



Short Takes on Welfare Policy

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Shoring Up the Child Welfare—TANF Link

Child welfare agencies' reliance on TANF dollars—and the often-conflicting demands the two systems place on clients—call for greater coordination.

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Many of the work barriers some individuals face, such as substance abuse, domestic violence, mental health conditions, and limited education, are also barriers to effective parenting. Not surprisingly then, families served by child protective services, child welfare agencies, and the welfare system often overlap. More than half of all foster care children come from welfare-eligible homes, and 70 to 90 percent of families receiving in-home support services through the child welfare system also receive welfare (Geen et al. 2001). A significant percentage of

welfare recipients have experience with child welfare agencies. According to a recent study, one in four of California's new welfare recipients had been reported for abuse and neglect within the past five years (Needell et al. 1999). Around the time of welfare reform, many child welfare policymakers expressed concern that stricter program rules might cause child welfare caseloads to swell.

Child welfare policymakers also worried that resources for their agencies would decline, because the welfare reform legislation altered the agencies' key funding streams: It eliminated the uncapped Emergency Assistance (EA) program, rolling the program's funds into the Temporary Assistance for Needy Families (TANF) block grant, and reduced the Social Services Block Grant (SSBG) 15 percent. Together, EA and SSBG funds accounted for 29 percent of all federal child welfare expenditures in state fiscal year (SFY) 1996.¹ In addition, the reforms tightened children's eligibility requirements for Supplemental Security Income (SSI) and linked federal reimbursement for foster care and adoption expenditures (under title IV-E) to pre-1996 welfare eligibility guidelines.

"DUAL-SYSTEM" FAMILIES OVERBURDENED

Looking at child welfare caseload statistics, it is hard to infer that welfare reform has had a negative impact. The rate of child abuse reporting in 1999 was lower than in 1996, and child victimization fell to its lowest rate in more than a decade (DHHS 2001). While more children entered foster care, this rise reflects a trend begun before 1996 (U.S. House of Representatives 2000).

However, while data are limited, qualitative evidence suggests that families served by both the welfare and child welfare systems are often overwhelmed by the two systems' multiple,

sometimes competing, requirements (Geen et al. 2001). For example, TANF work requirements often conflict with services mandated by the child welfare system, such as attending court hearings or visiting children in foster care. As a result, child welfare workers indicated that dual-system families were having difficulty meeting reunification case plans and that more parents were voluntarily relinquishing their children to protective custody. In addition, TANF and child welfare administrative data suggest that working welfare recipients are at greater risk of having their children put in foster care. These parents also take longer to reunify with children removed from the home (Geen, Kortenkamp, and Stagner forthcoming; Wells and Guo 2001).

STATES' RELIANCE ON TANF FOR CHILD WELFARE INCREASING

Child welfare agencies' access to federal funds has actually increased since welfare reform. In 2000, states spent \$9.9 billion in federal funds on child welfare services, 36 percent more than in 1996.² In the 1996–2000 period, states' TANF spending on child welfare services increased by \$1.5 billion, 170 percent (see figure).³ TANF-funded child welfare services include family preservation, family reunification, foster care, subsidized guardianship, adoption, family support, kinship care support, crisis residential centers, protective and remedial day care, youth services, home-based therapy, and job programs for foster youths.

States' increased use of TANF funds for child welfare services corresponds to a decline in funds from other federal sources. Between 1996 and 2000, state SSBG spending on child welfare services declined 14 percent, or \$151 million. Between 1998 and 2000, SSI dollars going to foster children declined 16 percent, as fewer children met the tighter eligibility guidelines. States are also receiving federal IV-E money for fewer foster children. Over time, fewer families meet the income standards because the strong economy and inflation increase earnings while eligibility standards remain fixed. Requiring states to determine IV-E eligibility using pre-welfare reform standards also imposes administrative complexities that may reduce enrollment. Between 1996 and 2000, states' IV-E maintenance payments for foster children increased only 3 percent, while the U.S. foster care population increased about 16 percent.

RECOMMENDATIONS

To strengthen the link between child welfare services and TANF, Congress should:

- Encourage collaboration between welfare and child welfare agencies. Urging states to improve collaboration, including developing procedures to coordinate welfare and child welfare case plans for dual-system families, would reduce inefficiencies and

prevent conflicts. In addition, broadening the set of activities that count toward TANF work participation—to include mental health, substance-abuse treatment, and other activities that improve well-being—would help dual-system clients put child welfare needs first.

- *Maintain the level and flexibility of TANF dollars, including the states' ability to transfer funds to SSBG.* State discretion in using TANF funds for child welfare has provided much-needed flexibility. Yet, child welfare must compete with other TANF priorities, such as child care assistance and work barrier programs. To continue recent innovation in the child welfare system, TANF funding levels must remain high enough, and flexible enough, to permit funding transfers to continue.
- *Link IV-E to TANF eligibility.* Requiring that states use pre-welfare reform standards to determine IV-E eligibility adds administrative complexity. The considerable funds devoted to determining eligibility could be better spent on serving neglected children. Linking IV-E to TANF eligibility would also allow states to adjust income standards for inflation.

Notes

1. All fiscal data provided are for state fiscal years and were collected through Urban Institute surveys of child welfare agencies in 1997, 1999, and 2001.
2. Reported changes in child welfare expenditures are adjusted for inflation.
3. This increase includes \$631 million TANF dollars transferred to the SSBG block grant in 2000.

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