that both reunification with a parent and adoption are not appropriate placements are eligible for a Title IV-E subsidized guardianship. TANF child-only cases may be an option for relative caregivers not involved with the child welfare agency, with relative caregivers only needing some added financial assistance.

In recent years there has been some concern raised that TANF has become a way for states to save dollars or to reduce foster care numbers. Research highlighted in the paper: *TANF Child-Only Cases: Who Are They? What Policies Affect Them? What Is Being Done?*⁴ indicates that some states have policies that allow children who are substantiated as victims of child maltreatment can be placed into TANF child-only settings. (At the same time, 11 states prohibit this practice.) The other child welfare route into TANF is post foster care when children placed with relatives are diverted into the TANF child-only caseload. Both placements have raised questions as to whether these relative caregivers in TANF are getting the needed support and whether the child is well served. Under Title IV-E, as part of the placement, the child welfare agency is to negotiate an agreement with the relative caregiver that provides services, provides a process to apply for more services and directs the consultation with any child 14 or older in the placement

⁴ Ibid.

decision. These requirements do not apply under TANF and in fact the TANF caseworker is likely trained and instructed to focus on work placements for adults.

Another concern is that since TANF is a limited block grant funding source, some states may be limiting the number of poor families headed by a parent that can receive cash assistance so that TANF funding can be used instead for child welfare kinship families in an effort to avoid spending more state dollars through Title IV-E.

Current Status

As of January 2014 32 states (including the District of Columbia) have taken the state option to have a Title IV-E kinship care/subsidized guardianship program. The remaining 19 states: Arizona, Delaware, Florida, Georgia, Iowa, Kansas, Kentucky, Minnesota, Mississippi, Nevada, New Hampshire, New Mexico, North Carolina, North Dakota, Ohio, South Carolina, Utah, Virginia, and Wyoming, do not operate a Title IV-E kinship guardianship programs, meaning they rely on relative foster care or TANF for kin support.⁵

As noted all states have TANF child-only caseloads and in 2011 45 percent of the entire TANF caseload was made up of child-only families. This covers over 1.5 million children out of the more than 3.3 million children in all TANF families of all categories. In 2011 of the 1.5 million children in child-only families 21 percent were in families where the parent was present in the home but on SSI. The SSI eligibility, due to disability, reduces the size of the family which decreases the TANF benefit but the additional SSI is not counted against the TANF grant.⁶

⁵ Administration on Children, Youth, and Families. (2014). *Justifications of Estimates for Appropriations Committees*. Washington, DC: Department of Health and Human Services

⁶ Administration for Children and Families. (2013). *Temporary Assistance for Needy Families: Tenth Report to Congress*. Washington DC: Department of Health and Human Services.

States That Use Title IV-E For Subsidized Relative Kinship Care

State	Number of Children in TANF Families	Number of Children in TANF Child-Only Families	Number of Children in TANF Child-Only Families-Relative Care
Alabama	41,439	13,932	5,559
Alaska	6,566	1,697	611
Arkansas	13,176	5,301	2,285
California	1,179,663	642,880	54,645
Colorado	22,795	9,383	5,395
Connecticut	23,064	10,163	4,899
Dist. Of Columbia	18,246	4,917	1,185
Hawaii	17,812	3,937	2,457
Idaho	2,632	2,318	2,241
Illinois	51,134	24,359	10,084
Indiana	51,101	26,130	6,585
Louisiana	19,596	12,257	7,906
Maine	17,748	4,141	961
Maryland	44,785	15,315	8,086
Massachusetts	66,432	26,352	6,904
Michigan	125,693	32,267	9,099
Missouri	41,993	10,815	4,358
Montana	6,246	2,240	1,586
Nebraska	12,616	6,883	1,982
New Jersey	59,041	15,736	4,170
New York	205,320	102,130	21,038
Oklahoma	19,411	11,379	6,338
Oregon	53,782	14,698	1,764
Pennsylvania	108,120	38,474	11,465
Rhode Island	10,688	3,800	661
South Dakota	5,758	3,521	2,937
Tennessee	111,727	29,571	17,565
Texas	98,304	69,201	13,979
Vermont	4,421	1,892	832
Washington	104,057	42,074	13,464
West Virginia	16,854	7,682	4,494
Wisconsin	45,892	18,996	6,896

Information taken from Table 10:37 (Total -Children-TANF by state) Table 10:38 (Total-Children in Child-Only by state), *TANF Tenth Report to Congress*, FY 2011 Data

Another 26 percent of child-only families are headed by parents who are ineligible due to their immigrant status. Even when immigrant parents are legally qualified to be in the United States there are still restrictions on assisting these adults. Six percent of child-only cases include adults that have been sanctioned or penalized by the state TANF program and are not included in the benefit. Another nine percent are adults with eligibility undetermined or unknown. The biggest percentage of child-only families at 38 percent is relative caregivers.⁷

In 2011, of the more than 1.5 million children in child-only TANF families approximately 402,000 were being cared for in relative households. Just under 20 percent of children in child-only families were headed by a grandparent with slightly more than 7 percent in households headed up by other relative caregivers. Seventy-one percent of all children in TANF child-only households had a parent in the household even if they were not counted in determining the assistance payment. By comparison in 2011 there were more than 397,000 children in foster care.⁸

State Differences

States vary in their TANF caseloads in how they break out between child-only and what we will call “parent-aided” households, a family receiving TANF benefits headed by a parent, who is also receiving TANF benefits. In 2011 just under 55 percent of the TANF caseload was made of parent-aided families, and meaning that 45 percent of the TANF caseload was made up of child-only families. The actual numbers of families considered child-only has actually decreased over time but as a percentage of all families on TANF they have increased as the numbers of all families decrease. In 1996 there were 978,000 child-only families decreasing to 854,000 in 2011. In 1996 child-only families represented 21 percent of the caseload while in 2011 child only caseloads or families represented 45 percent of all TANF families.⁹

⁷ Administration for Children and Families. (2013). Temporary Assistance for Needy Families: *Tenth Report to Congress*: TABLE 10-C. Washington DC: Department of Health and Human Services.

⁸ Administration on Children, Youth, and Families. (2013). The AFCARS REPORT: *Preliminary FY 2012 Estimates as of November 2013*. Washington, DC: Department of Health and Human Services.

⁹ Administration for Children and Families. (2013). Temporary Assistance for Needy Families: *Tenth Report to Congress*: TABLE 10-C. Washington DC: Department of Health and Human Services.

Looking at the differences between the 32 states that have a Title IV-E kinship care program and the 19 that do not, approximately 243,000 children in TANF relative care

States That *DO NOT* Have Title IV-E For Subsidized Relative Kinship Care

State	Number of Children in TANF Families	Number of Children in TANF Child-Only Families	Number of Children in TANF Child-Only Families-Relative Care
Arizona	29,220	13,021	4,935
Delaware	9,340	4,733	2,679
Florida	80,870	50,039	30,524
Georgia	33,368	26,285	7,611
Iowa	30,324	8,622	4,147
Kansas	25,870	7,117	3,117
Kentucky	49,732	28,846	19,586
Minnesota	36,315	18,375	6,229
Mississippi	18,213	7,316	3,768
Nevada	20,773	10,010	2,192
New Hampshire	7,806	3,433	1,583
New Mexico	37,835	13,318	3,423
North Carolina	37,212	26,311	14,471
North Dakota	3,409	1,281	597
Ohio	163,513	72,293	38,171
South Carolina	31,732	3,824	2,298
Utah	10,815	5,054	2,876
Virginia	52,646	19,355	10,239
Wyoming	523	359	289

Information taken from Table 10:37 (Total -Children-TANF by state) Table 10:38 (Total-Children in Child-Only by state), *TANF Tenth Report to Congress*, FY 2011 Data

are in the 32 states with IV-E programs while the remaining 158,000 are in the 19 states that have not extended Title IV-E to kinship care. In other words 60 percent of TANF relative care placements are in the states that have a Title IV-E program.

Children in the 19 states that do not use IV-E kinship care comprise 40 percent of the children in TANF relative placements. These 19 states include 20 percent of the 3.3 million children in TANF and 20 percent of the children in the child-only population of any family type (SSI, immigrants, sanctioned, etc.).

Recent Research

The research referenced earlier, “*TANF Child-Only Cases: Who Are They? What Policies Affect Them? What Is Being Done?*” presented at the 2013 Welfare Research Session, 16th Annual Research and Evaluation Conference on TANF, examined child-only cases within TANF. That research indicated that nationally over a ten-year period between 2000

through 2009 TANF funded kinship child-only cases was trending downward with 20 percent fewer child only cases. However, in one-third of states the trend was in the opposite direction. The research also indicated that the percentage of the TANF caseload dedicated to kinship care varies widely between states with only 5% of Maine’s TANF caseload being child-only kinship while the states of West Virginia, North Carolina, Florida, Georgia, South Dakota, Wyoming and Idaho have more than 40 percent of their caseloads made up of TANF kinship care with the maximum being 89 percent in Idaho.

Of these states North Carolina, Florida, Georgia, and Wyoming do not have a Title IV-E kinship guardianship program.¹⁰

States tend to provide a higher TANF benefit in kinship/TANF child-only families than they do to TANF families headed up by the parent. An example cited included Florida that provides an average of \$241 to a family of two headed up by a parent compared to a grant of \$484 to a relative caregiver caring for two children. Many other states have a similar structure of support.¹¹

The researchers found that kin caregivers arrive at the TANF office via two distinct routes: one independent of the child welfare agency and the other triggered by current or previous child welfare involvement.

The first route is straight forward; a caregiver decides to take a relative child and turns to TANF for assistance. These could be families that need temporary help or assistance such as the case of a family in the military or if a child has been abandoned by the parent for some inability to parent.

The second, more complicated, route is through a state or local child welfare system. Within child welfare there are two entry-ways from child welfare to TANF. Children may be identified because of a report of maltreatment and be placed by the state with the relative and is supported with a child-only TANF benefit. These children could be either substantiated as being a victim of child maltreatment (i.e. verified as a case of child abuse according to state standards), or they may have been reported for child abuse but not substantiated.

These children and their caregivers, are of some concern to advocates since the TANF program and casework is not focused on child welfare placements and services and in fact is more likely geared toward moving adults to work or work-training. Thirty-eight states including the large states such as Florida, Illinois, and New York permit this diversion of children who are maltreated or at risk of maltreatment into TANF kinship care while 11 states, including California prohibit such direct placements.

The other pathway from child welfare to TANF kinship care is through an initial foster care placement. These children may be more likely to be placed with relatives because they are not covered by Title IV-E due to the program's income eligibility link to the old AFDC program that leaves more than half of children in foster care ineligible for Title IV-E foster care funds. In addition some children who are eligible for Title IV-E may be

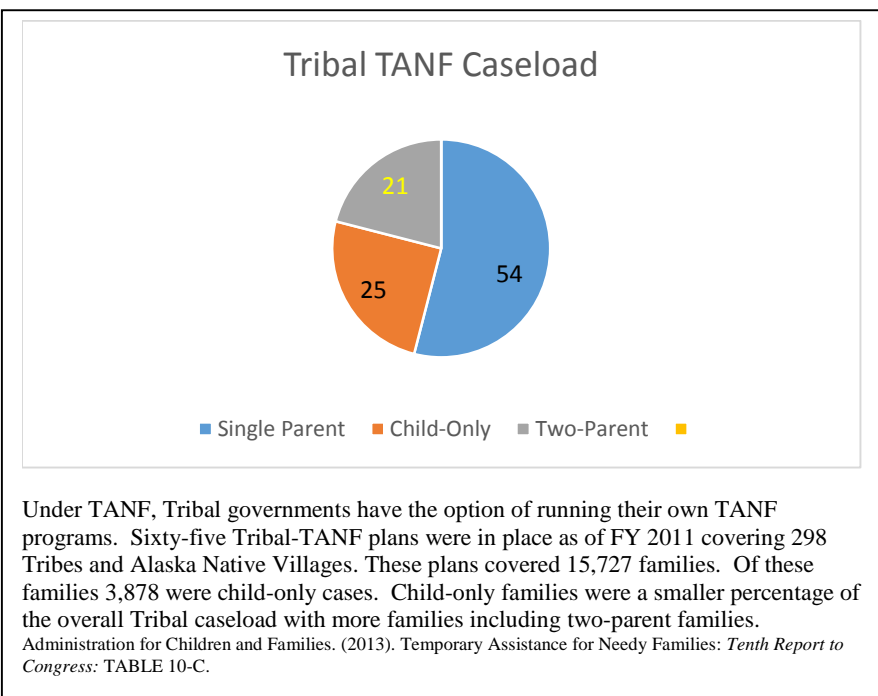
¹⁰ Mauldon, J., Speigman, J., Sogar, C., Stagner, M., (2012), *TANF Child-Only Cases: Who Are They? What Policies Affect Them? What Is Being Done?* Chicago, IL: University of Chicago, Chapin Hall.

¹¹ Ibid.

supported through TANF if they've been placed with a kin caregiver who is not licensed according to the Title IV-E requirements.

According to this research how these children are counted is less than clear. In some states these children may still be listed as in foster care while other states may not count them as part of their child welfare population and are only counted as part of the TANF caseload. Some states may call this “diversion.”

Another important finding within this research should concern all child advocates. The research noted that over time the “states that have a large share of their caseload in non-parent child only TANF tend to provide TANF to relatively fewer parent-present



families.” States that had the highest percentage of their TANF caseload made up of kinship families had the lowest percentage of poor children living with their parents receiving a TANF grant. According to the research Florida, Georgia, Idaho, North Carolina, North Dakota, Oklahoma, South Dakota, West

Virginia, and Wyoming averaged 49 percent of their TANF caseload being made up of kinship care families. These nine states were providing TANF kinship grants to a ratio of 76 out of every 100 poor children living in kinship families. At the same time these states were providing TANF parent-headed family grants to only 6% of poor children living with their non-disabled parents. In their study of states the authors found that the dozen states with the lowest percentage of TANF-kinship care (out of their TANF caseload) had the highest percentage coverage of poor children living in parent-headed families. Twenty-eight percent of poor children living with a non-disabled parent were receiving a TANF assistance grant while the ratio of poor children living in kinship-TANF was at 50 out of 100 poor children living in kin families.¹²

¹² Mauldon, J., Speigman, J., Sogar, C., Stagner, M., (2012), *TANF Child-Only Cases: Who Are They? What Policies Affect Them? What Is Being Done?*: TABLE 3.3. Chicago, IL: University of Chicago, Chapin Hall.

Further the study indicates, “... in many states, NPC child-only (i.e. kinship care) TANF is chiefly used not to alleviate poverty or support self-sufficiency but to fund foster care placements (or placements that would be foster care if the child were not “diverted” out of care). Indeed, some states (including the focal state of Florida) have created TANF-funded programs specifically to aid kinship caregivers of foster children who do not receive IV-E foster care funds. As a result, NPC child-only caseloads in many states include a substantial number of current or former Child Welfare cases. The statistical correlation between large caseload shares of in NPC child-only cases and low per-capita receipt of adult-aided TANF suggests that states could be funding quasi-foster-care placements with NPC child-only TANF in lieu of a robust program of aid to adult-aided cases (parent-headed TANF families)¹³

At the very least these scenarios suggest a TANF block grant that is badly stretched and may be creating situations and policy choices of one poor family competing with another.

Policy Recommendations

Kinship care placements became a more formal route to permanency with the enactment of the Fostering Connections to Success Act in 2008. With continued recognition of the critical role that relative caregivers have always played in achieving positive outcomes for children who cannot be cared for by their parents, there are some emerging state policies and practices that raise questions not just for state child welfare policy but also in regards to the role of TANF both as a funding source and as a service.

Services for Kinship Families Not in Child Welfare

A serious and on-going issue for kinship care families is access to support services to address the familial, financial, and emotional concerns they face. The Fostering Connections to Success Act provide some limited funding to encourage the development of Kinship Navigator programs which provide information and resource and referral services.

The Kinship Navigator programs are set to run out of funding on September 30, 2014 unless Congress changes its priority. The House had agreed to a bipartisan extension of funding for three more years in the fall of 2013; however delays in the congressional process have now made the extension unlikely in this Congress. ***Congress needs act to restore these kinship navigator programs. One avenue to extend these programs is to create new funding as a set-aside within the Title IV-B program so that all fifty states will have navigator programs. These programs can serve as a resource for all kinship families regardless of the role of child welfare and the state custody relationship with the child.***

¹³ Ibid: Page 34.

Funding of the TANF Block Grant

A second consideration has to do with the TANF block grant for which funding was set in 1996. Nearly two decades later funding has been eroded by inflation and an expanded list of services funded by the program (including some in child welfare). Any strategy to assist non child welfare kin families will run into the reality that the funding is not infinite and could eventually force a choice between assisting one needy family over another.

Advocates have raised concerns over possible restrictions being created under TANF. In 2010 Arizona created a 36 month time limit and an income test for TANF kinship care if the child is not a ward of the state or not involved with juvenile justice. There are no time limits for unlicensed caregivers if the child is a ward of the state or if there is juvenile justice involvement. Other states including Nevada, Oregon and North Carolina were also examining restrictions and including work requirements. A GAO survey indicated that Connecticut, North Dakota, Tennessee and the state of Washington are also considering restrictions.

The child welfare community can't be oblivious to the potential negative impact the use of TANF funding for child welfare may have on the ability of poor families to access needed cash assistance. These families face similar vulnerabilities and in fact may be the same families that child welfare serves. ***Congress must increase funding for the TANF block grant in order to avoid these negative consequences.***

Title IV-E

Thirty-two states now have taken the state option to extend Title IV-E funding to kinship placements. As noted, under the requirements of Title IV-E, a kinship guardianship agreement made with the relative caregiver includes the amount of assistance, how that might be adjusted in the future through consultation with the relative caregiver and how a relative may obtain additional support and services. Access to support and services may be critical as children age or the needs of the child or family change. This is an important post-permanency service. This is not necessarily true of TANF-funded relative care and some research suggests support is very limited to these TANF families. It is time to consider two improvements to the 2008 reforms: ***extend kinship guardianship care to all 50 states and de-link eligibility for kinship guardianship care on a phased-in basis similar to the current de-linking of adoption assistance.*** At the very least Congress should enact notice provisions included in the original Senate version of what would become the Fostering Connections to Success Act (S 3038) that directed state child welfare agencies to give notice of kinship placement options under Title IV-E kinship care to any non-parent relative caretaker receiving TANF child only assistance.

More research is needed

We must have a clearer understanding of what is happening to families receiving TANF grants. There are a number of questions that need to be answered: Are these kinship

families receiving needed services that are intended when they receive a kinship care subsidy under Title IV-E? Some families may not need this help but others may be diverted. How will these families fare as children age and post-permanency support services are not available? How are children counted in TANF and child welfare? Are children in state custody placed into TANF counted as part of the kinship care or foster care population? Are children substantiated as victims of child maltreatment being properly placed in TANF? Does TANF offer a potential foster care system without the required data collection, permanency and post-permanency services? ***Congress needs to mandate further research to answer these questions and others using current TANF data and perhaps a refinement of current TANF and AFCARS reporting. They should also utilize the census bureau to better understand these kinship care populations.***

Strengthening kinship care in and out of Title IV-E and strengthen TANF represent one of the next logical steps in child welfare and child welfare finance reform.

