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# TANF: Troubling Trends in Kansas

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With 1 in 5 Kansas children living in poverty, more families are turning to social safety-net programs to help them meet their basic needs. Important programs, such as the Supplemental Nutrition Assistance Program (SNAP), free and reduced price lunches and Medicaid, are experiencing record enrollments.

However, a fundamental anti-poverty program, *Temporary Assistance to Needy Families* (TANF), is experiencing the opposite trend—decreasing caseloads that do not reflect the increase in poverty across Kansas.

### **Childhood Poverty in Kansas**

- 21.16 percent of Kansas kids live in poverty.
- Childhood poverty has increased 22 percent in the past five years.
- 49,000 Kansas children live in deep poverty (families earning less than 50 percent of the poverty level)—an increase of 11,000 children since 2008.
- 98 Kansas counties have an increasing trend of children receiving food assistance.

### ***History and Origin***

Temporary Assistance for Needy Families is the program created by welfare reform in 1996. TANF replaced a program called Assistance for Dependent Children (AFDC), which was created in 1935 and commonly referred to as “welfare.” With the elimination of AFDC and the creation of TANF, assistance to low-income families shifted significantly by providing states with greater flexibility in program design and placing time limits for receiving assistance.

### **TANF in Kansas**

- Between fiscal years 2012 and 2013, the number of children receiving TANF assistance decreased by 28 percent.
- On average, over the past five years the number of Kansas children receiving TANF assistance has decreased by 1,570 each year.
- 102 Kansas counties have a stagnant or decreasing trend of children receiving TANF assistance.

### ***Financing***

The federal government provides funding to states for TANF through block grants. Each state receives a block grant and then enters into an agreement with the federal government about how to administer its TANF program. Kansas’ TANF block grant is \$101.9 million each year, and the program is housed in the Department of Children and Families. To receive the federal dollars, the state provides matching “maintenance of effort” funds in the amount of \$62 million. The governor’s proposed 2015 budget estimated that Kansas would retain more than \$40 million of TANF dollars in reserves.

## Goals of TANF

As outlined by the Administration for Children and Families within the Department of Health and Human Services, there are four goals states must strive for when deciding how to use their TANF dollars:

1. Provide assistance to needy families so that children can be cared for in their own homes
2. Reduce the dependency of needy parents by promoting job preparation, work and marriage
3. Prevent and reduce the incidence of out-of-wedlock pregnancies
4. Encourage the formation and maintenance of two-parent families

## What TANF Provides to Families

Cash assistance is the program most identified with TANF and is most similar to what AFDC provided to families before welfare reform in 1996. Assistance amounts vary based on the county in which recipients live. For example, a family of three living in a high-cost, high-population county is eligible to receive \$429 per month, whereas a family of three in a rural county is eligible to receive \$386 per month.

In addition to cash assistance, Kansas uses TANF dollars (both federal dollars and state matching dollars) to fund other programs and services aimed at achieving the program goals outlined above. Kansas TANF dollars are used to support these programs:

- Family Preservation
- Four Year-Old At Risk Program
- Kansas Early Head Start
- State Earned Income Tax Credit
- Child Care Assistance
- Communities In Schools Program
- Jobs for America's Graduates – Kansas Program
- Kansas Reading Roadmap
- Assistance for Domestic Violence Survivors
- Teen Pregnancy Prevention and Education
- Fatherhood and Healthy Families
- Emergency Assistance

## MONTHLY CASH ASSISTANCE PAYMENTS

Family Size	Rural County	High Cost Rural County	High Population Counties	High Cost High Population Counties
1	\$224	\$229	\$241	\$267
2	\$309	\$314	\$326	\$352
3	\$386	\$391	\$403	\$429
4	\$454	\$459	\$471	\$497
5+	Add \$61 for each additional person			

## TANF Eligibility

Families must live in extreme poverty to receive cash assistance through TANF. The maximum income a family can earn and still qualify for cash assistance is 32 percent of the poverty level—that's just \$6,332.80 a year or \$527.73 a month.

Recipients of cash assistance have a lifetime eligibility limit of 48 months – regardless of whether they have another child, face an economic downturn or lose

their jobs. The federal government sets the maximum lifetime limit at 60 months, but some states, including Kansas, implement shorter lifetime limits.

Families earning more than 32 percent of the poverty level are not eligible for cash assistance, but may be eligible for other programs paid for with TANF dollars. For example, TANF-supported Early Head Start serves families earning up to 130 percent of poverty.

## TANF Trends in Kansas

There has been a sharp decline in the number of children in families receiving cash assistance through the TANF program in Kansas. In fiscal year 2007 – prior to the great recession – 26,633 Kansas children were in families that received TANF assistance, but in fiscal year 2013 that number dropped to 15,419.

Although the rate of childhood poverty has continued to climb and other assistance programs, such as food assistance, Medicaid (KanCare) and free and reduced price lunch, have seen record enrollments, an opposite enrollment trend has happened with TANF.

A key difference between TANF and other assistance programs is that TANF is a block grant, meaning that Kansas receives one lump sum from the federal government and has significant control of how the

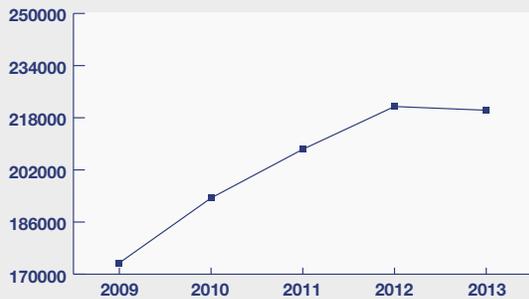
funds are used. This is different from programs like Medicaid and food assistance, where program eligibility and rules are largely determined by the federal government and the state, with significant financial support from the federal government, must provide care to all Kansans who meet eligibility criteria and seek assistance.

To explore the discrepancy between declining TANF enrollment and the rise in the poverty rate, it's important to understand the policy changes made to TANF eligibility since fiscal year 2005 as outlined in the TANF Caseload Reduction Report from the Kansas Department of Children and Families. Of the 23 policy changes, six resulted in increased caseloads, 10 resulted in decreased caseloads and seven had no impact on caseload numbers.

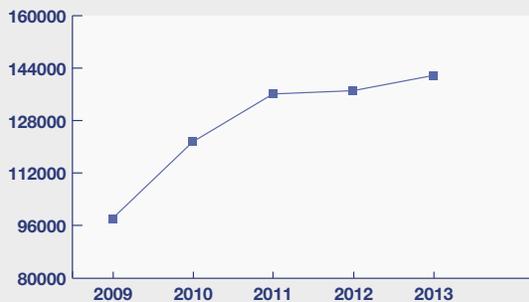
### Children enrolled in Medicaid, SNAP and TANF

(average monthly enrollment)

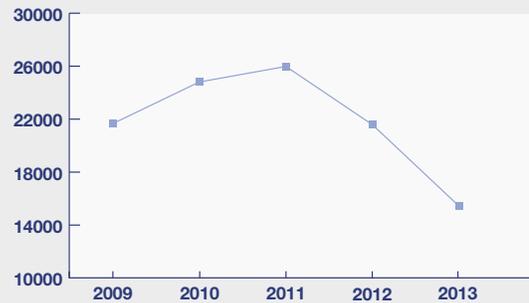
#### Medicaid



#### SNAP



#### TANF



## TANF Policy Changes That Led to Decreased Caseloads

### Work Readiness Screening

*Implemented: October 2006*

**Change:** Required applicants to undergo a work readiness screening as part of the eligibility criteria for receiving TANF cash assistance.

**Impact:** Average monthly caseload decrease of 403 cases.

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### Child Under One Work

#### Exemption Revision 1

*Implemented: July 2007*

**Change:** Shortened the work exemption time period from 12 months to six months, meaning that TANF recipients with children under 6 months old were exempt from the work requirement, but those recipients with children older than 6 months were not exempt.

**Impact:** Average monthly caseload decrease of 118.6 cases.

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### Hardship Criteria Revision

*Implemented: October 2008*

**Change:** Eliminated hardship eligibility for select TANF recipients after they met their lifetime limits for assistance. Hardship eligibility is used at the state's discretion to provide recipients with assistance after their lifetime limits have been met.

**Impact:** Average monthly caseload decrease of 373.9 cases.

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### Application Policies

*Implemented: November 2011*

*Modified: July 2013*

**Change:** Required TANF recipients to complete 20 job contacts before their eligibility determination and 20 job contacts per week before meeting with a case manager to develop a self-sufficiency plan. In July 2013, the policy was modified to eliminate the job contacts requirement and to require applicants to register with the state's public workforce system and complete a work skills assessment.

**Impact:** The November 2011 policy change resulted in a 10 percent increase in applicant denials while the July 2013 policy change decreased denials by 5 percent. Combined, the two policies resulted in an average monthly reduction of 2,551.7 cases.

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### Tiered Sanctions for Child Support and Work Requirements

*Implemented: November 2011*

**Change:** Imposed progressively longer mandatory disqualification periods for recurring instances of non-cooperation. Following the first instance of non-cooperation TANF recipients are disqualified from receiving assistance for three months. A second non-cooperation results in a six-month disqualification, a third instance of non-cooperation results in 12 months of disqualification and the fourth instance of non-cooperation results in a disqualification for 10 years. Before this policy change, TANF recipients who failed to comply with work or child support requirements had their cash assistance cut off and were required to meet compliance before their cash assistance was reinstated.

**Impact:** The rate of sanctions did not change significantly but the newly imposed disqualification periods following a sanction of non-cooperation resulted in an average monthly caseload decrease of 229.5 cases.

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## 48-Month Time Limit

*Implemented: November 2012*

**Change:** Reduced the total time a person may receive cash assistance from 60 months to 48 months. The federal government sets 60 months as the lifetime limit for assistance and states have the option to set a shorter lifetime limit.

**Impact:** Average monthly caseload decrease of 950 cases.

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## Separating TANF Application from Medicaid Application

*Implemented: November 2011*

**Change:** Applications for TANF and Medicaid were separated into two forms. In Kansas, all families receiving TANF are eligible for Medicaid and in the past could apply for both programs with one form.

**Impact:** Average monthly caseload decrease of 1,481.6 cases.

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## Offering a Diversion Program

*Implemented: December 2011*

**Change:** Some TANF recipients were offered a one-time payment of \$1,000 in exchange for losing eligibility for cash assistance for 12 months and an overall lifetime limit of 42 months for cash assistance.

**Impact:** Average monthly caseload decrease of 1.7 cases.

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## Child Under One Work Exemption Revision 2

*Implemented: May 2013*

**Change:** Required new mothers to return to work two months after having a child. Before this policy change new mothers with children under 6 months old were exempt from the work requirements.

**Impact:** Average monthly decrease of 39.5 cases.

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## Work Appointment Policy

*Implemented: July 2013*

**Change:** Allowed appointment notices sent to recipients to be considered fair notice of the appointment and the consequence of missing an appointment. Before this policy change, TANF recipients could be sanctioned for missing an appointment with their caseworkers to discuss work opportunities only if a case manager could document that the recipient knew about the appointment and understood the consequences of missing the appointment. Because families facing deep poverty are often more transient than higher-income families, the elimination of the need to prove they are aware of appointments that have been scheduled led to a significant increase in the proportion of cases receiving a work sanction.

**Impact:** Average monthly decrease of 28.3 cases.

## Conclusion

At a time when more Kansas families are struggling to make ends meet and provide for their children, the state is responding with more restrictive eligibility rules to access cash assistance through TANF. These policy changes are not legislative changes but rather administrative changes made through the Department for Children and Families.

Block grants provide state administrations with significant flexibility to design and implement programs. Unfortunately, in recent years the flexibility awarded to the state through the TANF block grant has resulted in policies that led to an overall decrease in the number of families and children receiving assistance. The governor's proposed 2015 budget summarized this point by stating that estimated TANF caseloads for FY 2015 "reflect reductions to adjust for policy changes implemented in the fall of 2011, including benefit penalties for individuals who choose not to cooperate in work programs and child support enforcement, a co-habitation inclusion in eligibility determination and a reduction in lifetime benefits from 60 months to 48 months."

Just as the state has made policy decisions that led to decreased TANF enrollment, the state has the option, through the flexibility of the block grant, to reverse these policies or make additional changes to better meet the needs of Kansas families.

## Policy Recommendations:

- Reinststitute a 60-month lifetime limit for cash assistance. This is the maximum time limit allowed by federal policy and the time limit used by Kansas until the November 2012 policy change. The reduction of the lifetime limit to 48 months resulted in one of the largest decreases in the average monthly caseload and reinstituting a 60-month time limit will provide families most in need with necessary additional assistance.
- Combine TANF and medical assistance applications. All TANF cash assistance recipients are eligible for Medicaid, making it unnecessarily burdensome to complete separate applications. The separation of the Medicaid and TANF applications resulted in an average monthly decrease of nearly 1,500 cases, indicating that recombining the applications will ensure that more Kansas families in need receive both Medicaid and cash assistance.
- Adjust eligibility to reflect changes in the poverty level. The income eligibility for TANF cash assistance has remained stagnant since its inception. In 1997, following the enactment of welfare reform the income eligibility limit equated to 47.5 percent of the federal poverty level. Today, that same income amount equates to 32 percent of the poverty level. Kansas should maintain the same guidelines for eligibility from year-to-year rather than a set income amount, thereby allowing Kansas families who make modest income gains but still remain in deep poverty to continue receiving critical cash assistance as they work toward self-sufficiency.



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