

Montana Temporary Assistance
for Needy Families Program
Strategic Plan

2014

DRAFT



Healthy People. Healthy Communities.

Department of Public Health & Human Services

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Background

The Montana Temporary Assistance for Needy Families (TANF) program supports many efforts that target low income families including emergency assistance, cash assistance, work support, and assistance with child care; as well as a variety of community services. The TANF program is funded through a federal block grant with required state Maintenance of Effort funding.

Montana's current TANF model was designed in response to the federal grant expectations reflected in the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996. And, with the implementation of the Deficit Reduction Act (DRA) of 2005, the primary focus shifted to rapid employment and movement away from reliance on public welfare, with increased emphasis on Federal work participation rates. The work participation rate is the ratio of the number of adult TANF recipients who are working or in specified work-related activities to the number of families with adults receiving cash assistance through TANF-related programs. To address these federal expectations, Montana's service delivery model was designed to support job readiness, training, and job attainment. To do this, Montana has contracted with agencies across the state, known as WoRC operators, supporting the Work Readiness Component for clients receiving cash assistance. Clients apply at local Offices of Public Assistance (OPA) for cash assistance and are referred to a WoRC operator for assessment and negotiation of an Employability Plan which sets forth a planned series of actions leading the participant toward employment. TANF cash assistance can also be provided to specified caretaker relatives, who are related within the 5th degree of kinship to the minor child(ren) for whom they are caring. These cases are often referred to as "child only" cases.

In SFY 2014 the average TANF case load was 3067 per month. Of the 3067, 1352 were child only cases accounting for 44% of the overall caseload, slightly higher than the previous 6 year average of 39%, and below the 2010 national average of 46%. Additionally, in SFY 14 Montana provided cash assistance to an average of 7386 recipients (adults and children) per month. Of the 7386, 4616 were American Indians with 2856 residing on a reservation. The majority of TANF cash households have zero income at application. A household of 3 with zero income would receive the maximum cash benefit of \$510 per month while engaging in activities that assist them in overcoming barriers to employment and/or gain the education and skills to become employed. Since the TANF block grant was authorized in 1996, funding for the program has remained level and, taking into account inflation rates, the value of the cash assistance to participants has decreased by more than 20% in most states, including Montana.¹

The Montana TANF cash program administers approximately 3,000 grants per month, 44% of which are "child only". 62% of recipients are American Indian.

Background

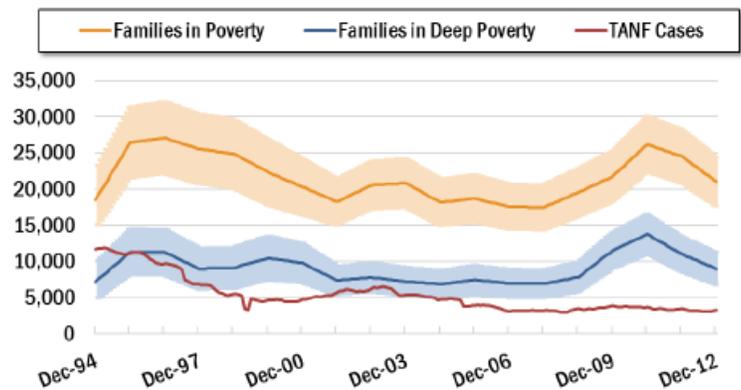
With income eligibility levels for cash assistance far below other safety net services, the TANF program has proven unresponsive to the economic realities of Montana families, with a sharp decrease in the number of families receiving cash benefits since 1994/1995 despite rising numbers of families in poverty due to the recent economic downturn. The Montana TANF program also serves fewer families in poverty than TANF programs in other states, with only 13% of families in poverty in Montana receiving TANF cash benefits versus 26% in the US. (See figures below)²

TANF and Poverty Trends in Montana

Families with children:	1994/95	2012/13	
... on AFDC/TANF	11,600	3,100	
... in Poverty	18,500	24,500	
State TANF to Poverty Ratio	63	13	
National TANF to Poverty Ratio	68	26	
	TANF Benefit level:	Share of FPL	Value change since '96
State benefit	\$510	31%	-22%

Beginning in 2006, this analysis uses TANF caseload data collected directly from state agencies rather than the official data reported by HHS in order to more consistently reflect the number of families receiving cash welfare in each state over time. Unlike the HHS data, these data include solely state-funded programs, and exclude worker supplement programs.

Number of Families with Children in Poverty, Deep Poverty and TANF Cases in Montana



Deep Poverty refers to families below half the poverty line. Shading in graph shows the 90% confidence interval (lower and upper bound) of poverty estimates. Two years of Current Population Survey (CPS) data were merged to improve reliability. The TANF-to-poverty ratios are calculated by dividing the number of TANF cases by the number of families with children in poverty. On the graph above, Dec-12 represents merged CPS poverty data for calendar years 2012 and 2013.

In addition, to Montana's cash assistance program, Montana utilizes the TANF block grant to fund other programs and services meeting at least one of the four purposes of TANF:

- Provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;
- End the dependence of needy parents on government benefits by promoting job preparation, work and marriage;
- Prevent and reduce the incidence of out of wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies;
- Encourage the formation and maintenance of two-parent families.

Programs and services traditionally funded in this category include support for afterschool programs, youth mentoring, services for teen parents, subsidized employment, financial literacy education and support, adult basic education access, specialized training, matched savings accounts and Individual Development Accounts (IDAs), court appointed special advocates, etc. And, often, these programs and services are available to individuals outside of the cash assistance program.

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1. "TANF Cash Benefits Continue to Loose Value in 2014". Ife Floyd and Liz Schott. Center for Budget and Policy Priorities. 2014.
2. "Montana TANF Caseload and TANF-to-Poverty Ratio Fact Sheet". Center for Budget and Policy Priorities. 2014.

Background



In the spring of 2014, the Department of Public Health and Human Services (DPHHS) convened a committee of stakeholders to review the current structure of the TANF program and develop a strategic framework and recommendations to advise DPHHS in administering the TANF program in the future. The Department sought input on how to best use the TANF funds to provide effective services to families experiencing poverty across the state. The steering committee met seven times from April to November 2014. All strategic planning meetings were open to the public and allowed time for public comment. The strategic planning period also included an extensive data gathering process including surveys and focus groups of current and former TANF participants and opportunities for past, current and potential contractors to provide feedback to the committee. The steering committee operated under the following charge:

Charge to the TANF Steering Committee

The strategic planning process will advise the Department of Public Health and Human Services in establishing a 5 year plan addressing the following:

- Developing an overarching purpose statement for use of TANF funds that expresses the core value and purpose for the use of TANF block grant funds.
- Proposing a framework that will ensure that projects funded with TANF block grant funds are complementary, integrated, interdependent, and designed to strategically achieve the overarching purpose for the funds.
- Prioritizing this integrated framework by emphasizing evidence-based practices
- Recommending strategies to collect outcome data for future evidence-based decision-making.
- Designing a long-range strategy on the management of "carryover" funds to ensure the proper balance between meeting immediate needs while preserving "rainy day" funds for periods of economic downturn.
- Providing a public input opportunity to the Department in the prioritization of use of TANF block grant funds
- Learning from and informing constituent groups, stakeholders, and the legislature of how this integrated and prioritized strategic plan for use of TANF block grant funds will improve efficiencies and effectiveness in the use of those funds, with focus on support and self-sufficiency for needy families.

Background



Steering Committee Members

TANF Program Participants

- Toni R
- Therese T
- Molly H

Higher Education

- Sandra Bailey, PhD, Montana State University

Advocates

- Kelsen Young, Montana Coalition Against Domestic and Sexual Violence
- Heather O'Loughlin, Montana Budget & Policy Center

Legislators

- Senator Mary Caferro
- Representative Rob Cook

Public Assistance

- Tanya Watson, Hardin/Lame Deer Field Office

Tribal DPHHS

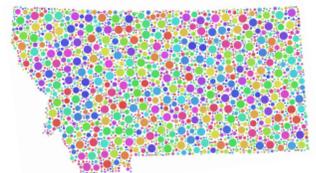
- Lesa Evers, DPHHS Directors Office

DPHHS employees served as resources to the committee throughout the strategic planning process:

- Stephanie Wilkins, TANF Program Manager
- Jamie Palagi, Human and Community Services Division Administrator
- Bob Runkel, Economic Security Services Branch Manager
- Candee Krantz, Fiscal Bureau Chief

TANF Needs Assessment

As part of the strategic planning process, the Montana Department of Public Health and Human Services (DPHHS) hired third party consultants in the summer of 2014 to conduct surveys and focus groups of current and former Temporary Assistance for Needy Families (TANF) Program participants and interested parties, gathering information about their experiences with TANF. Surveys were conducted of both TANF Cash Assistance Program recipients as well as clients participating in "Non-Cash" grant funded programs, which include a wide variety of voluntary programs such as Adult Basic Education, Family Economic Security, and other contracted services. TANF participants and stakeholders were invited to participate in focus groups in select areas around the state. Additionally, consultants analyzed administrative data provided by DPHHS.





Key Findings from the TANF Needs Assessment

- **Cash and non-cash participants experience significant barriers and struggle to meet basic needs.** Non-cash TANF programs are constructed with the assumption that non-cash program participants are operating at a higher level on the continuum of needs, meaning their basic needs are met and they are working on education and enrichment activities. This research showed that this is often not the case. Cash and non-cash TANF participants often experience barriers in terms of issues related to health, mental health, substance abuse, transportation, education, and housing. Only about one in five respondents in either group reported being able to support themselves and their families “very well”.
- **TANF cash assistance program is less structured to address participant barriers.** Montana's TANF cash assistance program is designed to comply with federal work participation requirements, which are tied to federal reimbursement levels through the block grant. This structure is focused primarily on participation hours at a job, employment and educational training, volunteer, or work experience (WEX) site. Participants falling short of their weekly commitments are generally sanctioned, with limited space for good cause exception. There is limited allowance for participants to stabilize their lives and meaningfully address their employment barriers. Non-cash programs differ in that they are specifically structured to address barriers such as education and training and activities are not constrained by federal work participation rates.
- **TANF cash assistance program participants access other work supports at higher rates and are less likely to be employed.** Ninety-nine percent of TANF cash assistance program survey respondents reported receiving SNAP versus only 52 percent of non-cash respondents. All cash assistance program participants are insured through Medicaid. Only 61 percent of non-cash clients reported being insured, with a much smaller percentage of the populations reporting Medicaid coverage. TANF non-cash participants were more than twice as likely than cash participants to report being employed (65 percent versus 32 percent) and non-cash participants were much more likely to have an hourly wage of \$12 an hour or higher (39 percent versus 9 percent).

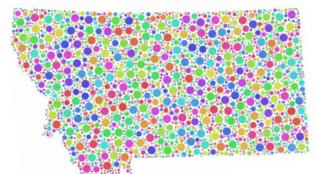
Background



Key Findings from the TANF Needs Assessment continued

- **TANF non-cash programs perceived to better support participants compared to TANF cash assistance program.** Overall, non-cash participants were much more likely to report being “very satisfied” with their TANF-funded program (85 percent) compared with cash participants (51 percent). Non-cash participants were also more likely to report that their TANF funded program helped them become more secure, most commonly through being helped by receiving education and training to get a job (56 percent) and by getting a stable job (44 percent) whereas the most common way cash participants reported being helped was through the ability to pay their bills (36 percent). In the non-cash survey, many respondents reported that the program gave them confidence, provided emotional and moral support and assisted them in achieving their goals. Participants reflected positively on the non-cash programs' success at helping them receive education and training and/or to get a job putting them on the road to financial independence. Cash program participants had mixed views of the program. Many said it provided vital support at their time of need. Many others described the program as unsupportive and a step backward.
- **TANF cash assistance does not work well for American Indians on reservations or transitioning off reservations.** The state TANF program does not allow for tribal holidays or other cultural customs within its participation requirements. The program has limited flexibility to support individuals in locations with sparse employment or volunteer opportunities, such as reservations. American Indians struggle to adjust from Tribal TANF or Tribal Native Employment Works (NEW) case management when moving off reservations. No targeted services, such as a Tribal Liaison or outreach are provided to support American Indians in their transition off reservations.

A full report detailing all of the findings from the needs assessment as well as the research methodology is located in Appendix A.



TANF Strategic Plan

After almost eight months of reviewing administrative data, soliciting feedback, dialoguing with national policy experts and hearing from program participants, the TANF Steering Committee reached consensus on the following strategic plan purpose, guiding principles and recommendations designed to guide the department over the next five years. DPHHS will review for implementation each recommendation, taking into consideration budget and administrative constraints; compliance with state and federal laws and rules; phase in timelines needed to maintain program integrity; and consistency of the recommendation with the Charge to the Committee.

Purpose

The purpose of the Montana TANF program is to meet the basic needs and maximize the well-being of children and families experiencing hardship in order to provide them with the tools and education to move into sustainable financial independence.

Guiding Principles

To achieve its overarching purpose, the Montana TANF program will operate according to the following Guiding Principles:

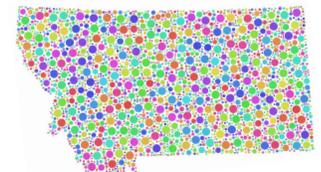
- Provide direct services and supports to families experiencing financial hardship
- Prioritize resources to families eligible for the TANF cash assistance program while seeking to serve as many low income families as possible
- Address the needs of children in a developmentally appropriate way, prioritizing policies and programs that strengthen families
- Develop a client-oriented, customer service approach that helps families easily navigate the system, treats clients with dignity and respect, and acknowledges each individual's unique strengths and circumstances
- Allow flexibility for families to direct the services needed to remove barriers to physical and economic security
- Integrate with other safety net services so that family's real needs are effectively and efficiently addressed and services are not duplicated
- Develop a consistent program that successfully serves families in all Montana communities
- Provide services that strategically move families to sustainable financial independence, providing the tools to ensure long term stability after leaving the program

TANF Strategic Plan Framework

The steering committee conducted a comprehensive examination of the scope, program components, and management of the TANF program and developed a framework of nine key program areas in which to develop recommendations.



Under each program area the steering committee provided specific examples of program revisions or improvements that reflected the consensus of the committee. The committee's recommendations in each of the nine key areas follow.

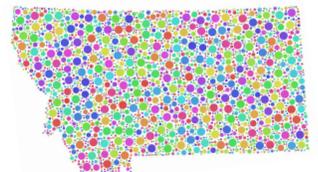


TANF Strategic Plan

Recommendations

TANF Administration

- Prioritize TANF programming, supports and opportunities toward families who are low income, so that they can attain economic security
- Create an ongoing committee to advise the TANF program, including but not limited to, current and former TANF participants, contractors, advocates and representatives from tribal communities
- Simplify the overall program, reviewing and reducing the number of contracts, and creating stability in programming and funding structures, including multi-year contracts
- Utilize a transparent, structured process when setting programmatic direction that prioritizes services that prove to be effective while maintaining federal work participation rates
- Evaluate the TANF transfer dollars and work to streamline and better connect TANF eligible families to the programs receiving TANF transfer funds
- Consider piloting and implementing promising service delivery re-design models that support clients
- Develop an ongoing training system for TANF staff and contractors covering, but not limited to, customer service, treating all clients with respect and dignity, understanding and addressing cultural bias and racism, poverty awareness, domestic violence, mental health and substance abuse
- As new service delivery models are adopted, develop uniform rules and policies, providing training to TANF staff and contractors to ensure consistent policy implementation and service provision throughout the state



TANF Strategic Plan

Recommendations

Application & Assessment

- Streamline the TANF application process and the amount of required paperwork
- Align the TANF application with other safety net programs so that clients applying for TANF are co-enrolled in other needed services without filling out additional paperwork
- Ensure that clients are receiving consistent, robust information about all available services in their area when they apply for TANF, not just the cash benefit, so that they can select the services that best meet their individual needs
- Require repeat assessment and screening throughout the process
- Update the screening and referral process for victims of domestic violence to follow best practices

Cash Benefit Policies

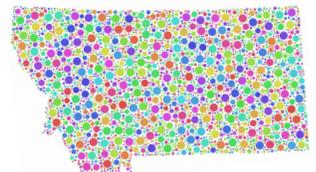
- Increase eligibility levels to 40% FPL for cash assistance
- Increase benefit levels to 40% FPL for cash assistance
- Adopt policies that help families and improve the work participation rate including:
 - Funding two parent families using Excess MOE-State Funds, removing two parent families from the federally funded program
 - Modifying two-parent birth of baby rules
 - Extending the post-employment program using MOE-State Funds
 - Expanding earnings disregards
 - Eliminating the asset test for TANF eligibility
 - Providing subsidized employment programs to TANF cash participants, prioritizing those that are nearly employable
- Adopt policies that support and smooth the transition for families going off the cash benefit, such as continuing childcare co-pays at \$10 during post employment TANF months and researching ways to prevent post employment TANF from counting towards SNAP benefits eligibility
- Adopt policies that, when appropriate, eliminate TANF work requirements prior to receiving TANF assistance, ensuring that families immediate needs and barriers are met before instituting work requirements
 - Allow presumptive eligibility so families in crisis can receive TANF support immediately
 - When appropriate, extend the assessment period, allowing more time for barrier identification and reduction before requiring work activities

TANF Strategic Plan

Recommendations

Cash Benefit Policies Continued

- Expand permissible work activities to address barriers to employment, including but not limited to:
 - Education and training;
 - Life training skills;
 - Family strengthening;
 - Community based education and training related to budgeting, parenting, nutrition, and stress reduction;
 - Domestic violence;
 - Mental health and substance abuse; and
 - Home visiting
- Provide short-term benefits to assist participants who are experiencing an emergency by:
 - Providing one-time payments to applicants who have immediate, pressing needs but do not require a continual TANF cash grant
 - Allowing easier access to TANF funds for emergency items such as diapers, clothing, bedding, etc., especially for caretaker relatives
 - Allowing the use of TANF funds to meet direct housing needs (e.g. payments for short term transitional housing or rapid rehousing and supplemental housing allowances for high risk populations like teen mothers living in group or residential settings)
 - Expanding the use of TANF funds to address transportation barriers
- Review and incorporate best practice recommendations for use of TANF funds for caretaker relatives, such as:
 - Providing a supplemental TANF child-only grant for caretakers relatives who have more than one child
 - Reducing or eliminating work requirements for older caretaker relatives who have TANF family grants
- Review sanction policies, considering policies that positively re-enforce participation rates for cash clients and reducing the sanction period



TANF Strategic Plan

Recommendations

Service Delivery

- Redesign the TANF service delivery system using a client advocate model that emphasizes self-direction
- Allow client advocates greater flexibility to assess client needs and identify and broker services and supports
- Design the Service Delivery Model to:
 - Provide support to reduce barriers to work
 - Be strength-based, goal-driven, and solution-focused
 - Meet families where they are and consider the needs and goals of the entire family
 - Present TANF cash grants as one potential service for eligible clients but also give families the choice to access other, more appropriate services to meet their individual needs such as unemployment benefits, Pell Grants, Social Security Income Benefits, Emergency Assistance, budget support, child care or mentoring programs, and other supports
- Design work support and training programs to:
 - Link clients to training opportunities and support for high wage jobs
 - Provide targeted subsidized employment opportunities
 - Expand access to educational opportunities for TANF families while helping clients maximize use of other educational supports such as Pell Grants to meet their educational goals

Localization

- Allow local TANF programs to tailor services to meet specific client needs in their communities, such as allowing more flexibility in the use of supportive services for transportation needs in rural and frontier communities where public transit services are not available
- Research options to allow flexibility in program criteria in areas without a robust social service infrastructure or with extremely limited access to employment opportunities, childcare or affordable housing
- Permit clients living on county borders and in rural areas to receive TANF services at the nearest offices, even if the office or contractor is outside of their county of residence
- Require that professionals working with TANF clients have extensive knowledge of and established relationships with the local community service providers that might benefit clients

TANF Strategic Plan

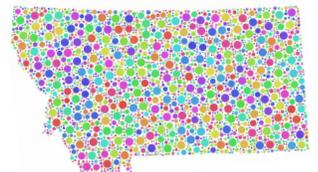
Recommendations

TANF Services for American Indians

- Increase communication with tribes by creating opportunities to meet regularly to strengthen the state-tribal relationship and seek their input and advice
- Research, and implement if possible, a federal waiver to adopt policies that more closely align with those that Tribal TANF programs use to accommodate clients, such as allowing innovative and specific cultural activities to count as approved work activities
- Acknowledge high unemployment, lack of employment opportunities and tribal specific holidays in reservation communities and modify programmatic requirements accordingly where possible
- Implement a policy change to allow Tribal NEW programs to administer supportive services themselves instead of through the state office

Youth Programming & Childcare

- Design the Best Beginnings and TANF application processes to allow co-enrollment in both program simultaneously
- Increase eligibility limits for the Best Beginnings Program childcare subsidies to 200% of FPL
- Allow child care benefits to follow the child instead of being dependent on the parent's compliance with work participation activities to create greater stability for children in TANF families
- Redesign youth contracts and funding structures to more closely link service provision to the direct needs of TANF families
- Support programming for youth education, training and employment such as the summer youth employment program



TANF Strategic Plan

Recommendations

Data Collection & Evaluation

- Develop a small number of meaningful metrics and outcome measures to track consistently over time, in addition to the metrics that meet federal requirements
- Utilize existing infrastructure to identify data that is already collected that could be better utilized to track TANF outcomes (e.g. collaborating with the Montana Department of Labor and Industry to track data on employment and earnings of TANF participants after they leave the TANF program)
- Identify data needed to improve services to clients and consider developing a way to capture it (e.g. conducting regular client satisfaction surveys or focus groups)
- Evaluate contractors and programs regularly to determine if services are effective
- Regularly generate and publish reports with TANF program data
- Utilize data for programmatic decision making

Carry Over

- Reduce the TANF carry over amount by investing in services that directly benefit TANF participants

Appendix A



TANF Needs Assessment