WELFARE REFORM

Exploring Opportunities for Addressing Children's Mental Health and Child Welfare Issues

PREPARED BY:
Maria Woolverton, Jan McCarthy, Sara Schibanoff and Rhoda Schulzinger

National Technical Assistance
Center for Children's Mental Health
Center for Child Health and Mental Health Policy
Georgetown University Child Development Center

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DOCUMENT AVAILABLE FROM:
National Technical Assistance Center for Children's Mental Health
Georgetown University Child Development Center
3307 M Street, NW, Suite 401
Washington, DC 20007
(202) 687-5000 voice
(202) 687-1954 fax
Attention: Mary Deacon

E-mail: deaconm@georgetown.edu

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Table of Contents

Introduction

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), known generally as "welfare reform," ended the federal entitlement to public assistance and granted unprecedented autonomy to states to implement welfare reform initiatives. In addition to establishing the Temporary Assistance to Needy Families (TANF) program, the new law set forth a number of important provisions related to issues such as child care, Medicaid, and Supplemental Security Income (SSI).

With funding from the federal Center for Mental Health Services and the Administration for Children and Families, the National Technical Assistance Center for Children's Mental Health (TA Center) at the Georgetown University Child Development Center is developing a series of resource documents on welfare reform. In particular, our focus has been on how aspects of the law relate to children and families with mental health needs, and to families who are also involved in the child welfare system.

This document is designed as a follow-up to an earlier report produced by the TA Center—*Welfare Reform: Issues and Implications for Children and Families with Mental Health or Substance Abuse Needs*—which discussed key provisions of the welfare reform legislation that were likely to impact children and families with mental health or substance abuse problems. That document also posed a series of "key questions" for states to consider in developing policies that might affect this population.

The current document supplements our first report in several ways:

- It highlights the significance of issues that have emerged during the four years since federal welfare reform legislation was first passed (e.g., the unintended loss of Medicaid by many low-income families);
- It provides an update on relevant provisions of federal welfare reform legislation, incorporating the Final TANF regulations issued by HHS (effective as of October 1, 1999) and the Balanced Budget Act of 1997;
- It provides examples of policies and practices that some states and counties have implemented to assist vulnerable populations in meeting the requirements of welfare reform regulations; and
- It describes a number of major research studies currently underway to examine the impact of various aspects of welfare reform on specific populations.

The report is divided into two chapters. For each major issue discussed, both chapters describe:

- the significance of the issue;
- relevant provisions of the law; and
- practice examples.

Chapter 1 focuses on the significance of the law and practice opportunities for working with low-income families with children who have mental health needs (including families receiving TANF, families transitioning to work, and families whose children no longer qualify for SSI benefits). Key issues that are discussed include:

- TANF time limits and work requirements;
- Child care issues;
- Changes to the Children's SSI program; and
- Access to Medicaid

Chapter 2 focuses on the significance of the law and practice opportunities for working with families receiving TANF who are involved in, or at-risk-for involvement in, the child welfare system. Key issues discussed include how welfare reform legislation affects:

- Children living with relatives;
- Children absent from the home;
- Families with drug and alcohol issues;
- Families affected by domestic violence;
- Teen parents; and
- Fiscal issues

In the fiscal issues section, provisions related to potential funding opportunities and increased flexibility allowed by welfare reform are presented, as well as potential funding constraints for child welfare and other child-serving systems.

Appendix A of the document describes in detail a number of research studies underway that are examining the impact of changes to the Children's SSI program.

Appendix B of the document includes a Glossary of Terms utilized throughout the report.

It should be noted that there is likely a significant overlap between the groups of families described in Chapters 1 and 2. Numerous recent studies (e.g., Sweeny et al. 2000) have highlighted the fact that families remaining on TANF are likely to have multiple barriers to self-sufficiency, including mental health and substance abuse needs. The intention in separating this document into the two chapters is simply to make the presentation more accessible to readers from multiple fields. Through this discussion, we hope to point out both opportunities and challenges and to stimulate creative ways for service systems to work together to enhance the likelihood for positive outcomes for children and their families.

Reference

Sweeney, Eileen. et al. 2000. *Windows of opportunity: Strategies to support families receiving welfare and other low-income families in the next stage of welfare reform.* Washington, D.C.: Center on Budget and Policy Priorities.

Chapter 1

Making Welfare Reform Work for Parents of Children with Mental Health Needs

Objectives for this chapter are to:

- discuss the significance of key issues—TANF time limits and work requirements, child care, Medicaid, and changes to the SSI program—for low-income parents raising children with emotional or behavioral disorders;
- review relevant provisions of the law; and
- present examples of policy and practice opportunities for assisting families in achieving self-sufficiency while meeting the special needs of their children.

Key Issues

This chapter describes a number of key issues in welfare reform that are important to low-income families with children who have mental health needs (including families receiving TANF, families transitioning to work, and families whose children no longer qualify for SSI benefits). For each major issue discussed, the chapter describe the significance of the issue, relevant provisions of the law, and local and state practice or policy examples.

- **TANF Time Limits and Work Requirements**—TANF time limits and work requirements can pose significant challenges for families of children with emotional or behavior disorders.
- **Child Care**—Finding appropriate, affordable, accessible child care is critical for all families. It is especially important for families on TANF entering the workforce who have children with special needs.
- **Children's Supplemental Security Income (SSI)**—Welfare reform legislation made dramatic changes to the Children's SSI program, significantly reducing eligibility for children with special needs.
- **Access to Medicaid**—Welfare reform legislation separated the link

between financial assistance (TANF) and medical assistance (Medicaid) for low-income families. Although this "de-linking" of TANF and Medicaid was intended to make it easier for low-income families to gain access to Medicaid, there is growing evidence that many are losing health insurance as a result of the new welfare law.

Overview

Changes brought about by recent welfare reform legislation are posing immense challenges to low-income parents, particularly parents who are single and raising children with serious emotional or behavioral disorders. Several aspects of the legislation having a significant effect are:

- The imposition of work requirements and time limits as a condition for the receipt of Temporary Assistance for Needy Families (TANF);
- The ending of federal entitlements to child care assistance and consolidation of all federal child care funds into one block grant;
- A change in eligibility requirements for the receipt of Children's Supplemental Security Income (SSI); and
- Separation of the link between financial assistance (TANF) and medical assistance (Medicaid) for low income families.

Welfare reform provisions are leading to increasing numbers of parents seeking employment and entering the workforce. However, when parents of children with mental health problems attempt to transition into the workforce, they often face significant barriers and require special support services. Challenges parents face include sustaining employment, finding and maintaining appropriate child care, and ensuring that their children receive necessary health and mental health care services. Therefore, flexibility in the work environment, access to specialized child care, and ongoing access to health and mental health coverage are critical to supporting these families in meeting the challenges of welfare reform.

Significant Statistics

- Among low-income families, the incidence of children with emotional/behavioral disorders is generally found to be about double that of the general population. In a study of current welfare recipients and recent "welfare leavers" in Florida, for example, the percentage of children scoring above a criterion indicating a need for further psychosocial evaluation was twice the rate expected in a general pediatric sample (Boothroyd and Olufokunbi 2000).
- In a study of 753 families receiving welfare in Michigan, 22% of families indicated they had a child with a health, learning, or emotional problem that was a barrier to work. (Danziger et al. 1999.)

- A study of long-term welfare recipients (36 months or more) in Utah revealed that:
  - 29.5% of families reported having at least one child with a learning disability (79% of these children were in special education classes).
  - 23% of families had at least one child with a mental health condition (Child Behavior Checklist scores for the oldest child in the family were in the "clinical" range).
  - 46.3% of families reported that child protective services had investigated the family for child abuse and/or neglect. (Social Research Institute 1999.)
- The Social Security Administration reported in 1998 that children with mental disorders (mental retardation and mental impairments) represented 82% (120,625) of initial terminations after case reviews under the new SSI childhood disability rules. At this point, it is unknown how many of these families will end up seeking TANF assistance to replace lost SSI income. The effect of new disability regulations on families seeking SSI for the first time is also unknown.

TANF Time Limits and Work Requirements

Significance

The TANF work requirements can pose significant challenges for families of children with emotional or behavioral disorders to overcome. First, parents may have difficulty meeting the requirements to work a specific number of hours while receiving TANF because of demands of caring for a child. Second, parents may reach the maximum time limit allowed for receiving TANF before they are able to move into permanent employment (Yates 1999).

Under previous law, most parents raising children with severe emotional or behavioral disorders would have been exempt from work requirements. Welfare reform legislation eliminated any such "categorical" exemptions. While it is possible for a parent who is the caretaker of a child with disabilities to qualify for a hardship exemption, many advocates are concerned that such exemptions will leave families without access to the many supportive services that are being created to assist TANF recipients to achieve self-sufficiency. Many parents would prefer to work if adequate supports were available.

Other issues to consider in designing support services are that when parents, particularly single parents, do enter the workforce, it may be difficult for them to provide adequate care for their child(ren) with emotional or behavioral problems and sustain employment. Children's conditions can be so time-consuming for parents that they either cannot

Parents' Voices

"I would love to provide for my own child! My child won't let me work the way I want to, because I'm called down to the principal's office 24 hours a day."
USF, Florida Mental Health Institute 1999

"...it is hard for parents to keep up with a forty-hour work week, because they are constantly being called to come get their children because they are out of control."
Federation of Families for Children's Mental Health meeting, November 1999

find time to go to work on a sustained basis (enough to avoid being fired for excessive absenteeism), or they do not themselves have the stamina to care for their children and maintain work (Yates 1999). In addition, employers may be unable or unwilling to allow the flexibility needed to care for their children and remain in the workforce.

Relevant Provisions of the Law

Time Limits

TANF provisions prohibit states from using federal funds to provide assistance to a family if the family includes an adult or minor head-of-household who has received TANF assistance for 60 months. States have the option to set shorter time limits on the receipt of TANF benefits. Currently, 28 states are using the Federal 60-month time limit; 6 states are using "intermittent" time limits up to a maximum of 60 months over a lifetime (e.g., 24 months on assistance, 24 months off); 8 states are using shorter time limits than 60 months; 5 states are using options involving supplements for families exceeding the five-year limit; 5 states are applying time limits for adults only (HHS 1999).

Time Limits

60 months:
28 states

Less than 60 months:
8 states

Intermittent time limits:
6 states

Other:
10 states

Exemptions from the Time Limit

States are allowed to extend assistance for up to 20 percent of their caseloads beyond the 60-month time limit. States also have the flexibility to determine which families are not subject to the time limit. If a state opts to extend assistance to a particular family, it may apply the extension only when an adult in the family has received 60 cumulative months of assistance. States can use their own funds, rather than federal TANF funds, to assist in hardship situations that exceed the 20 percent limit.

Among those who may qualify for hardship exemptions from the 60-month time limit are individuals with a physical or mental disability or individuals caring for a family member with a disability. However, many states have not yet determined who will receive hardship exemptions, and until that time are opting to consider everyone subject to the 60-month time limit on federal assistance (HHS 1998).

Work Participation

States must require TANF recipients to participate in work activities (as defined by the state) when they are determined ready, or within 24 months of entering the TANF caseload. States have the option to impose work requirements sooner than 24 months. Currently, 20 states require immediate participation in work; 6 states require participation in work between 45 days and 6 months of receipt of cash assistance; 23 states require participation within 24 months; and 2 states within other time frames (HHS 1999).

Work Participation

Immediate work participation:
20 states

Participation within 45 days to 6 months:
6 states

Participation within 24 months:
23 states

Other time frames:
2 states

The immediate work participation requirement of 20 states has significant implications for parents of children with disabilities. Adequate services, supports, and child care are needed to accomplish this.

Sanctions

States are required to sanction individuals who fail to meet specified work requirements. The state has the option to either reduce or terminate cash benefits for the family, and also to terminate Medicaid for the adult who fails to meet the work requirement. Unfortunately, families with the most barriers to employment are the most likely to be sanctioned for failure to meet work requirements. Many of these sanctioned families have substance abuse or mental health problems.

Sanctions

Reduced cash assistance:
14 states

Loss of ALL cash assistance:
37 states

Fourteen states reduce the amount of cash assistance when a family is sanctioned; 37 states impose a maximum sanction for refusing to comply with work requirements, which results in a loss of all cash assistance. In most of these states, however, the total loss of cash assistance results after several instances of noncompliance (HHS 1999).

PRACTICE EXAMPLES

Working with Families Struggling to Meet TANF Work Requirements

As seen in the statistics above, many parents who seek welfare assistance may be subject to work requirements very shortly after they begin receiving TANF. In some communities, cross-system collaborative strategies are being utilized to assist families who face barriers to employment, including families raising children with emotional or behavioral problems.

- **Washington State** has initiated a pilot program known as the *WorkFirst Public Health Partnership for Children with Special Needs.* This program provides in-home nursing evaluations of children with special medical, developmental or behavioral problems in order to assist the state TANF agency in determining a participant's level of ability to take part in WorkFirst activities. Public Health Nurses (PHNs) assess the impact of the child's special needs on the parent's ability to seek and maintain employment. If the child's age is from birth to 3 years, the nurse ensures that the parent has contacted (or contacts for the family) the local Family Resources Coordinator. The Family Resources Coordinator assists the family in developing an Individualized Family Services Plan and accessing early intervention services.

  Public Health Nurses and caseworkers have the flexibility to work with the participant on a plan of activities that meets the needs of the family. For example, hours that a parent spends taking a child to therapy appointments, working in the child's classroom, or educating childcare providers about a child's special needs can be counted towards the TANF work hour requirement.

- In **Ventura County, California,** CalWorks offices are set up utilizing the "one stop shopping" or "co-location" model. Multiple services and access to service providers are available within the same office. PHNs are available to conduct home visits for TANF families in order to conduct developmental assessments or evaluate the psychosocial needs of children whose parents are struggling to meet work requirements. The PHNs work with parents on parenting skills, interface with the child's school when a child is having difficulties, and work with parents and the TANF caseworker on a work plan. Countable work activities during this period may include getting a parent to participate in the child's classroom or Head Start. No parent is sanctioned during the period when the PHN is assisting the parent in developing a work plan.

Continued

PRACTICE EXAMPLES *Continued*

- In **Tennessee,** the "Customer Service Review" is a practice instituted by the Tennessee Department of Human Services to examine all cases scheduled to be closed due to noncompliance with the Families First welfare reform program. Prior to case closure, each family's situation must be reviewed to assess the appropriateness of an action taken by the case manager. Case managers are also required to make several attempts to contact the welfare recipient prior to issuing a sanction. As part of this case review, PHNs also visit the family to determine whether they have special needs.

Child Care Issues

Significance

More and more families whose children have special needs are entering the work force or being subject to work requirements in order to receive TANF assistance. Finding appropriate, affordable, accessible child care has been a barrier for all families, but placements for children with special needs are consistently reported as being even more difficult to find. These placements are also more expensive to families and to states that are subsidizing child care.

Relevant Provisions of the Law

Legislation in the PRWORA concerning child care made the following changes:

- Ended the federal entitlement to child care for families receiving cash assistance, families transitioning from welfare to work, and families at risk of needing welfare if child care assistance was not provided.
- Consolidated federal child care funding for families on TANF and low-income working parents into a single block grant, the Child Care and Development Block Grant (CCDBG).
- Allowed states to transfer up to 30% of their TANF allocation to their CCDBG.
- Prohibited states from sanctioning (reducing or ending TANF assistance) single parents of children under age 6 who have a "demonstrated inability" to find child care.
- Allowed states to provide **transitional child care assistance** to families leaving TANF for work.

  States vary in the length of time families are eligible to receive transitional child care assistance. The Federal law allows states to provide families with 12 months of transitional child care assistance, but 33 states have opted to extend transitional child care for longer than 12 months for families moving off of welfare (HHS 1999).

Transitional Child Care Assistance

Federal Law allows:
12 months

States opting to extend beyond 12 months:
33 states

TANF Final Regulations issued by HHS made several clarifications regarding child care issues:

- The TANF Final Regulations narrowed the definition of what counts as "assistance" for a family, and child care for working families is **excluded** from this definition. This is significant in that it allows states to use TANF funds to provide child care for these families without them being subject to TANF time limit, work participation or child support requirements. Therefore, it may be less necessary for states to transfer funds to the CCDBG in order to avoid TANF restrictions being placed on working families who receive child care assistance but not TANF cash assistance.
- Welfare reform legislation imposes a penalty on states for violating the prohibition on sanctioning families who are unable to find child care for a child under age 6. The state TANF agency is charged with defining relevant terms (e.g., what is **adequate** or **accessible** child care), as well as informing parents about the state's procedures for determining a family's inability to obtain child care (including appeal procedures). This is a change from the proposed TANF regulations which only required that the state child care agency, rather than the TANF agency, provide such information (Schott et al. 1999).

A few states have extended the federal exception to work requirements for single parents unable to find child care. In these states, parents with children older than age 6, who are unable to find child care, are not sanctioned. However, families are still subject to the 60-month time limit on TANF during this period.

California *regulations specify that a family cannot be sanctioned for failure to find adequate child care if the child is under age 10.*

New York *TANF child care regulations specify that caretaker relatives cannot be sanctioned for failure to find adequate child care for a child who is under age 13.*

States have been encouraged to examine whether there is an adequate statewide process to inform parents about this exception to work requirements for single parents unable to find child care. The final TANF regulations described criteria that HHS will consider in determining the amount of the penalty to be imposed on states that, in violation of federal law, sanction a single parent, caring for a child under age 6, who demonstrates an inability to obtain child care. Among these considerations are whether the state has a statewide process to inform parents about this exception to the work requirements.

Advocates in **New York City** *successfully sued the city for not providing adequate information to families about the exception to work requirements for families unable to find adequate child care. Following this, the State sent all counties transmittals reminding them of the federal and state law protections for families unable to find child care. The transmittals also instructed local districts to provide a notice to every TANF applicant and recipient informing them of their rights about child care (NOW Legal Defense and Education Fund 1999).*

PRACTICE EXAMPLES

Access to Child Care for Children with Special Needs

Access to Subsidized Child Care

Some states are providing families of children with special needs priority access to subsidized child care. Many states are unable to fund child care for all families meeting federal eligibility criteria for subsidized child care (these include families on welfare, families transitioning off welfare, and working poor). To allocate limited resources, states are controlling access to their child care programs through various state-defined criteria or by the manner in which they distribute subsidies to families (GAO 1998).

- In **Massachusetts, Iowa** and **Tennessee,** children with disabilities or special needs have priority in terms of access to subsidized child care.
- Some states such as **New York** and **Texas** are maintaining a child care subsidy guarantee for all public assistance recipients engaged in work and transitioning from public assistance.

The problem with all of these strategies, however, is that in a situation of limited resources, prioritizing any population for receipt of subsidies necessarily reduces access to services in another population, e.g., the working poor. Therefore, states should be encouraged to engage in activities to increase the supply of child care providers, particularly for children with special needs.

Increasing the Supply of Child Care Providers Able to Care for Children with Special Needs

States and communities have utilized the following strategies to increase the number of child care providers who are willing to care for children with special needs, including children with emotional or behavioral disorders:

- providing higher payments to providers (e.g., **Washington State** reimburses providers an additional 30% when they care for a child with special needs)
- providing access to additional training for child care providers (see "Training TANF Recipients to Become Child Care Providers" below)
- obtaining technical assistance for state and local child care planning

  Technical Assistance Resource: "Map to Inclusive Child Care"

  The federal Child Care Bureau awarded a contract to provide technical assistance to 10 states in the development and implementation of state plans aimed at improving and expanding their child care service delivery system for children with disabilities. The contract was awarded to the United Cerebral Palsy Association with six subcontractors: the University of Connecticut Health Center; the National Conference of State Legislatures; the National Child Care Association; the Federation of Children with Special Needs; the National School Age Care Alliance; and Zero to Three. States selected to receive technical assistance during year one of the project were: Vermont, New Jersey, Maryland, Tennessee, Indiana, New Mexico, Iowa, Utah, California and Oregon (American Academy of Pediatrics 2000).

Mental Health Consultation to Child Care Providers

Another strategy aimed at assisting child care providers in maintaining children with emotional or behavioral problems in child care placements is known as *mental health consultation*. In this practice, mental health experts provide consultation to providers around strategies for working with individual children who might otherwise be kicked out of their child care placement (Cohen and Kaufmann 2000).

- In **Vermont,** the state is allocating Child Care Development Block Grant funds to help integrate children with special needs into child care centers, and to provide mental health consultations for these children.

PRACTICE EXAMPLES

Child Care Resource and Referral Agencies

Increasingly, many states are utilizing Child Care Resource and Referral agencies (R&Rs) to assist families in identifying placements for children with special needs.

- In **Washington,** the Department of Social and Human Services (TANF agency) has contracted with the Child Care Resource and Referral Agencies of Washington State to enhance services for families who need child care for children with special needs. Services include referrals to providers with the necessary skills and training to care for children with special needs; training providers to care for children with special needs; and recruitment of child care providers for special need populations.
- In **Tennessee**, funds supporting Resource and Referral activities will be used to create a network of Child Care Resource Centers across the state to assist providers to improve their programs or practices and to successfully include children with special needs.
- In **Iowa,** Healthy Child Care Iowa has placed health consultants in Resource and Referral agencies through a contract with the Iowa Department of Public Health.

Training TANF Recipients to Become Child Care Providers

Some states and localities, as well as non-profit organizations, are providing training for TANF recipients to themselves become child care providers. Enhanced training may be available to enable these women to provide care for children with special needs.

- In **Arkansas,** "Early Childhood Training," a grant to the University of Arkansas for Medical Sciences, is being used to teach women on TANF how to work in the child care field. Training is provided through subcontracts with a number of sites, including Arkansas Easter Seals, which provides training around working with children both with and without disabilities. Easter Seals utilizes certified teachers with masters degrees in early childhood special education. The aim is to increase awareness of different disabilities, developmental challenges, and behavioral issues. The grant covers child care for training recipients.
- The Lincoln Action Program (LAP), based in **Lincoln, Nebraska**, has designed the Job Opportunities for Low-Income Individuals (JOLI) Project to address the dual need for employment and child care among welfare recipients and other low-income people. In addition to providing case management, JOLI offers welfare recipients training and support in establishing an in-home child care business. The program provides, at no cost to the participant, more than 50 hours of training in child care-related skill development as well as business management. The case management services are provided to reduce any existing barriers to self-sufficiency and successful business operation. Family strengths and barriers are identified through a comprehensive assessment.

  Program participants are encouraged to consider receiving additional training that would allow them to accept children with special needs. If a parent expresses interest in this area, they are referred to the city/county Health Department which provides special needs child care training at no charge. This enables the parent to accept fewer children at a higher rate of pay.
- The Child Care Support Center in **Atlanta, Georgia,** designed Child Care Solutions (CCS) to help parents find child care in the metropolitan Atlanta area. The Child Care Support Center is familiar with

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PRACTICE EXAMPLES *Continued*

the unique needs of the welfare-to-work population and seeks to address those needs through specialized programs and through coordination with the Atlanta Department of Family and Children's Services. The center has two goals: (1) to strengthen the ability of families, caregivers, and communities to nurture, support, and educate all children; and (2) to build a supply of affordable, high-quality child care in 16 metropolitan Atlanta counties.

CCS is a child care resource and referral service that provides information, assistance, and training to caregivers and educates parents and the community about the importance of expanding affordable, high-quality child care (with special attention given to nonstandard hours care, sick-child care, and *special-needs child care*). CCS maintains data on child care facilities and family child care homes that can offer specialized care for children with disabilities. While CCS is provided to all residents of Greater Atlanta, its counselors spend substantial time providing child care counseling to the growing number of welfare recipients making the transition to work.

Caregivers who wish to be listed with CCS fill out an application form that details their training and experience with children with special needs. CCS uses "Care Finder" which lists attention deficit disorders, learning disabilities, emotional disturbances, respite care, etc. as areas for providers to describe the training and experience they have. Staff of CCS also provide training to family day care providers who are interested in obtaining skills that would enable them to care for children with special needs.

For more information on inclusive child care, see the federal Child Care Bureau web page at www.acf.dhhs.gov/programs/ccb.

Children's Supplemental Security Income (SSI) Program Changes

Significance

Welfare reform legislation made dramatic changes to the Children's SSI program, significantly reducing eligibility for children with mental or emotional disorders. Under the new law, there are three major changes in the eligibility standards:

- Children must qualify under a new definition of childhood disability.
- Children are no longer able to qualify through the eligibility mechanism known as the "individualized functional assessment" (IFA).
- References to "maladaptive behavior" in the medical listing of impairments have been eliminated.

As changes in the children's SSI program are implemented, certain critical concerns are emerging. These issues include the following:

- **How are children with mental impairments faring under the new definition of disability, which requires proof of a higher level of severity?**
  The highest percentage of children reviewed under the new disability standard were those with mental retardation or mental impairments because they were typically evaluated using the IFA. It is important to track children now applying for SSI who have mental and emotional disorders to see how many are approved.

- **Are states identifying children who are losing SSI? If so, are they tracking them to determine who may apply for and receive TANF assistance?**
  The financial impact on families whose children lose eligibility for SSI benefits will be significant. Many SSI-eligible children live in single-parent households where the mothers report that the time-consuming nature of their children's impairments interferes with their ability to enter the work force. Some of these families may qualify for cash assistance through the TANF program although the parents will face new work requirements and will be eligible only for time-limited assistance.

- **Are states providing financial assistance to the families of children losing SSI benefits?**
  The American Public Welfare Association (now American Public Human Services Association) conducted a survey during the summer of 1997 to determine how states might respond to various changes mandated by the new welfare legislation. At that time, only 6 states indicated that they might offset the loss of SSI income (APWA 1998).

Relevant Provisions of the Law

Federal Welfare Reform Legislation

- **Established a new definition of childhood disability with higher standard of severity required**
  To qualify for SSI, children under age 18 will have to meet a higher, stricter definition of disability than was previously required. This new standard requires that a child's physical or mental impairments will result in "severe and marked functional limitations", which can be expected to result in death or which have lasted (or can be expected to last) at least 12 months.

  The Social Security Administration (SSA) maintains a "Listing of Medical Impairments". To be eligible for SSI now, a child must have an impairment that is medically or functionally equal to or more severe than a condition in the Social Security Administration Listing.

- **Eliminated the eligibility mechanism known as the "individualized functional assessment"**
  The new law requires SSA to discontinue use of the "individualized functional assessment" (IFA) which was developed to implement the U.S. Supreme Court *Zebley* decision. *Zebley* required SSA to develop an eligibility mechanism to evaluate children's functional limitations beyond SSA's narrow medical listings. Many children with mental retardation and mental impairments qualified under the IFA because it was an easier way for disability examiners to evaluate the impact of their condition. Note that the new definition of childhood disability still requires disability examiners to assess functional limitations, but children must show a higher level of severity to qualify.

- **Eliminated use of the term "maladaptive behavior" when evaluating children's mental impairments**
  Prior to the welfare reform legislation, evidence of maladaptive behavior was included in the childhood mental impairment listings in the personal/behavioral area of functioning. Although the legislation removes specific references to "maladaptive behavior" from the listings, this type of behavior still indicates a possible impairment and is evidence for disability examiners to consider during the evaluation process.

- **Required mandatory eligibility reviews for certain children who were receiving SSI at the time of program changes**
  SSA notified over 260,000 children who were potentially affected by SSI childhood disability program changes that their cases would be re-evaluated under the new law. To determine they still qualified for SSI benefits, SSA reviewed cases of children who had been found eligible for SSI through an individualized functional assessment. They also reviewed cases that involved consideration of "maladaptive behaviors" in the personal/behavioral area of childhood mental impairment listings.

- **Requires mandatory disability reviews of children when they reach age 18**
  Using the adult disability standard, SSA will re-determine the eligibility of children who are eligible for SSI when they reach age 18.

State Policy Options Related to SSI Issues

- States may allocate their own funds for children losing federal SSI cash assistance or provide alternative sources of financial assistance.

- States may identify children living with families receiving TANF cash assistance who may meet the new definition of childhood disability and qualify for federal SSI benefits.

- States may examine the population of young people losing SSI benefits at age 18 when their disability is re-evaluated under the adult

disability criteria. Among the issues that states may want to address are whether these young people are receiving appropriate vocational rehabilitation services and other transition services before they reach age 18.

  - SSA is required to refer all SSI-eligible children under age 16 to the state Title V/Maternal and Child Health agency. The Title V agency may provide or arrange for rehabilitation services for SSI-eligible children to the extent that these services are not covered by Medicaid.
  - SSA is required to refer all SSI-eligible individuals to the state vocational rehabilitation agency starting at age 16.
  - Children who qualify for special education services through the Individuals with Disabilities Education Act (IDEA) have an individualized education program (IEP). Under the 1997 IDEA Amendments, beginning at age 14, a student's IEP must include a "statement of the transition service needs." At age 16, the student's IEP must include a statement of needed transition services.

- States can work to inform families about the legal responsibility of different state agencies to provide assistance as children transition from school to work.

RESEARCH: Studies Tracking Children's SSI Program Changes

A number of long-range studies are underway to evaluate the impact of changes in the children's SSI program. The studies are being conducted by:

- University of South Florida, Florida Mental Health Institute
- Congress/General Accounting Office
- Social Security Administration
  - Office of Disability/American Association of University Affiliated Programs for Persons with Developmental Disabilities
  - Mathematica Policy Research, Inc.
  - Rand Corporation

A brief description of each of these studies is provided in **Appendix A.** Although the studies vary in their specific objectives and methodologies, all have some significance for families raising children with mental, emotional and behavioral disorders because this group represents the largest group affected by the legislative changes to SSI.

PRACTICE EXAMPLES

The State of **Maryland** screens TANF applicants for potential referral to SSI, and is working to expand access to SSI for children, in TANF families or elsewhere, in part to stem the use and cost of foster care. A state-funded contractor—Disability Entitlement Advocacy Program (DEAP)—assists families in applying for SSI and continues as long as the SSI determination is pending. During this time the TANF time clock stops, the case is funded with state MOE dollars in a separate state program, and other services may continue (Kramer 1999).

In **Michigan,** early intervention advocates within the Department of Education were able to obtain 3-month work deferrals for parents on TANF whose children are involved in "Early On" (a program for children age 0-3, funded by Part C of IDEA). They were successful in getting the legislature to approve this by explaining the link between the recognized need for work deferrals for parents' whose children were on SSI and the fact that very young children might not yet have a diagnosis that would qualify them for SSI. Early On staff advocate for the work deferrals within Michigan's Work First program. The deferrals are designed to give families more time to search for adequate day care.

Access to Medicaid

Significance

Welfare reform legislation separated the link between financial assistance (TANF) and medical assistance (Medicaid) for low-income families. The legislation set Medicaid eligibility at AFDC criteria that were in effect on July 16, 1996. Therefore, a family who qualified for Medicaid under the AFDC income eligibility criteria generally would qualify for Medicaid under the TANF block grant. The legislation also allows states greater flexibility to expand Medicaid coverage to greater numbers, if the states wish to do so. This provision includes expanded coverage to two-parent working families. Another option that states have is to extend free or affordable medical coverage to low-income uninsured children is through Title XXI of the Social Security Act—the State Children's Health Insurance Program (SCHIP), enacted in 1997.

The "de-linking" of TANF and Medicaid was intended to make it easier for low-income families to gain access to Medicaid; however, there is growing evidence that hundreds of thousands of people are losing health insurance as a result of the new welfare law. The problem is described as "pervasive" by federal and state officials and health policy experts. The United States General Accounting Office (1999) reported that the declines in Medicaid are similar to those seen in TANF. In theory, however, the number of individuals enrolled in Medicaid should be increasing due to expansion efforts and broader eligibility. The only situation that would warrant a decline in Medicaid enrollment would be increases in income, which has not proven to be the case. Several studies have documented the extent of the problem. These include:

- Families USA Foundation—*Losing Health Insurance: The Unintended Consequences of Welfare Reform,* 1999. (Available at www.familiesusa.org).
- Kaiser Family Foundation—*Participation in Welfare and Medicaid,* by Mark Greenberg, 1998. (Available at www.kff.org).

The loss of Medicaid can be particularly catastrophic for families in which a child has a disability such as a serious emotional disturbance, since many of these families rely on Medicaid to cover treatment services. Although some studies are tracking the number of families who lose Medicaid when they lose TANF assistance, these inquiries devote little attention to the special impact on children with disabilities. It is important to track this group of children because some may qualify for SSI, which in most states provides automatic eligibility for Medicaid. Furthermore, states have a legal obligation to continue Medicaid eligibility for all recipients while determining if they qualify under any possible eligibility category.

Relevant Provisions of the Law

Section 1931 of the Social Security Act

- **Eliminates automatic link between Medicaid eligibility and welfare cash assistance**
  Prior to the passage of welfare reform legislation, families that qualified for welfare assistance (AFDC) were automatically enrolled in Medicaid. Welfare reform legislation created a new eligibility category—Section 1931—which allows families to qualify for Medicaid if they meet the AFDC eligibility standards that were in effect on July 16, 1996. The statute *requires* that eligibility for each program be determined *independently*. Therefore, a family that may not qualify for TANF may still qualify for medical coverage under Medicaid because of the differing eligibility standards between the two programs.

- **Provides states with greater flexibility to expand Medicaid coverage**
  Section 1931 allows states to expand Medicaid coverage beyond the minimum federal requirements set by AFDC eligibility standards. States have the freedom to expand Medicaid to cover more low-income families, as well as to cover more two-parent working families. When states expand Medicaid coverage to families at higher income levels, the families remain eligible for coverage as long as their income does not exceed the set threshold and they continue to meet other requirements.

Transitional Medicaid Assistance

- **Provides access to Transitional Medicaid Assistance for families who leave welfare to enter the work force**
  States must provide extended Medicaid benefits to families who lose their eligibility for Medicaid under Section 1931, for example when

they enter the workforce and have income higher than that allowed under Section 1931. Transitional Medicaid Assistance (TMA) is *not triggered by the loss of TANF* income assistance, only by the loss of *Medicaid* coverage under Section 1931. TMA must be provided in the initial six months after the loss of coverage. An additional six months can be granted based on certain reporting requirements and income limits. In order to qualify for TMA, a family must have received Medicaid for at least three out of the previous six months.

Medicaid Regulations

- **Right to apply**
  Medicaid regulations require that states provide the opportunity for families to apply for Medicaid **without delay**. States may not impose a waiting period before providing the application for Medicaid or processing it.

- **Requires state Medicaid agencies to continue eligibility for all recipients while determining if they qualify under any other eligibility category**
  Federal Medicaid law requires state Medicaid agencies to continue eligibility for all recipients while determining if they qualify under any other eligibility category, even if the family does not request continued coverage. Children whose families no longer receive cash assistance may still qualify for Medicaid based on their family income and age. Under federal law, certain children qualify through what are commonly called "poverty level" eligibility categories, including:
  - Children below age six living in families with incomes up to 133 percent federal poverty level (FPL).
  - Children ages 6-14 living in families with incomes at or below 100 percent FPL.
  - By federal law, all children under age 19 living below the poverty line will be Medicaid eligible by 2002. (Under this provision, coverage is being phased in one year at a time.)
  - States are allowed to provide coverage to children beyond the mandatory categories.

- **Timely response**
  Eligibility must be determined for most families in 45 days from the date of application. Even if a family does not qualify for TANF, a timely decision on Medicaid eligibility must be made.

State Options in the Law

- **States may offer Medicaid eligibility to children for a period of 12 continuous months**
  States may provide 12 months of continuous Medicaid coverage for children without regard to any changes in family circumstances that might otherwise affect ongoing eligibility. States choosing this option,

provided by the Balanced Budget Act of 1997, do not have to conduct a Medicaid redetermination for children when the family no longer qualifies for TANF assistance.

- **States have the option to extend Transitional Medicaid Assistance for longer time periods**
  According to Guyer and Mann (1998) a dozen states have received waivers to do this.

Extended Time Period for TMA

12 States

- **States may offer presumptive Medicaid eligibility for children**
  Using preliminary information, children may receive temporary Medicaid eligibility if their family income falls within the state's eligibility income limits. Only certain entities are permitted to make presumptive eligibility determinations for Medicaid.

- **States have the option to terminate Medicaid for an adult (or teen head of household) under TANF work-related sanctions**
  As of February 2000, 13 states had exercised the option to terminate Medicaid coverage of a non-pregnant adult who loses TANF for failure to work (State Policy Demonstration Project). Although states have the authority to impose this sanction, it cannot be extended to other family members or to pregnant women, or for reasons other than failing to meet work requirements. The state can terminate Medicaid benefits for a teen head of household for failing to meet TANF requirements.

Using Medicaid Termination Option

13 States

- **State Children's Health Insurance Program (SCHIP)**
  The Balanced Budget Act of 1997 created Title XXI, the State Children's Health Insurance Program, to provide capped matching funds to states that want to expand health insurance to low-income children who do not qualify for Medicaid. States have the option to expand Medicaid, create a new health insurance program, or develop a combination of the two. However, states must check for Medicaid eligibility before enrolling a child in the SCHIP program.

State-Level Strategies Related to Medicaid

- **States may expand Medicaid coverage beyond the minimum federal requirements** established in Section 1931, which replaced the previous automatic eligibility link between welfare and Medicaid.

Expanded Medicaid Coverage to More Children

Over 40 States

- **States may expand the group of children who qualify for Medicaid** through the mandatory poverty-level categories by accelerating the phase-in or raising the income eligibility level beyond the minimum. As of October 1998, over 40 states and the District of Columbia had expanded coverage for children.

- **States may expand Medicaid for children through their new SCHIP** programs, as described above.

As of 2000, HCFA reports that 23 states/territories are using Title

Children's Health Insurance Program

Expanding Medicaid:
23 states

Separate program:
15 states

Combination program:
18 states

XXI to expand Medicaid; 15 for a separate state health insurance program; and 18 for a combination of the two. States have the option to amend their SCHIP plans, and a number of states have already done so or intend to do so. As a result of plan amendments, states may continue to expand eligibility for uninsured children as they gain more experience administering their SCHIP programs.

For more information about SCHIP state plans, visit the Web site for the Health Care Financing Administration, the federal agency that is responsible for the program, at www.hcfa.gov.

- **States can coordinate the administration of their TANF and Medicaid programs to ensure ongoing eligibility.**
  States have the responsibility to establish and maintain Medicaid eligibility for families and children affected by changes in the welfare law. In a letter sent to TANF Administrators and State Medicaid Directors, dated June 5, 1998, the U.S. Department of Health and Human Services described this responsibility. In a subsequent letter, dated March 22, 1999, HHS included the guide, *Supporting Families in Transition: A Guide to Expanding Health Coverage in the Post-Welfare Reform World,* to explain the various state options and to suggest ways to ensure that TANF programs are informed about Medicaid and SCHIP and enrolled when eligible. Both letters and the guide are available at the HCFA Web site at www.hcfa.gov/audience/states.

- **States can utilize funds from the "$500 million fund" for administrative purposes.**
  A fund was developed through the welfare reform legislation to aid states in implementing the de-linking of Medicaid and cash assistance. This fund is intended for administrative purposes. Some states have used some of their money to train eligibility technicians on the Section 1931 eligibility category; establish outstation sites in hospitals, health centers and schools; hire staff to liaison between TANF and Medicaid offices; develop outreach campaigns that target African-American and Hispanic communities; conduct broad-based media campaigns; develop new computer systems; and send notices to families.

  The matching rate for the fund ranges between 75 percent and 90 percent. This fund was due to "sunset" on October 1, 2000. However, national and state specific expiration dates for the availability of allotments for state expenditures under the $500 million fund have since been removed. Each state's allotment of the $500 million is now available until it is expended by the state (HCFA 2000).

- **States can work to inform families about the on-going availability of Medicaid and the new State Children's Health Insurance Program (SCHIP).**
  Families in a variety of circumstances lack information about their on-going eligibility for Medicaid or SCHIP. These include families who

are denied, diverted or terminated from TANF; families whose children lose their SSI benefits; working families who may have no contact with the welfare office, but whose income is low enough to qualify them for SCHIP. States can conduct aggressive outreach to provide Medicaid and SCHIP information to all low-income families.

States can consider adopting a number of policies that would encourage and support greater outreach to families whose children are potentially eligible for Medicaid or SCHIP. These options include:

– Providing Medicaid and SCHIP outreach to families at TANF sites.

– Placing Medicaid and SCHIP workers in TANF offices.

– Placing Medicaid and SCHIP eligibility workers in communities.

– Improving the availability of application sites.

– Creating application sites outside the welfare office.

– Simplifying the application and enrollment processes.

– Educating families about different programs, including transitional Medicaid.

Information Resources

- The Center on Budget and Policy Priorities runs the *Start Healthy, Stay Healthy Campaign* that helps service providers, program administrators and community-based organizations to identify children who may qualify for free or low-cost health insurance programs. The Campaign also promotes coordination between SCHIP and Medicaid to ensure that children do not lose their coverage. The Campaign produces an outreach kit, which includes a handbook with fact sheets and ideas for creative outreach strategies; posters and flyers; and an Income Eligibility Screening Tool that can help identify children who may qualify for various health insurance programs. The kit is available, for a small fee, by contacting the Campaign at www.cbpp.org/shsh/index.html.

- The Families USA Foundation recently published a resource guide for health advocates at the state level to help address many of the previously stated problems. The guide, *What Did Welfare Reform do to Medicaid in Your State and What Can You Do About It? An Action Kit for Advocates*, provides an overview of the changes in the Medicaid program as a result of welfare reform legislation and well as tools to identify the problems in individual states and how an organization can best influence change. Its stated objective is to help "health advocates to develop strategies and campaigns to address problems that are leading to Medicaid declines or illegal Medicaid practices in your state." The kit addresses three broad areas that have been noted as problematic with the change to the Medicaid program: applying for Medicaid, keeping Medicaid and reaching new families. The document is available on the Families USA web site at

www.familiesusa.org/actkit.htm. Contact information for this kit: Rachel Klein or Bill England at Families USA, 1334 G Street, NW, Washington, DC 20005, 202/628-3030.

Research on the Impact of Medical Assistance Program Changes on Special Populations

Although there is concern about whether changes in the new welfare law affect children's access to Medicaid, there is little specific attention in research studies to the repercussions for children with disabilities. One notable exception is a study funded by the **Health Care Financing Administration (HCFA).**

- **Contractor:** Mathematica Policy Research, Inc.
- **Objective:** evaluate whether medical assistance continues or changes for different sub-populations affected by 1996 welfare legislation—children with disabilities; immigrants; individuals with addiction disorders; individuals formerly eligible for AFDC.
- **Scope:** Children with disabilities are part of this comprehensive study. The study will examine Medicaid eligibility, utilization and expenditure patterns for children who continue to qualify for Medicaid as well as those who lose it as a result of losing their SSI eligibility. The study, based on data from 1996-1998 from ten states, will include children who continue to qualify for SSI as well as those who do not. A special focus, using data from three states, will examine the impact on children with mental and behavioral disorders to determine how their Medicaid eligibility status affects expenditures for their mental health services.
- **Methodology:** HCFA has an interagency agreement with the Social Security Administration (SSA) to develop and use SSI and Medicaid linked data to examine the effect of legislative changes on Medicaid/SSI enrollees. For the study populations, the Supplementary Security Record and the Disability Determination file (often called the "831 file") and the State Medicaid Research Files (SMRF) will be used.
- **Contact:** Penelope Pine, Office of Strategic Planning/Research and Evaluation/Division of Beneficiary Research, 410-786-7718, Ppine@hcfa.gov.

For more extensive information on Medicaid and welfare reform, the following documents are available via the Web:

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Chapter 2

Exploring the Child Welfare System Connection

Objectives for this chapter are to:

- identify and discuss the implications of provisions in federal welfare reform regulations that may impact the child welfare system and the families and children it serves, including those with special mental health needs; and
- present practical examples for maximizing the flexibility available through welfare reform to collaboratively use resources and improve benefits and outcomes for families and children.

Key Issues

This chapter describes a number of key issues related to welfare reform that are important for families and children involved with the child welfare system and for all the agencies working with them. The description of each issue addresses its significance, cites relevant provisions of the law, and presents local and state practice examples.

- **Children Living with Relatives**—Resources and services available for relative caregivers are impacted by the welfare reform law.
- **Children Absent from the Home**—Provisions in the law address how long parents can receive assistance for children who are absent from the home. For parents whose children are in foster care, these provisions impact services and assistance available for the family and plans for reunification.
- **Drug and Alcohol Issues**—Parents with drug felony convictions face new restrictions related to TANF and food stamps. States have options in the way that they implement these restrictions and how they address substance abuse treatment for TANF recipients.
- **Domestic Violence Issues**—Welfare reform requirements and allowances related to domestic violence provide states with an opportunity to assist families involved in domestic violence.

- **Teen Parents**—Welfare reform regulations prescribe requirements related to schooling and training, as well as living arrangements, for teen parents who receive assistance. They also provide the flexibility and resources to design multiple strategies for preventing teen pregnancy and for services to teen parents.
- **Research**—A large-scale research study, the *National Survey of Child and Adolescent Well-Being*, is authorized in welfare reform legislation.
- **Fiscal Issues**—Provisions of welfare reform legislation may both directly and indirectly affect the financing of child welfare reform.

Overview

As stated in the HHS guide on *Helping Families Achieve Self Sufficiency*, if welfare reform is to succeed over the long run, collaboration among a wide range of community organizations and governmental agencies must occur (HHS 1999a). Families receiving assistance through welfare reform are vital participants in such collaboration. This chapter addresses a specific part of these collaborative efforts. Many parents who, in some way are involved with the child welfare system, also are the focus of welfare reform. Nationally, more than half of the children in foster care come from homes that are eligible for welfare payments. The proportion of the foster care caseload that includes children from families eligible for welfare increased from 11% in 1970 to 53% in 1996 (Geen and Tumlin 1999). Many of the parents and children in these families also need services from the mental health system. This chapter focuses on TANF recipients who are involved in, or at increased risk for involvement, with the public child welfare system and for whom achieving sustained employment is difficult. The combined efforts of community organizations and cross-system government agencies, especially the child welfare, mental health, substance abuse, and TANF systems, are required to help families caring for children with complex needs and families in which parents themselves face multiple barriers.

Persons concerned about the well-being of children view welfare reform with a variety of emotions from anticipation and hope to concern and skepticism.

- *Anticipation* stems from the hope that families will become self-sufficient; that a job, independence, and increased income will strengthen families and thus the well-being of their children; and that children will be cared for in their own homes or in the homes of relatives.
- *Concern* rises from the fear that the supports needed to achieve self-sufficiency are not adequate; that time limits, work participation requirements and sanctions for non-compliance will have the greatest

impact on TANF recipients who are least able to comply; and that increased stress and financial pressures will lead to increased child abuse or neglect and/or family violence.

It is not yet clear which, if either, of these scenarios may be realized.

Early studies note that it is difficult to draw definitive conclusions about the effects of welfare reform on children and families, including child well-being and family stability (GAO 1998a). Such studies indicate that although individual states are tracking what happens to families when they leave welfare, they are focusing mostly on outcomes such as employment status, earnings level, job retention, benefits, and reasons for leaving welfare. In 1998 less than 20% of the states were tracking subsequent or increased involvement in the child welfare system (NGA 1998).

Research Digest, a web-based publication of the American Public Human Services Association, reviewed 20 state studies tracking former TANF recipients, as well as studies linking administrative data from multiple state programs. The *Digest* describes the findings from six of the state studies that tracked rates of child abuse and neglect and entry into foster care. Although additional states were tracking entry into the child welfare system, the *Digest* reviewed only those six studies with a 50% or greater survey response rate. From these six studies the review concludes:

- there is little evidence that the event of leaving the TANF caseload, in and of itself, increases a family's risk of involvement with the child welfare system; however,
- there are a number of other factors associated with a family's contact with the child welfare system after leaving TANF. These include: prior history of child welfare involvement; receiving TANF sanctions; remaining on assistance for longer periods of time; and facing multiple barriers to employment, including issues such as substance abuse, health and mental health problems, and domestic violence. (APHSA 2000).

A recent New York Times article (8/10/00) sites federal statistics which show a slight decline in recent years of confirmed cases of child abuse and neglect and in the number of children entering foster care. However, the article also quotes researchers who caution that multiple factors, outside of welfare reform, impact these trends. These include the general economic health of the country, declining rates in child poverty, and reform of the child welfare system itself. Although these researchers did not find significant negative effects from welfare reform on child welfare, states they have spoken with suggest that it is too early to tell, and that they should come back in two more years (Sengupta, 8/00).

As states address the impact of welfare reform on the child welfare system, it is not enough to determine whether more children are

A Parent's Voice

"I know a single mom on TANF whose two children with complex mental health problems had to be cared for in foster care when she went back to work. This makes no sense."

FEDERATION OF FAMILIES FOR CHILDREN'S MENTAL HEALTH MEETING NOVEMBER 1999

entering the child welfare system. It is important also to determine how welfare reform impacts the ability of children in placement to return home. Growth in the foster care caseload is due to the imbalance between entrances into and exits from the system. Even when admissions to foster care remain stable (or are reduced), the caseload will continue to grow unless children are leaving to return home or for other permanent placements at an equal rate (Young and Gardner 1998).

Tracking and Monitoring the Impact of Welfare Reform on Children

- The Community Monitoring Project is a Children's Defense Fund (CDF) initiative supported by the Ford Foundation and the Kellogg Foundation to track the impact of welfare changes on children and families. CDF will assist state and local organizations that monitor child care, employment and training, child support, health, and child protection implications. They also will provide training in research methodology and assist with dissemination of findings. Ten states are targeted for this project—California, Florida, Georgia, Illinois, Louisiana, Michigan, New York, Ohio, Pennsylvania, and Texas. For more information see www.childrensdefense.org (Kaplan 1998).
- In 1996, one-year planning grants were awarded by the U.S. Department of Health and Human Services to 12 states with existing welfare demonstration waivers to establish a core set of measures of child outcomes. Measures agreed upon by these 12 states were education, health and safety, and social and emotional adjustment. The experiences of the planning phase led to the publication of *Children and Welfare Reform: A Guide to Evaluating the Effects of State Welfare Policies on Children* by Child Trends. Child Trends also produced a report entitled *An Overview and Synthesis of the Project on State-Level Child Outcomes.* (See www.childtrends.org.)

  Following the 12 planning grants, five states (Connecticut, Florida, Indiana, Iowa, and Minnesota) were awarded operational grants to assist in collection of data on the child outcome measures. Although results from this phase are not yet available, they are expected to be published in 2000 and 2001.
- A January 1999 study of 173 welfare recipients in the Chicago, Illinois metropolitan area found that declines in welfare income, economic hardship, the recent birth of a child, housing moves, poor child health, and the occurrence of various disruptive life events were all strongly associated with risk of involvement in the child welfare system. However, the welfare income declines were significantly associated with child welfare risk only in the absence of parental employment. Sanctioned recipients who experienced both the loss of the grant and the absence of employment had an overall greater rate of child welfare involvement over a one year period than did others who lost welfare income. Therefore, it remains a question of whether it is the loss of the welfare grant or the inability to find or sustain employment that impacts child welfare involvement (Shook 1999).

Children Living with Relatives

Significance

Extended family members have long played a role in caring for children when their parents are unavailable or unable to do so. According to the U.S. Census Bureau, more than 2 million children now live in kinship care arrangements of some type; 10% of these, or approximately 200,000 are foster children (Geen and Boots 1999). In 1997 approximately 22% of the national TANF caseload was made up of households in which adults, who were not receiving assistance themselves, received funds for the relative children who lived with them.

The implications of welfare reform, both its flexibility to provide support for families caring for kin and its work requirements and time limits, are particularly significant for families of color, in particular African American families, where the care of a child by extended family members has been a way of sustaining and maintaining the family system.

Children Living with Relatives

Children in Kinship Care:
2 million

Foster Children in Kinship Care:
200,000

TANF Child-Only Grants:
22% of national caseload

Relevant Provisions of the Law

Kinship Care

- The 1996 welfare reform act solidified the role of kinship care as a federal policy issue by officially encouraging states to "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" (Geen and Boots 1999).

Child-Only Cases

- Federal welfare legislation gives states the option to provide assistance to relatives who care for welfare-eligible children. All states currently do so. In all but four states, relative caretakers who receive TANF funds have a choice—to receive cash assistance for themselves **and** the relative children they care for, or to receive a "child-only" grant (a relative caregiver who chooses a "child-only" grant does not receive any cash benefits for herself). In the four states that regulate whether non-parent, relative caretakers are included in the assistance grant, three require them to be included in the assistance unit. One state prohibits non-parent, relative caretakers from being included (SPDP 1999).

- A relative caregiver who receives assistance for herself, as well as for her related child(ren) who live with her, is subject to the TANF time limits and work requirements addressed under the Key Issues in Chapter 1 of this document. These requirements do not apply when assistance is received **only** for the child.

- With some exceptions, "child-only" TANF payments are lower than foster parent payments for relative caregivers who care for children in the custody of a child welfare agency.
- States can allow work requirement and time limit exemptions for relatives who care for children who were abused or neglected, thus providing TANF for the adults, as well as the children (Tweedie et al 1998).

PRACTICE EXAMPLES

Kinship Care Initiatives

Some states have created new kinship care financing strategies through TANF programs (Geen and Boots 1999).

- Through the TANF program, the **El Paso County, Colorado** Department of Human Services provides kinship services to relatives, typically grandparents raising their grandchildren. These services include both increased financial assistance through child only grants and support services aimed at keeping the extended kinship family intact. Many of these families are identical to those who enter the child welfare system, except that relatives, typically grandparents, have stepped in before the child welfare agency becomes involved. A team composed of a child welfare worker and a TANF technician, both funded by TANF, provide strength-based support to families. Which decreased the likelihood that they will become more deeply involved in the system. This support is based on what the families' determine is needed to maintain the children in their homes. Individualized services, grandparent support groups, and assistance in connecting with community resources are included in this support. The team has access to flexible TANF funding to assist the kinship families.

  The Department also is developing a subsidized guardianship program for grandparents who have cared for grandchildren who are in the custody of the Department for an extended period of time and who are receiving foster care payments. Under this subsidized guardianship model, custody will be transferred to the grandparents, a subsidized guardianship agreement will be signed, and voluntary services will be offered to the family. TANF serves as the funding stream for the subsidized guardianship program (Berns and Drake 1999).

- **Wisconsin** has developed a kinship care payment system separate from its foster care system, which provides an ongoing subsidy to kinship families. Under the program kin families are subject to a review similar to non-kin foster care arrangements, which take place every 12 months, to ensure that safety issues are being addressed.
- In **Florida,** TANF funds are being used for the Relative Care Giver Program. When a child is determined by the court to be "dependent" and is placed with a relative, the relative caretaker can receive payments of up to 80% of the foster care rate. This arrangement avoids a custody transfer to the state child welfare agency and placement in foster care.
- The **California** state TANF plan includes the Kin-GAP program that will serve children (who may have been receiving AFDC-FC or CalWORKs) who are leaving the foster care system to enter a guardianship with a relative. A child's caretaker relative is eligible to receive a Kin-GAP payment if the child lives with the relative for at least 12 months, the relative guardianship is established, and dependency status with the state is dismissed any time after January 1, 2000. The plan states that "once the dependency is dismissed, no follow-up services are required and the child welfare case will be dismissed" (State of California 1999).
- **California** also exempted kinship caregivers that are caring for dependent wards of the court or children determined to be at-risk of entering foster care from the 24-month time limit on receipt of TANF. Forty percent of the kinship caregivers in California are TANF recipients (Duerr-Berrick 1998).

Children Absent from the Home

Significance

Provisions of the law regarding children absent from the home have a significant impact on the resources that are needed and available for families on TANF whose children are placed out of the home and who are working toward reunification. The proportion of the foster caseload that includes children from families eligible for welfare was 53% in 1996 (Geen and Tumlin 1999).

53% of the foster care caseload is comprised of children from families eligible for welfare.

Relevant Provisions of the Law

Section 408(a)(10)

- Federal welfare reform regulations prohibit families from receiving assistance for minor children who have been, or are expected to be, absent from the home for a period of 45 days. However, states have the option to continue TANF funds for no less than 30 days and no more than 180 consecutive days. To do so, states must specify in their TANF plans what period of time and what good cause exceptions they have selected. A state may establish a period longer than 180 days and provide assistance with state maintenance of effort funds.

  According to the State Policy Demonstration Project (SPDP 1999), states have made the following choices:

  – no limit on the duration of child's temporary absence from home 5 states
  – allow absence of 180 days 8 states
  – set time limits shorter than 180 days 38 states

  Of the 46 states that limit the duration of a temporary absence, 34 have exceptions allowing for a longer absence under limited circumstances.

- During the time a child is absent from the home of a TANF-eligible family, the family may continue to receive services funded by TANF such as family preservation, parent training, or counseling. However, the state may **not** provide child care for the absent child (APHSA 1999).

PRACTICE EXAMPLES

Policies Regarding Children Absent from the Home

- In **Nevada,** the child welfare and public assistance divisions collaboratively developed a policy that allows children in the custody of the child protective agency, whose parents are on TANF, to be absent from the home for up to 180 days. However, to continue to receive assistance for the absent child, a plan for reunification must be established. (Rosaschi 1998).
- **Maryland** opted to establish a good cause exception to allow children to **exceed** the 180 day limit under certain conditions: when the absence is for educational or treatment purposes; approved by the Secretary of Human Resources; the parent does not relinquish responsibility for the child; and the removal of the child from the "assistance unit" creates a hardship for the child's family (MD DHR 2000).

Drug and Alcohol Issues

Significance

Substance abuse by parents is one of the most pervasive problems impacting the child welfare system today. An estimated 50 to 80% of the children in the child welfare system have families with alcohol and drug problems (Legal Action Center 1999). While parents, especially mothers, abuse alcohol and other drugs at lower rates than do persons without children, there are 8.3 million children living with parents who abuse substances. Approximately 30% of these children come into contact with the child welfare system (Jaudes, Ekwo and Voohis 1995; HHS 1999b).

A 1997 CWLA survey indicates that at least 52% of placements into out-of-home care were due in part to parental substance abuse (CWLA 1998). As many as 80% of prenatally drug exposed infants will come to the attention of the child welfare system before their first birthday (Kelleher et al. 1994).

In a profile of welfare recipients served by 20 drug treatment programs for women in seven states, 46% were involved in the child welfare system, 48% had been victims of domestic violence, and 38% had a mental illness in addition to their alcohol or drug problem (Legal Action Center 1999).

According to studies conducted prior to 1997, 16-37% of the nearly 4 million women on welfare at that time experienced substance-related problems. This percentage is likely to grow-as people who have no significant barriers to work move off welfare and those with substance abuse and other problems increasingly comprise the remaining caseload.

Statistics on Substance Abuse Prevalence

Number of children living with parents who abuse substances
8,300,000

Percent of women on welfare who experience substance related problems
16-37%

Percent of children in child welfare system whose families have substance problems
50-80%

Percent of out-of-home placements due, in part, to parental substance abuse
52%

Percent of drug exposed infants involved in child welfare system
82%

Relevant Provisions of the Law

- Individuals with drug felony convictions that occurred after August 26, 1996, are ineligible for TANF and food stamps unless the state enacts legislation to opt out of or modify the ban. States have addressed the ban as follows (Legal Action Center 1999):
  - deny benefits to persons convicted of drug felonies — 24 states
  - modify the ban — 18 states
  - opt out of the ban entirely — 8 states

- States are authorized, but not required, to test welfare recipients for illegal drug use and to sanction those who test positive. Options chosen include:
  - randomly test individuals with drug felony convictions — 4 states
  - have other drug use screening plans — 26 states
  - rely on self-declaration of being drug-free — 3 states
  - have no drug use screening plans — 16 states

  (Legal Action Center 1999)

- TANF offers states opportunities for the provision of drug and alcohol treatment services if these services provide "assistance to needy families so that children can be cared for in their own homes or in the homes of relatives" (Legal Action Center 1999).
- In addition, the 1997 welfare-to-work law[1] targets individuals requiring substance abuse treatment for employment. Alcohol and drug treatments fall within the scope of "job retention and supportive services" and are authorized within the law as long as they are not medical services (Legal Action Center 1999).

PRACTICE EXAMPLES

Substance Abuse Treatment Collaborations

- **Maryland** has a waiver to use federal funds (Title IV-E) to provide substance abuse treatment services to the parents of children who are at risk of placement, or have been placed, in foster care and are eligible for IV-E funds. In addition, Maryland's state TANF plan describes a "non-assistance" substance abuse treatment program for those who are not eligible for services through the IV-E waiver and who have incomes within 200% of the federal poverty level. The program provides non-medical intensive case management and supportive services to mothers whose children are in foster care or at-risk of being placed in foster care. Children of parents who abuse substances also receive treatment and support services to overcome the trauma of physical abuse, sexual abuse and neglect that may occur as a result of living in a home with substance abuse. Three treatment options include residential treatment for up to 8 months with or without children, a 28-day intermediate care facility, and an intensive outpatient program (90 days to 9 months) (Maryland Department of Human Resources 2000).
- **New Jersey** is implementing the Work First New Jersey Substance Abuse Research Demonstration in two pilot sites. In this program a "treatment group" of persons with drug and alcohol problems who are on TANF will receive enhanced services. These services may include intensive clinical support and supervision during and after treatment; linkages to primary care and mental health screening and treatment; treatment focused on domestic violence issues (if appropriate); family focused treatment, including a dedicated focus on the children of the women in treatment; and linkages with employment and work readiness activities. A control group of TANF recipients will receive only standard substance abuse services. The Demonstration includes a comprehensive evaluation funded through a grant from the Annie E. Casey Foundation (Caliwan 1998).
- Programs that treat parents and children in residence allow extra time for a family to be rehabilitated while remaining together. TANF funds are being used to assist in funding a number of such programs in substance abuse treatment centers around the country. For example, in **Long Beach, California,** Tarzana's Women and Children's Residential Program is funded through four sources—Substance Abuse Block Grant (50%), TANF (40%), the Ryan White CARE Act (5%), and client payments (5%). It is designed to meet the unique needs of women and children. Pregnant and parenting women are admitted with their children and stay an average of 180 days. Multiple treatment services are offered in a therapeutic community, including work and work preparation activities, experiential learning in

Continued

[1] Created in Title V of "The Balanced Budget Act of 1997" (P.L. 105-33) and appropriated $3 billion for Fiscal Years 1998 and 1999.

PRACTICE EXAMPLES *Continued*

parenting and child development at an on-site nursery cooperative. Outpatient services and supportive aftercare services are part of the program (Legal Action Center 1999).

- **North Carolina** has designed an ambitious initiative that places Qualified Substance Abuse Professionals (QSAPs) in every county Department of Social Services office. The QSAP positions were created as part of the state's 1997 Work First Substance Abuse Initiative, and are employed by 40 local Mental Health Authorities across the state. By April 1999, 61 QSAPs had become the linchpins in the screening, assessment, treatment planning, and care coordination for Work First participants with substance abuse problems. The QSAP program increased TANF staff capacity to identify and address substance use among participants and redefined the character of services provided to participants who abuse substances. The Substance Abuse Services Section of the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services funded the recruitment, training, and deployment of the QSAPs for each local Mental Health Authority. Salaries for the QSAPs are paid for by TANF block grant funds.
- In a **Survey of State TANF Client Assessment Practices,** the American Public Human Services Association found that all 52 states responding (48 states, the District of Columbia, and 3 US territories) conducted specialized assessment of TANF recipients in the area of substance abuse status to determine potential barriers to self sufficiency. Fifty of the responding states conducted mental health assessments (Brawley 2000).

Domestic Violence Issues

Significance

Domestic violence plays a significant role in the lives of many women on TANF and many families involved in the child welfare system. Studies have found that the lifetime prevalence rates of domestic violence for women on TANF range from 48 to 63%. For these same women, current rates of domestic violence range from 10 to 31%, while nationally, only 3.2 to 3.4% of **all** women over age 18 report current severe physical abuse (Danziger et al. 1999). A 1997 study found that abused women were 10 times more likely to have a current partner who did not like her going to school or work compared to women who had never been abused. The study also reported that health and mental health problems faced by abused women could interfere with their ability to work (Raphael 1999b).

Studies indicate that domestic violence is present in at least one third of the families involved in the child protective services (CPS) system. Yet, until recently, CPS programs have not directly addressed domestic violence; and domestic violence programs have historically emphasized services for battered women, with limited understanding of the child safety goals of CPS. Despite these historical differences, collaborative efforts between CPS and domestic violence service programs are emerging. Welfare reform requirements and allowances related to

domestic violence provide states with an opportunity to assist both parents and children involved in domestic violence.

Relevant Provisions of the Law

- Recognizing that domestic violence can be a barrier to employment, welfare reform regulations allow states to adopt the **Family Violence Option (FVO).** If states choose to adopt the FVO, they must:
  - screen and identify individuals who are or have been victims of domestic violence; and
  - refer these individuals for appropriate counseling and supportive services.

  States are allowed to waive certain TANF requirements, such as time limits and work participation provisions, for victims of domestic violence. These requirements may be waived "as long as necessary" if compliance with such requirements would make it more difficult for individuals receiving assistance to escape domestic violence or would unfairly penalize the domestic violence victim (Woolverton et al. 1998).

- States that provide "federally recognized good cause domestic violence waivers" are not penalized for exempting domestic violence victims from federal time limits and work participation requirements. For example, the legislation allows states to extend assistance for up to 20 percent of all TANF recipients beyond the 60-month time limit; however, if the amount by which the state exceeds the 20 percent limit is attributed to domestic violence waivers, the state will not be penalized (Schott et al. 1999).

- To be "federally recognized", a state's FVO must identify the program requirements that can be waived for victims and must assure that a formal assessment and service plan is done by a person trained in domestic violence. When appropriate, the service plan is designed to lead to work; however, it may set forth activities that move the TANF recipient toward safety, and not necessarily toward immediate employment, depending on the circumstances.

- By the spring of 1998, 31 states had chosen to implement the family violence option (FVO) allowed by the welfare reform regulations, and nine additional states were planning, or in the process of doing so, within the next year. Ten additional states had policies related to domestic violence that did not differ significantly from those states that had formally adopted the FVO. Thus, almost all states had either adopted the FVO or adopted comparable policies without certifying acceptance of the FVO (Raphael 1999a).

PRACTICE EXAMPLES

Domestic Violence Services

Early screening for domestic violence, development of a service plan, and referral for services creates an opportunity for TANF agencies to reach and serve domestic violence victims at an earlier stage, as well as an opportunity to offer counseling and support services for their children who have witnessed or been involved in the violence. In most states, TANF recipients who receive work deferrals, waivers, or time extensions as a result of the FVO are required to participate in domestic violence services. However, for many victims, simply getting to domestic violence services can be difficult (Raphael 1999a). Situating domestic violence services at the welfare office may help.

- Trained domestic violence advocates from local programs are or will be located in some welfare offices in **Iowa; Kansas; Massachusetts; Oregon; Chicago, Illinois; Modesto, California; San Antonio, Texas; and Orlando, Florida. New York** has created 200 new domestic violence/welfare reform positions, amounting to one to two persons per county. **Pennsylvania** also has provided new funding for additional staff from domestic violence programs to serve as liaisons with some local welfare departments (Raphael 1999a).

  Trained domestic violence advocates engage in such activities as: assisting women in developing safety plans for themselves and their children; accompanying or referring women for appropriate services; and assessing the impact of the violence on the children and referring them to appropriate services.

  In states where domestic violence disclosure rates are available, the rate of disclosure to TANF workers by TANF recipients is significantly lower than reported in numerous research studies. Researchers question whether women who are victims of domestic violence will feel safe enough to disclose domestic violence to welfare workers in a welfare department office, in part due to fear of intervention by the child protection system. Evaluations of demonstrations such as those listed above, which offer assessment and follow-up services by domestic violence advocates, will allow comparisons with disclosure rates to welfare workers (Raphael 1999a). Another outcome to follow in evaluations is the identification of and follow-up services for children who need counseling and support services.

- In response to a survey that indicated that 1/3 of the welfare recipients in **El Paso County, Colorado** had been a victim of domestic violence, the Department of Human Services contracted with the Center for the Prevention of Domestic Violence to provide client services, staff training, and individual case consultation. Funded as part of the county's welfare reform initiative, the contract also assists in the development of additional domestic violence-related community resources such as emergency housing and treatment/support groups. Services provide a culturally relevant emphasis and include Spanish-speaking and Asian-Pacific focused services. The county has found that services from skilled domestic violence professionals help bridge the gap between child protection, protection of the adult victim, and opportunities for economic independence. Staff are now identifying and addressing domestic violence within the welfare and child welfare caseloads in much greater numbers.

Teen Parents

Significance

Teenage child bearing is an important policy concern because it affects not only the mother's life, but her child's as well. Both mother and child present special vulnerabilities. Also, outreach to teen fathers is critical.

Numerous research studies have shown that the children of teenage parents are at increased risk for low birth weight, health problems, abuse and neglect, school challenges, teen pregnancy themselves, and incarceration at a young age (GAO 1998b). Children of teen parents also are at a higher risk for placement in foster care: e.g., in Oregon, 45% of children entering foster care came from parents who had their first child as a teenager.

Studies have shown that teen mothers are more likely to be depressed than adult mothers (Christensen 1998) and that young people with early-onset mental illness are more likely to have children in their teenage years (Kessler 1997). Even though teen parents compose only a small percentage of current welfare recipients (about 7 percent) (Levin-Epstein 1996), nearly half of all teenage mothers go on welfare within 5 years of becoming parents, and nearly half of all welfare recipients gave birth as teenagers (GAO 1998b). HHS reported to Congress in 1998 that "historical data suggests that teen mothers 17 and under who give birth outside of marriage are more likely to go on welfare and spend longer on assistance" (Kaplan 1997).

Welfare reform regulations provide flexibility and resources to design multiple strategies to prevent teen pregnancy and for services to support and enable teen parents. To comply with welfare reform regulations, teen parents, who are unable to live with relatives or guardians, will need help in locating adequate adult-supervised homes. The experience of child welfare staff in assisting youth with independent living skills, in finding and monitoring independent living settings for teens, and in developing programs for teen parents can be applied to working with teen parents in the TANF program.

Teen Parent Statistics

Teen fertility rate (birth/1,000 females ages 15-19) (CDF 1999)
56.8

Percent of teen mothers who go on welfare within 5 years of giving birth
50%

Percent of welfare recipients who gave birth as teens
50%

Relevant Provisions of the Law

- Unmarried, custodial, teen parents who are minors are ineligible for federal TANF assistance unless they meet two requirements. One relates to participation in schooling/training. The other addresses the minor's living arrangements. Both are discussed here.
  1. Participation in schooling/training
     – To receive federal TANF assistance minor parents must attend high school or participate in an alternative education or training program.

- These minor parents have 12 **weeks** after the birth of a child to find childcare and return to school or training. (Single custodial adults on TANF can be exempt from work requirements for up to 12 **months** after the birth of a child.)
- No child care provisions in welfare reform regulations are specifically tailored for teen parents. As with adult parents, there is no guarantee of child care when it is necessary to facilitate participation in mandated work, training, or educational activities.

2. Minor's living arrangements
   - To receive TANF assistance, unmarried, custodial, minor parents are required to live with a parent, legal guardian, or adult relative, or in another adult-supervised setting. However, state exemptions are available, and states have enormous flexibility in designing their policies and practices related to this (Raphael 1999a).
   - States may use TANF funds to assist teen parents in locating or providing payment for "second chance homes" or alternative adult-supervised living arrangements if they are unable to reside with a parent. In almost all states, living in an adult supervised setting (such as second chance homes) meets the living arrangement policy requirement (Raphael 1999a).
   - States must determine if a minor parent is exempted from the living arrangement rule when she is not living with a parent, relative, or guardian. The determination includes whether an exempt minor parent should be required to live in an alternative adult-supported living arrangement or should be approved for independent living. Nine states utilize the child welfare agency to assess the minor's living arrangement and make this determination (Raphael 1999a).

- Teen parents, who are considered heads of household or are married to a head of household, are subject to the same time limits as adults who receive TANF (60 months, or less in many states). State, rather than federal laws, define "head of household" and have discretion in determining whether a minor parent, who is subject to adult supervision, should be counted as a head of household. Twenty states automatically consider a minor parent as a head of household if she lives in an adult supervised setting, 30 do not (Raphael 1999a).

- One purpose of the TANF legislation is "to prevent and reduce the incidence of out-of-wedlock pregnancies." Services related to accomplishing this purpose are not limited to needy families or individuals; thus, for this purpose, a state may use Federal TANF funds to serve **any** families or individuals. Among the kinds of activities cited by HHS as applicable to this purpose are counseling, teen pregnancy prevention campaigns, and after-school programs that provide supervision when school is not in session (HHS 1999a).

PRACTICE EXAMPLES

Teen Parent Living Arrangements

States may use federal funds to assist teen parents in locating and providing payment for alternative adult-supervised living arrangements, sometimes referred to as "second chance homes," if the teen is unable to live with a parent or guardian.

- In **Massachusetts,** the Teen Living Program (TLP) provides statewide alternative living arrangements for teen parents between the ages of 13 to 19 who are applying for Massachusetts TANF (TAFDC) and who cannot live with their parents or guardian. The program, a joint effort of the Massachusetts Department of Transitional Assistance and the Department of Social Services, operates with a state allocated budget of $5.2 million, provides 110 beds at 22 sites across the state, and includes space for 10 emergency placements. Goals of the program are to provide teen parents and their children with a safe and supportive living arrangement, to assist parents in developing life and parenting skills, to delay repeat pregnancies, and to successfully complete high school or obtain a GED. Teen parents are involved in the planning, development, and evaluation of the program's services. Other services are provided for teens that have lost benefits due to welfare reform regulations and for teens in emergency situations. TLP provides case management and follow-up services including tracking former participants for 3 to 5 years after they leave the program (Raphael 1999b).

- **Maryland** uses commingled funds (federal TANF funds, state maintenance of effort (MOE) funds, and other non federal funds) for the Second Chance Homes Project that was established as a collaborative effort among several agencies to develop independent living skills for teen parents, age 16 to 18, who receive temporary cash assistance. Four units in a row house serve as living quarters for these teens and their children. They can live in the apartment for up to 2 years, or until graduation from high school, whichever comes first. Teens must attend school while living there. Stipend and support services are provided (MD DHR 2000).

- **Michigan, New Jersey** and **Vermont** also are addressing alternative living arrangements. **Michigan** changed its welfare law to allow second chance homes as an alternative for teen mothers. Detroit received $2.8 million from the U.S. Department of Housing and Urban Development and $110,000 from the Michigan Housing Development Authority to support these homes. **New Jersey** is developing a proposal for a model for second chance homes similar to the foster care model. In this proposal teen parents, who are able to document the unfeasibility of living in their own homes, would live with their children in other private homes. The homes would receive a monthly stipend (Kaplan 1997). **Vermont** has developed an interagency agreement between the child welfare and TANF agencies to better serve TANF minor mothers and address the living arrangement requirements of the federal legislation. TANF funds the specialized foster homes, which are available to minor parents who are not in custody of the state. Placement in these homes is on a voluntary basis and provides close supervision to the teens at a lower cost than the state would pay to place the teen in a residential care facility.

An excellent resource for further information about living arrangements related to minor parents on TANF is: Levin-Epstein, Jody 1999. *Seeking Supervision: State Policy Choices in Implementing the TANF Minor Parent Living Arrangement Rule.* Washington, DC: Center for Law and Social Policy. The document is available free on the web at www.clasp.org or for purchase from CLASP Publications.

Research

The 1996 federal welfare reform legislation authorized the Secretary of the Department of Health and Human Services (HHS) to conduct a national study of children who are at risk of abuse or neglect or are in the child welfare system. This study, the National Survey of Child and Adolescent Well-Being, is designed to address crucial program, policy, and practice issues. It will collect and analyze nationally representative longitudinal data from first-hand reports from children, parents and other caregivers, as well as reports from caseworkers and teachers. The study will describe the child welfare system, the characteristics and experiences of children and families who come in contact with the system, and the outcomes achieved. The study will sample 6,000 children, ages birth to 14 years, who enter the child welfare system between September 1999 and September 2000. These children and additional 700 children, who have been in out-of-home placement for a year, will be selected from 107 counties nationwide. The major research questions include:

- Who are the children and families that come into contact with the child welfare system?
- What are the pathways and services children and families experience while in the child welfare system?
- What are the short- and long-term outcomes for these children and families?

Fiscal Issues

Although welfare reform made few changes to federal child protection programs specifically, provisions of the legislation have potentially far-reaching effects on the child welfare system and may both directly and indirectly affect the financing of child welfare services (Geen and Boots 1997). Federal welfare reform regulations place constraints on the use of TANF program funds for some child welfare-related activities, while also allowing new opportunities to fund a wide range of other services under the four purposes of the Personal Responsibility and Work Opportunity Reconciliation Act (APHSA 1999). This section discusses how welfare reform may alter funding sources for child welfare services and other child-serving systems.

Funding Opportunities

Relevant Provisions of the Law

Provisions related to the potential funding opportunities and increased flexibility allowed by welfare reform include the following:

- Welfare reform regulations provide states with the flexibility to determine who will receive services and to design services based on needs within the state. This policy offers much greater flexibility than was available through the prior entitlement programs. Section 404(a) of the statute provides that a state may use the TANF grant in any manner that is "reasonably calculated" to accomplish any of the **four purposes of the TANF program**. To recap, these four purposes are:

  1. To provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives.
  2. To end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage.
  3. To prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies.
  4. To encourage the formation and maintenance of two-parent families (APHSA 1999).

- In support of these goals, states may use their funds to fill gaps in the service delivery system, integrate program services, and supplement or enhance the services available through other programs (HHS 1999a). While the first two purposes of the Act apply to "needy"[2] families, purposes (3) and (4) do not have a needs-based test. Therefore, federal TANF funds can be used to benefit the entire population of a state to meet the last two purposes of the Act (APHSA 1999).

- Family preservation, foster care, and adoption payments are examples of expenditures that **may** meet the first purpose of the Act; however, unless authorized in approved Title IV-A or IV-F plans, states may not use federal TANF or state maintenance-of-effort (MOE) funds to provide assistance to children living with **non**-relative caretakers (APHSA 1999).

- Federal regulations include examples of allowable TANF expenditures. "Such assistance could include family or individual counseling services, parenting training to improve family functioning, referrals to outside service providers who could help the child or family at-risk to function better, and associated case management activities" (64 FR, 17831) (APHSA 1999).

- Crisis mental health services previously funded with Title IV-A Emergency Assistance funds, can be provided with TANF funds if they enable needy children to remain with their families (first purpose of the Act).

[2] A "needy" family is one that meets the income and/or resource standards established by the state in its TANF plan. The federal regulations provide states with the flexibility to define the criteria or standards to qualify as "needy". A state may establish different standards for different TANF benefits and services.

- After school programs or community resource centers may be funded with federal TANF funds to meet the third purpose of the federal legislation-prevention or reduction of "out-of-wedlock pregnancy" (APHSA 1999).
- TANF experts recommend that when considering the use of TANF funds, states first identify **whom** they want to serve, **how** they want to serve them (what services to offer), and the anticipated costs. A second step is to determine whether TANF funds are an appropriate resource (based on prohibitions and allowable uses) (Ryan 1999).

PRACTICE EXAMPLES

Funding Opportunities

- In addition to its cash assistance program, **Michigan** offers several child welfare-related services funded by TANF to meet the purposes of the Act. These include:
  - Emergency foster family care or residential group care for children separated from their parents, if such care cannot be provided under Title IV-E;
  - Teen parent counseling;
  - Services intended to prevent removal of children from their homes, including both clinical services and services such as housing and transportation;
  - Other in-home services such as counseling, parenting services, case management, wraparound, mentoring, respite care, family preservation, and family support services;
  - Relative placements—assistance to relatives to enable youth to be cared for by extended family members;
  - Domestic violence services; and
  - Adoptive parent support services—grants and services to promote the well-being of adopted children and help adoptive families avoid a crisis that could result in out-of-home placement (the child's income is used to determine eligibility) (State of Michigan 1998).
- **Maryland** has commingled funds to offer a number of programs, including In-Home Aide Services. A component of this program provides parent aides who intervene to prevent child abuse and neglect by providing hands-on service, including help with children or homemaking tasks when parents are unable to perform these activities. This practice enhances the chances that the home will remain a safe environment for the child and provides more opportunities for parent child interaction (Maryland Department of Human Resources 2000).

Potential Funding Constraints

Relevant Provisions of the Law

Welfare reform also presents potential funding constraints for the child welfare system and other child-serving systems.

- While states may use TANF or state maintenance of effort (MOE) funds to supplement services provided by other programs, they may **not** use them to supplant or satisfy required state matching in other

programs. Also, TANF funds may not be used to **supplant** state spending in Title IV-D or IV-E, nor can TANF funds be transferred to another federally funded program without specific authority (Hutson 1999).

- Welfare reform reduced the Social Services Block Grant (SSBG) by 15 percent (although states can transfer some TANF funds to the SSBG) and abolished the Emergency Assistance (EA) program under Title IV-A, rolling these funds into the TANF block grant. SSBG funds are used for a variety of social services, including child welfare. Many states also used Title IV-A, emergency assistance funds for child welfare services, particularly family preservation and other child abuse prevention programs, and for crisis mental health services. State child welfare agencies now will be competing with other state agencies for EA and SSBG funds (Tweedie et al 1998).

- The legislation also reduced the number of children who qualify for Supplemental Security Income (SSI) by eliminating eligibility based on use of the individualized functional assessment and requiring children to meet strict medical criteria (See Chapter I of this document for further detail). Since SSI eligibility ensures eligibility for adoption assistance, states may lose federal reimbursement for adoption assistance payments made on behalf of children found ineligible for SSI, unless the children also meet 1996 AFDC income eligibility standards. In addition, states factor in receipt of SSI when determining foster care and adoption assistance payments to families. Loss of federal SSI benefits will increase the state's portion of these payments (Geen and Boots 1997).

- A child's eligibility for Title IV-E foster care assistance is now based on AFDC eligibility criteria that were in effect on June 1, 1995. As the economy grows, fewer children may meet the 1995 income criteria, thus reducing the number of children who will qualify for Title IV-E and increasing the investment of state dollars in the child welfare system.

Excellent resources for further information on fiscal issues include:

- *Financing Child Welfare Services Under TANF*, prepared by Elaine Ryan, American Public Human Services Association, October 1999; and

- *Helping Families Achieve Self-Sufficiency: A Guide on Funding Services for Children and Families through the TANF Program,* Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance, 1999.

Further Implications and Observations

Of utmost importance to the success of families and children affected by welfare reform is communication among the various systems that impact their lives. This is especially true for families involved in the child welfare system. In the absence of adequate communication and collaboration among service systems, differing values, practices and requirements can make it difficult for families to meet their own needs and to satisfy the requirements of each separate system.

Time Frames and Ticking Clocks

Parents who receive TANF and whose children are in, or at risk for, custody of the child protection system also may receive services from the substance abuse, mental health, domestic violence, court, and early childhood systems, among others. Faced with multiple demands and timelines for compliance, they may be forced to choose between efforts to obtain and maintain work, visiting with their children in foster care, attending court hearings, stabilizing their home situations, participating in a child's school activities, or participating in treatment. Examples of these individual system demands are described below (Young and Gardner 1998).

- **TANF**—Work participation is required within 24 months or sooner. Failure to participate can result in sanctions and loss of fiscal and/or medical benefits. No benefits are available after receiving 60 months of assistance (less in some states). Interventions focus on preparation for the work force. However, obtaining and keeping employment may not be possible without additional services for problems such as mental illness or substance abuse, or services for children with special needs.

- **Child Welfare**—The clock established by the Adoption and Safe Families Act ticks toward six month reviews; permanent plans established within 12 months of placement; time limited reunification services that are available for 15 months; and petition for termination of parental rights after a child spends 15 of 22 months in foster care (unless compelling reasons exist not to petition for termination of parental rights). Interventions focus on the child. Child safety and permanency are the primary goals of intervention.

- **Drug and Alcohol**—Treatment is viewed as one day at a time. Recovery is a life long process with relapses and reoccurrence expected and planned for. Interventions focus on the parent who needs substance abuse services.

- **Mental Health**—Treatment organized in a community-based system of care provides continuous care and supports that focus on the entire

family with a goal of initial symptom relief and the hope of long term improvement. However, in many states and communities the implementation of managed care or other constraints have limited the availability of services and supports to only basic mental health services and brief interventions.

- **Domestic Violence**—TANF rules allow temporary exemptions from work requirements while parents receive services to eliminate the violence in their lives. Resolution of the violence and its effects on the family may take some women much longer than others. Devising individualized plans is difficult in the current welfare reform environment, which most often stresses immediate engagement in work (Raphael 1999a).
- **Early Childhood Development**—Children have their own developmental timetables which are not governed by service system demands. Bonding and attachment are critical during the early years of life. Decisions about change in a child's life must include an assessment from the child's point of view and stage of development.

Consequences for not meeting certain requirements within specific time frames are dire—from sanctions in the TANF system, which may result in loss of benefits and/or Medicaid, to termination of parental rights in the child welfare system. Recognizing the connections between these multiple "ticking clocks" that families must adhere to, many states and communities are working on strengthening communication among systems.

Holistic Family Approach

As demonstrated in the examples above, for families to survive and prosper in this era of multi-system reforms, it is critical to view families holistically, rather than through the lens of a single service system. To do so entails a family-centered approach, based on a comprehensive assessment of whole family strengths and needs.

Communication between systems is especially important at significant times in the life of a family receiving TANF assistance, e.g.,

- when parents are looking for appropriate child care,
- when parents and/or children enter or leave mental health treatment,
- if an episode of domestic violence occurs,
- when children are absent from the home,
- when families are sanctioned or leave the TANF rolls for other reasons, or
- if a child is nearing 15 months placement in foster care.

States and communities are employing numerous strategies to encourage a holistic view of families and cross-system communication by:

- sharing staff;
- co-locating individuals from one system with those from another system;
- creating "one stop" centers where families can have access to services from multiple systems;
- cross-system training events;
- developing individualized, flexible services through joint planning, staffing and the expanded use of TANF funds, or by co-mingling TANF funds with other state and local dollars; and
- creatively addressing the needs of families who care for their relative children.

PRACTICE EXAMPLES

Cross-System Approaches

- The Vision 2000 program in **Kentucky** allows communities to blend services to best meet the needs of families, children, and vulnerable adults. This goal is accomplished through cross-training and co-locating TANF, child support and child welfare workers, and by matching cases that these agencies have in common. The state also provides additional services including food stamps and Medicaid for children if their families have been sanctioned (Kaplan 1998).

  A "safety net" has been created for families who have not engaged in work participation within the 24-month time requirement. When payments to TANF recipients who have not responded to the work participation requirement are discontinued, the TANF case manager and a child protective services worker visit the family to determine whether they have adequate food and shelter. If the family is in trouble (e.g., the electricity is being turned off) payments will be made directly to the vendor. The former TANF recipient is encouraged to reapply for TANF and to develop a plan for complying with the work participation requirements. If the children are in danger, the family is referred for child protective services. In Kentucky payments are discontinued to approximately 60 to 70 families per month for failure to comply with work participation requirement.

- A number of TANF offices around the country have been set up as "one stop shopping" locations, in which providers from multiple service systems work together in one location so that TANF recipients have access to a variety of services simultaneously. Clients may be able access service systems such as childcare, child support enforcement, child welfare, and mental health. (The one-stop model in **Ventura County, California** is described in Chapter 1 of this document.)

- **Delaware** and **Nebraska** have created an interface between their automated information systems that contain data related to families on TANF and those involved in the child welfare system. In Delaware child welfare staff can determine if a child is part of a family on TANF, and TANF workers can determine if a child is active with the child welfare system. This collaboration helps ensure that duplicative or counterproductive services are not being provided. In Nebraska when a family is on TANF and involved with the child welfare system, each Economic Assistance Plan must be jointly developed by both systems. Contacts: Delaware, Chip Colvin, Department of Social Services, 302/577-4880, ext. 232, or ccolvin@state.de.us. Nebraska, Dan Cillessen, 402/471-9270 (Kaplan 1998).

Conclusion

Welfare reform offers the potential for earlier intervention with families and children, for collaboration among systems in meeting service needs, and for child welfare agencies to take a leadership role in working with others to maximize the opportunities. As El Paso County, Colorado wrote in a description of its approach, "we have concluded that TANF must be the primary prevention program for child welfare and that child welfare must become an antipoverty program. To accomplish these two goals, we need strategies that unite and restructure both programs into a common system" (Berns and Drake 1999). The county further describes the need to work with multiple community support services, outside of the child welfare and TANF agencies, in order to obtain better outcomes.

As welfare caseloads across the country shrink, many of those left on welfare face the greatest obstacles in finding work, including parent and/or child mental health problems, learning disabilities, and substance abuse issues. It becomes even more important to look at the needs of all family members and connect them to appropriate services, rather than focusing on only the needs of the head of household. TANF, child welfare, mental health, substance abuse services and other partner agencies are looking at new ways to help families make progress toward self-sufficiency.

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Appendix A

Studies Tracking the Impact of Changes to the Children's SSI Program

Compiled by Rhoda Schulzinger, J.D.
For the Georgetown University Child Development Center
National Technical Assistance Center for Children's Mental Health

University of South Florida, Florida Mental Health Institute

The objective of this study is to assess and describe the impact of new regulations on families and children whose serious emotional disability had previously qualified them for SSI and who have lost or may lose these benefits. The study will describe the experiences of 36 families whose children were re-evaluated to determine if they continue to qualify for SSI cash benefits under the new childhood disability regulations. Although some children in the study will still qualify, others will lose their eligibility. The study will analyze the impact of the new regulations for these families by documenting:

- socio-demographic and socio-economic profiles;
- initial experiences obtaining eligibility;
- changes faced when children lose SSI benefits;
- decisions made when children lose SSI benefits; and
- formal and informal supports available to help adjust to loss of SSI benefits.

Contact: Kathy Lazear, Department of Child and Family Studies, Louis de la Parte Florida Mental Health Institute, University of South Florida, 13301 Bruce B. Downs Blvd., Tampa, FL 33612, 813-974-6135, lazear@hal.fmhi.usf.edu.

U.S. General Accounting Office

This study, requested by Congress in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 will analyze extra expenses incurred by families of children receiving SSI benefits that are not covered by other federal, state or local programs. The study seeks to answer two key questions:

1. What disability-related expenses do families have for their SSI children?
2. How do federal, state and local programs affect out-of-pocket expenses that families have for their SSI children?

Contact: Barbara Bordelon, Evaluator-in-Charge, U.S. General Accounting Office, HEHS/IS, 441 G Street, NW, Washington, DC 20548, 202-512-4427, bordelonb.hehs@gao.gov.

Social Security Administration (SSA)

Several parts of the agency are studying the impact of changes in the children's SSI program:

1. The **Office of Disability** is examining whether multi disciplinary assessments or particular tests change outcomes or improve adjudication of children's applications for SSI benefits. The study targets children ages 6-15 who have cognitive impairments and would be denied under SSA's current disability evaluation procedures. Up to 200 cases will be selected among children who have a diagnosis of mental retardation or borderline intellectual functioning OR have speech or language deficits. The children selected will receive a multi-disciplinary assessment at their state UAP. Six UAPs are participating: California, Iowa, Maryland, Rhode Island, Tennessee and Wisconsin.

2. **Assessment of Data Sources to Evaluate Impact of Children's SSI Program Changes**
   Ten publicly-funded databases were assessed to determine their ability to analyze the effects of the new childhood disability definition. A Special Report, submitted to SSA in February 1998, concluded that no existing databases were large enough to identify sub-populations of children with disabilities or able to link to SSA administrative data to track trends in childhood disability and the SSI population.

   Several observations in the report have particular significance for children with serious mental health problems.

   - The report acknowledged that to analyze the potential implication of future SSA policy changes, it may be desirable to include children who are potentially eligible, but not currently receiving benefits for any number of reasons—the stigma; poor information about program eligibility rules; financial ineligibility; new definition

of childhood disability. Having a larger sample would be useful for the population of children with mental health problems who were previously eligible, but who no longer qualify under the new childhood disability definition.

- Only limited information is now available about what mental health services children use.
- Only one survey includes information on the time spent by the care giver with the child. Since childhood disability imposes unusual time demands on parents, it would be very useful to have this information when evaluating proposed SSI changes as well as analyzing the impact of childhood disability on child and family well-being. The report suggests that knowing how much time a care giver must devote to a child's needs may be important to know when designing eligibility criteria because particular disabilities may impose greater demands upon the parent.
- The surveys vary in how they report mental health information which reflects basic disagreements about how to measure mental impairments. Since the surveys only report if a health or education professional has told the family that the child has a behavioral or emotional problem, no information is available about the duration or severity of the child's impairment.

Based on the report's conclusion that there is no nationally representative database with a focus on childhood disability, SSA decided to undertake a national survey of SSI children.

3. **National Survey of SSI Children**
   - **Contractor**—Mathematica Policy Research, Inc.
   - **Objective**—develop a national representative survey of SSI children to provide information for SSA to use when evaluating the impact of current and future policy changes.
   - **Scope**—develop the sampling methodology and survey delivery technique, design the survey instrument and pre-test the sample design and survey.
   - **Methodology**—Among the questions the survey will be designed to answer are:
     - What is the cost of caring for a child with a disability?
     - How do families use SSI benefits?
     - What alternative sources of care are available to children who lose SSI benefits?
     - How are quality of life, utilization of medical services and school performance affected by having or losing SSI benefits?

– What is the impact on parental labor force participation among families whose children receive SSI benefits?

Possible groups of children to be included in the sample design include: SSI children whose eligibility was re-determined under new disability regulations; SSI children whose eligibility was not re-determined; and children with disabilities who do not receive SSI benefits. All efforts will be made to include appropriate representation of children affected by the changes, especially those with mental disabilities.

Mathematica will develop the sampling methodology and survey delivery technique, design the survey instrument and pre-test the sample design and survey for SSA by fall 1999. OMB clearance is required for the survey to be conducted. A second, competitively-awarded contract will conduct the survey and prepare the data files. Data collection is expected to begin in 2000.

Contact: Paul Davies, Division of Policy Evaluation, Office of Research, Evaluation and Statistics, 202-358-6225, paul.davies@ssa.gov.

4. The **Office of Research Evaluation and Statistics is conducting a Policy Evaluation of Effect of Welfare Changes on SSI Benefits for Children with Disabilities**

- **Contractor**—Rand Corporation
- **Objective**—examine the effects of new children's SSI regulations on children with disabilities, future SSI caseloads and program costs.
- **Scope**—track status of re-determinations; evaluate effects of legislation on children's SSI caseloads and program costs; provide quantitative analyses of how legislation affects economic well-being and health care utilization of children losing SSI benefits; provide qualitative analyses of how losing SSI benefits affects children with disabilities and their families.
- **Methodology**—qualitative and quantitative

  Study Questions

  – What are the characteristics of the children affected by the welfare legislation? What happens to their family income, living arrangements and other relevant outcomes?

  – What is the impact of the legislation on children with disabilities who were receiving SSI benefits prior to the welfare changes? How many children lose their benefits and what is the impact on program caseloads and costs?

  – How many children would have qualified for SSI but did not because of changes in the eligibility rules? What is the resulting impact on caseloads and program costs?

Quantitative Analyses

– Evaluate SSA administrative data in February, May, August and November 1998 and June 1999 to provide information about the number of pending disability reviews, continuances, cessations and cases pending appeal. Data will be tabulated to indicate different characteristics of the children in each caseload groups—e.g., sex, age, race, living arrangements, disability diagnosis and geographic location. To determine the legislation's impact, the contractor will construct econometric models to estimate what caseloads and costs would have been without the mandated changes.

– Use Survey of Income and Program Participation (SIPP) to study effects of changes on the economic well-being of families whose children lose benefits by examining outcomes such as family income, participation in other income support programs, parental labor force status and the child's living arrangement.

– Use Medicaid Statistical Information System (MSIS) to analyze effects of losing SSI cash assistance on health care utilization and expenditures; determine the extent to which children who were entitled to "grandfathering" in Medicaid were re-enrolled or lost coverage; and track the Medicaid enrollment status of age 18 cases who lose their SSI benefits.

Qualitative Analyses

– Case studies in four states (California, Connecticut, Louisiana and Michigan) in two rounds, one year apart. Visits will include interviews with regional and local SSA offices, local agencies and providers, and a random sample of families of children who previously received SSI benefits. Issues to explore include: legislation's impact on SSA staff operations and role of local agencies providing services to families whose children lose eligibility.

  - Families will be asked to describe how their lives have changed as a result of losing SSI.
  - Did the child's health status or ability to function change?
  - Did the child's use of public health and mental health services change?
  - Did the child's access to medical and health-related services change?
  - Does the child use special school services? Do they affect school performance?
  - Did the child's access to publicly-funded care coordination through Title V, Medicaid case management or early intervention change?
  - Did the family structure or living arrangements change?

- Did changes in parent employment or working hours affect the child's time with the parent, use of child care and access to services?
- How were SSI benefits used when the child was eligible?
- What out-of-pocket expenses does the family have for the child with disabilities?
- How has income changed since the termination of SSI benefits?
- What proportion of family income did the monthly SSI payment represent?
- Is the child/family receiving other assistance that substitutes for the lost SSI income?
- Have parental working hours changed since the SSI income was lost? Are they expected to change?

– States were selected to represent variations among regions of the country; caseload sizes; SSI participation rates; share of caseloads with children most affected by the changes (i.e. those who previously qualified through the individualized functional assessment or with a diagnosis of "maladaptive behavior"); initial continuation rates; accuracy of cessations and continuations; state policy and economic environment; parameters of state Medicaid program; and the generosity of publicly-funded social support programs. Five study sites were selected: California (Los Angeles and Fresno); Connecticut (Hartford); Louisiana (Orleans Parish); and Michigan (Wayne County which includes Detroit).

Appendix B

Glossary of Terms

Aid to Families with Dependent Children (AFDC)—provided case payments to needy children (and their caretakers) who lack support because at least one parent is dead, disabled, or continually absent from the home, or unemployed. The cash payment depended upon the family's cash income and size, as well as the state in which the family lives. In 1996, AFDC was replaced with Temporary Assistance to Needy Families (TANF). Some programs previously linked to AFDC (Medicaid, for example) continue to use AFDC eligibility standards to determine qualification for these benefits.

Categorical Exemption—exemptions from requirements awarded to Aid to Families with Dependent Children (AFDC) beneficiaries. Such exemptions were eliminated with the passage of PRWORA.

Child Care and Development Block Grant (CCDBG)—P.L. 104-193 eliminated the federal child care entitlements and block granted federal child care subsidies for low- income children. The Child Care and Development Block Grant provides federal child care funds for states for assistance to low- income families, as well as for activities to improve the overall quality and supply of child care for all families.

Child-only cases—Cases in which relative caretakers receive assistance from TANF for the children of relatives that they care for. The relative caretaker receives no cash benefits for herself.

Eligible families—must meet two criteria: (1) include a child living with his or her custodial parent or other adult caretaker relative (or a pregnant woman); and (2) be financially eligible according to the appropriate income/resource standards established by the State in its TANF plan. "Eligible families" includes those eligible for TANF assistance, as well as those who could be eligible, but for the time limit on the receipt of federally funded assistance or PRWORA's restrictions on benefits to immigrants.

Emergency Assistance (EA)—States no longer receive funding specifically for an emergency assistance (EA) program, though they generally can use their TANF block grant dollars or state maintenance-of-effort dollars to provide the kinds of benefits that were formerly provided through EA.

Family Violence Option—The Family Violence Option permits a state to waive TANF program requirements for a victim of domestic violence if complying with the requirements would make it more difficult for the victim to escape domestic violence or would unfairly penalize the individual. Under the FVO, the State must also develop a system to screen for victims of domestic violence and refer them to appropriate counseling and supportive services.

Hardship Exemption—an exemption permitted by the PRWORA that is determined by the state. A state can exempt up to 20 % of its caseload from the federal lifetime limits on receipt of TANF funds. This exemption is based on particular "hardship" circumstances as defined by the state. Stopping the time limit clock for a family recognizes that, because of the family's current circumstances, receipt of aid during that month should not count against the family's time limit.

IDEA Part C—Pact C established the program for infants and toddlers with disabilities as a federal grant program that assists states in operating a comprehensive statewide program of early intervention (EI) services for children ages birth through age 2 years, and their families.

Individuals with Disabilities Education Act (IDEA)—This Act is designed to provide free appropriate public education to children with disabilities. The Act sets out a detailed procedure by which children are evaluated and appropriate programs of special education are developed. Eligible children under IDEA will have one of 13 disabilities identified by IDEA. Children between the ages of 3 and 21 (or graduation from high school education, whichever occurs first) are eligible for free appropriate public education.

Individualized Education Program (IEP)—For a program to be "appropriate" under IDEA it must be based on and responsive to the child's individualized educational needs as identified in the evaluation process. IDEA requires a written Individual Education Program (IEP) to be developed for each eligible child. The IEP identifies goals, objectives and special instruction and other related services necessary for the child to benefit from the program.

Individualized Functional Assessment (IFA)—Prior to passage of welfare reform legislation, the IFA was utilized to assess whether a child's

mental, physical and social functioning was substantially lower than that of other children the same age. The IFA supplemented SSA's listing of medical impairments by providing a measure of how a child's impairments affected his or her ability to function. Since the passage of the PRWORA, children are no longer able to qualify for SSI through the IFA.

Kinship care—In its broadest sense, kinship care is any living arrangement in which a relative or someone else emotionally close to a child takes primary responsibility for rearing that child (Leos-Urbel, et al.)

Maintenance of effort (MOE)—PRWORA requires that for each fiscal year, a State must spend State funds in an amount equal to at least 80% of the amount it spent in FY 1994. But, if the State meets the minimum work participation rate requirements for all families and two-parent families, then it need expend only 75% of the amount it spent in FY 1994. Under the TANF MOE provisions, a State may expend these State MOE funds on a wide variety of services, benefits, and supports that help families become self-sufficient. A State must use all of its MOE funds to help "eligible families."

Medicaid—a federal and state entitlement program to provide medical care coverage to low-income disabled, blind, and elderly persons, and families with children. States have the flexibility to design their own Medicaid packages, but they must adhere to federal minimum requirements to be awarded matching federal funds. The PRWORA changed the automatic eligibility link between Medicaid and cash assistance.

Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA)—P.L. 104-193. The PRWORA, which became law on August 22, 1996, ended the federal entitlement to public assistance and granted a great proportion of autonomy to states in implementing and operating their welfare assistance programs. The Act creates a single capped entitlement to states, called Temporary Assistance for Needy Families (TANF), that block grants the former programs Aid to Families with Dependent Children (AFDC), Emergency Assistance (EA), and Job Opportunities and Basic Skills (JOBS). The act also set forth a number of important provisions related to issues such as child care, child support enforcement, teen parents, food stamps, and Supplemental Security Income (SSI).

Ryan White CARE Act—In 1990 Congress passed P.L. 101-381, the Ryan White CARE (Comprehensive AIDS Resources Emergency) Act, to improve the quality and availability of care for individuals and families with HIV disease who would otherwise have limited access to such care.

Sanctions—States are required to sanction individuals for noncompliance with TANF program requirements or for failure to cooperate with child support enforcement efforts. The state has the option to either reduce or terminate cash benefits for the family, and also terminate Medicaid for the adult who fails to meet the work requirement.

Second Chance Homes—Alternative, adult-supervised living arrangements for teen parents who are unable to live with a parent or guardian.

Section 1931 of the Social Security Act—Creates a new Medicaid eligibility category which allows families to qualify for Medicaid if, at a minimum, they meet AFDC standards that were in effect on July 16, 1996. Section 1931 also allows states to expand Medicaid coverage beyond these minimum federal requirements to cover more low-income, or two-parent working families. The statute requires that eligibility for Medicaid be determined separately from eligibility for TANF.

Social Services Block Grant (Title XX)—provides flexible funding to states for a variety of social services, as long as the funds are used within the parameters of five broad federal goals, which are aimed at promoting self-sufficiency.

State Children's Health Insurance Program (SCHIP)—the Balanced Budget Act of 1997 created Title XXI of the Social Security Act, the State Children's Health Insurance Program, and provided capped matching funds to states that want to expand health insurance to low-income children who do not qualify for Medicaid. The states have the option to expand Medicaid, create a new health insurance program, or develop a combination of the two.

Supplemental Security Income (SSI)—a federal program that provides monthly payments to people who are age 65 or older or are blind or have a disability and who have little or no resources or income. The program is administered by the Social Security Administration and financed from general funds of the U.S. Treasury.

Temporary Assistance to Needy Families (TANF)—established in 1996 as part of the Personal Responsibility and Work Opportunity Reconciliation Act (P.L. 104-193). TANF replaced the former Aid to Families with Dependent Children (AFDC), Emergency Assistance (EA) and the Job Opportunities and Basic Skills (JOBS) programs as a block grant to the states with new requirements and tighter restrictions for families seeking financial assistance. As a block grant, TANF also provides states with more flexibility in the use of these funds.

Time Limits—TANF provisions indicate that a beneficiary may receive federal TANF assistance for up to 60 months. States have the option to set shorter time limits on the receipt of TANF benefits.

Title IV-A of Social Security Act—"Block Grants to States for Temporary Assistance to Needy Families." Funding for TANF and related programs comes from Title IV-A.

Title IV-B of the Social Security Act—"Child and Family Services." This part authorizes funds to state public welfare agencies in establishing, extending, and strengthening child welfare services. Funds may be used for services to families and children without regard to their eligibility for AFDC. Subpart 2 of Title IV-B, "Promoting Safe and Stable Families", was established in 1997 for the purpose of encouraging and enabling each state to develop and establish, or expand, and to operate a program of family preservation services, community-based family support services, time-limited family reunification services, and adoption promotion and support services. Prior to 1997, the Promoting Safe and Stable Families Act was known as the Family Preservation and Support Services Program.

Title IV-D of the Social Security Act—"Child Support and Establishment of Paternity." This part is for the purpose of enforcing the support obligations owed by non-custodial parents to their children and the spouse (or former spouse) with whom such children are living, locating non-custodial parents, establishing paternity, obtaining child and spousal support, and assuring that assistance in obtaining support will be available under this part to all children for whom such assistance is requested.

Title IV-E demonstration waiver (Child Welfare Demonstration Projects)—provides states with an opportunity to design and test a wide range of approaches to improve and reform child welfare by waiving certain requirements of Title IV-E. The general objectives of the waivers include the development of family focused, strengths-based, community-based service delivery networks that enhance the child-rearing abilities of families, to enable then to remain safely together when possible, or to move children quickly to permanency; and development of better results for children and families.

Title IV-E of Social Security Act—"Federal Payments for Foster Care and Adoption Assistance." This part provides funds to states to provide foster care, transitional independent living, and adoption assistance programs for children who otherwise would have been eligible for AFDC if still in their own homes.

Title V/Maternal and Child Health Services Block Grant—a federal-state partnership that supports and develops community-based solutions devoted to improving the health of all mothers and children. The goals of the block grant include preventing death, disease and disability; assuring access to quality health care; and providing family-centered, community-based services for children with special health care needs.

Title XXI—see State Children's Health Insurance Program (SCHIP)

Transitional Medicaid Assistance (TMA)—As under pre-PRWORA, if a family loses Medicaid eligibility because of employment or receipt of support payments and received Medicaid in three of the preceding six months, the family is eligible for a period of extended Medicaid benefits.

Welfare-to-work—PRWORA and TANF reforms made moving people from welfare to work a primary goal of federal welfare policy. The Balanced Budget Act of 1997 furthered this goal, authorizing the U.S. Department of Labor (DOL) to award $3 billion in welfare-to-work grants to states and local communities to promote job opportunities and employment preparation for the hardest-to-employ recipients of TANF and for non-custodial parents of children on TANF.

Work Participation—States must require TANF recipients to participate in work activities (as defined by the state) when they are determined ready or within 24 months. States have the option to set a shorter time frame.