

# Research Brief



## BROADER USES OF THE TANF BLOCK GRANT

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*"I know what it's like to grow up in a family affected by layoffs. My dad was a dry-land wheat farmer, and he also was a construction worker and heavy equipment operator. There were winters when there wasn't work to be found. There were times when my mother put dinner on the table using food stamps for me and my 11 brothers and sisters. [...] Families and businesses throughout Colorado are facing challenges they haven't seen in generations. [...] we must do everything we can to help those who are struggling, to keep Coloradans in their jobs, and to keep families in their homes."*

**—Governor William Ritter, 2009**

Since the creation of the Colorado Works program, counties have used TANF block grant funds to serve low-income families and individuals in a variety of creative ways beyond basic cash assistance. Counties have used the block grant to invest in initiatives to prevent poverty, decrease dependence on long-term welfare, help former clients who have left TANF, and support community resources to strengthen families. As the current economic situation worsens, many counties are using the flexibility of the block grant to further strengthen supports for families affected by the recession, and county staff continue to seek creative and beneficial ways in which they may spend TANF block grant funds to reach beyond basic cash assistance to serve the broader population of low-income families in their community. This research brief outlines the different ways in which counties may use their TANF funds to assist needy families in their communities and highlights promising practices and strategies from across the state of Colorado.

There are a variety of reasons why counties might consider spending the TANF block grant to reach a population beyond those traditionally served by basic cash assistance (BCA), diversion, and similar cash transfers. Interviews with state and county staff showed that they feel counties have a responsibility to help the non-participating TANF-eligible population as BCA caseloads decline. Further, staff felt that by

addressing the needs of low-income families early on, counties can help individuals and families before they develop a need for longer term assistance. Cited benefits of early action also include preventing Child Welfare involvement, long-term cost-savings for county departments, and reducing intergenerational poverty by helping troubled youth.

The flexibility of the block grant offers counties the ability to reach needy populations not receiving cash assistance from Colorado Works. For instance, block grant funds can aid former clients who have gained skills and training from TANF already but may need occasional work supports, incentives, or career advancement services. Funds can also be used to serve potential clients who would otherwise not seek services from Colorado Works for a variety of reasons. Some may not need basic cash assistance, others may be ineligible, and some potential clients may want to avoid the stigma of welfare. Broader uses of the block grant can provide needed support to help individuals outside the context of the TANF program, effectively providing needed resources to individuals and families without requiring them to directly utilize Social Services.

Spending TANF funds more broadly can help counties to spend reserves with the goal of long-lasting results. In a climate of mounting economic pressure, counties with established reserves may opt to spend funds on a variety of preventative or long-term investments to prepare themselves for potentially difficult economic times ahead. Strategic community investment projects can become self-sustaining as permanent community resources, creating an alternative source of aid that is not dependent on the availability of county, state, and federal funding.

TANF spending beyond the BCA population also provides a means to support families without counting them in the work participation rate. This allows families to avoid potentially cumbersome documentation and long-term aid and still receive the services that they need.

This research brief draws on interviews and site visits conducted across the state of Colorado in 2008 to explore the following questions:<sup>1</sup>

- ▶ On what and whom can TANF block grant funds be spent?
- ▶ What are some promising practices and innovative programs that counties have funded with TANF in recent years?
- ▶ What are some key strategies for spending TANF more broadly?

## ON WHAT AND WHOM CAN TANF FUNDS BE SPENT?

Federal TANF funds can be used for BCA, diversion, and staffing and resource expenses. Additionally, some portion of the funds can be transferred to other government programs such as Child Welfare and child care. Federal law also allows the funds to be used for a much broader array of activities, provided that spending follows established guidelines.<sup>2</sup> TANF funds can be invested in a variety of strategies and initiatives to serve needy families and the community at large.

At a minimum, all spending of the TANF block grant must meet one of the four purposes of TANF:

### THE FOUR PURPOSES OF TANF

- I. Assisting needy families so that children can be cared for in their own homes
- II. Reducing the dependency of needy parents by promoting job preparation, work, and marriage
- III. Preventing out-of-wedlock pregnancies
- IV. Encouraging the formation and maintenance of two-parent families

While spending for purposes I and II of TANF must benefit TANF-eligible families, spending on purposes III and IV may serve a broader target group. Federal

regulations require that TANF programs must be able to document a reasonable approximation of spending targeted to TANF-eligible families. For example, if a county decides to fund a new bus line to help low-income workers maintain employment (serving Purpose II of TANF), the county may use Census statistics to show roughly how many TANF-eligible live in the county and would therefore possibly benefit from this new bus service. There is no requirement to substantiate spending on purposes III and IV with approximations of TANF-eligible families served. As long as expenditures follow the basic guidelines set for Colorado Works by the state, counties are free to innovate and spend the TANF block grant in many ways to support the goals of the TANF program.

## WHAT PROMISING PRACTICES OF BLOCK GRANT SPENDING ARE OCCURRING IN COLORADO?

While there is a broad array of areas on which counties may choose to spend TANF funds to assist low-income members of the community, national research shows that certain types of expenditures and assistance may have the greatest ability to positively improve the lives of these families and reduce poverty. Specifically, three areas of investment have been shown to substantially reduce poverty (Sawhill, 2007). Following Sawhill, we focus on:

1. Early childhood education and well-being
2. Early pregnancy prevention
3. Encouraging and supporting full-time work

Across the state of Colorado, counties are investing in a variety of programs and efforts that address these objectives. The examples below focus on county strategies that meet the needs of low-income families using funds from the TANF block grant.

### 1. Early Childhood Education and Child Well-Being

**Child Welfare Prevention:** The most frequently cited strategy for promoting child well-being through broad use of the TANF block grant was Child Welfare prevention efforts. Adams County's Division of Child Welfare has established a Youth Advocates Services program that conducts home visits to families at risk of child welfare interventions. The program, funded through a transfer of TANF block

<sup>1</sup> Counties visited in 2008 were Broomfield, Denver, Mesa, Montrose, Pueblo, and Rio Grande.

<sup>2</sup> See Colorado Department of Health and Human Services Agency Letter TCW-08-06-1 for further details on how the TANF block grant may be spent and details on what may count as county Maintenance of Effort (MOE).

grant funds to the Division of Child Welfare, also provides supportive services to prevent out-of-home placements. Boulder County uses its TANF block grant to fund “Social Services Caseworkers” who work specifically with families that might be at risk of Child Welfare interventions, but who are not yet on the TANF caseload. Montrose County uses TANF dollars to fund a community-wide initiative known as Community Support. Community Support offers courses on parenting, relationship counseling, and anger management to the community at large. The program’s clientele is roughly 80 percent TANF-eligible.

***In-School Programs and Partnerships:*** Another approach to ensuring that at-risk children receive services even if they are not part of the TANF caseload is partnerships with schools. For instance, Mesa County spends TANF funds on a “School Coordinator” who works with youths in middle school to encourage positive development, tutor students, arrange dental and medical screenings, help students with homework, and organize parent nights. The School Coordinator also identifies and works with youth at risk of becoming involved with the Juvenile Detention Program. Garfield County created the Family Adolescent Community Engagement (“FACE”) and Community Support Team to work with a local school district to assess children at risk of involvement with multiple agencies, including juvenile justice, child welfare, and mental health services. The goal of the program is early detection and prevention, with the FACE program targeting middle school students and the Community Support Team targeting pre-schoolers. To ensure that the children of teenage parents are being properly cared for and to promote long-term self-sufficiency and educational attainment, Eagle County uses TANF funds to place caseworkers in the county’s alternative high school. The caseworkers work with teenage parents to focus on parenting, child development, education, employment, and high school completion. Teens receiving services from this program do not need to be on the TANF caseload, and the program collaborates with the local community college to provide services to additional students not attending the alternative high school.

***After School Programs:*** Montrose County funds an after-school program called 21<sup>st</sup> Century Schools After School Program at a local elementary school. The purpose of the program is to assist working parents

with additional child care and to provide educational opportunities for their children.

***Supporting Homeless Youth:*** The Vista Adult Center for homeless youth in Montrose County is a charter alternative high school for homeless youth. Using its TANF funds in combination with other sources, Montrose County is planning to provide residential services for homeless students attending Vista with the goal of increasing high school completion rates and ultimately promoting self-sufficiency.

***Summer Programs:*** Acknowledging that the summer months can be particularly difficult times for youth, as structure and adult supervision may be lacking, Logan County uses some of its TANF to fund the “Range Riders” program. In “Range Riders,” youth aged 16 to 24 build trails, go camping, and experience wildlife and nature while learning leadership skills and developing self-confidence and a sense of responsibility to serve them in youth and adulthood.

***Home Visiting Programs:*** Eagle County uses TANF funds to support home visitation efforts conducted by the Early Head Start program. Visitations focus on child well-being and development, as well as adult self-sufficiency.

***Child Nutrition and Fighting Hunger:*** As counties seek to aid low-income families who are often hardest hit by economic downturns, taking advantage of the flexible nature of the TANF block grant through investment in food aid is one way to address some immediate needs of low-income families in the community. Mesa County uses part of its TANF block grant to support the Benevolent Community Partnership initiative. Members of the partnership meet monthly in subcommittees to tackle issues affecting the community as a whole, and one committee is focused on fighting hunger in the county. Mesa’s TANF block grant funds support the Partnership’s “Backpack” program, which collects surplus food from local restaurants and families and donates to families whose children attend any of the three schools in the district that have the highest free and reduced lunch eligibility rate. In late 2008, the project used TANF funds for outreach, including advertisements for food and hunger resources made on television, radio, buses, and flyers.

## 2. Early Pregnancy Prevention

**School Outreach:** Arapahoe County funds a teen pregnancy prevention program called “WAIT.” The program, funded with the TANF block grant and administered through the school system, teaches students about abstinence and healthy teen relationships. Montrose County administers a Companion Program, which provides mentoring to students age 10 to 14 to promote school completion. In Prowers County’s Baby Think It Over program, TANF funds support the purchase of electronic baby dolls that students must care for over the course of the week. The goal of the program is to demonstrate to students the responsibility and work associated with early childbearing.

**Supporting Community Activities for Youth:** By supporting existing community organizations, counties can help prevent out-of-wedlock early pregnancies. To this end, Rio Grande County uses its TANF funds to support the local Boys & Girls Club. The Club provides mentorship, tutoring and support geared toward high school completion, and career development opportunities. These services can help to keep teens focused on long-term goals and thereby reduce early pregnancy while also promoting long-term self-sufficiency.

**Youth Development within TANF Families:** Jefferson County used its TANF funds to create the “TANF-Youth Program” which works with adolescents in TANF households to focus on long-term goals and prevent out-of-wedlock pregnancy. The program offers career counseling, referrals to other community and educational resources, and supportive services including tutoring, clothing, and transportation vouchers.

## 3. Encouraging and Supporting Full-Time Work

### **Career Laddering and Post-TANF Employment**

**Supports:** To help former TANF clients advance their careers once they obtain employment, Adams County offers follow-up services for up to two years after departure from Colorado Works. Services focus on upward mobility within the workplace, obtaining better jobs, and career development. In July of 2008, Denver County began a program known as “People Invest” that is focused on employment, job-retention, and earnings gains. “People Invest” also promotes

long-term self-sufficiency with asset building and career laddering. The program provides support services and case management to Colorado Works families that have left the program for employment for up to 12 months following exit. “People Invest” also pays incentives at the one, six and twelve month marks for individuals who remain employed. The program offers workshops to discuss financial planning and tuition assistance.

**Individual Development Accounts (IDAs):** As required by statute, counties must make IDAs available for their clients. Recognizing that long-term asset development is key to financial stability, Denver County offers a match of \$4 for every \$1 in earned income that a client saves in an IDA. This match is available to clients who have exited TANF and maintained employment for six months.

**Transportation to Work:** Lack of transportation is often a barrier to work for low-income individuals. Many counties offer funding to help low-income families purchase vehicles (typically through diversion payments), but some counties also directly invest in public transportation to reach a broader group of low-income and disadvantaged families. For instance, Rio Grande County provided TANF funds to the Monte Vista Economic and Development Corporation to establish a local public bus system for the San Luis Valley, which is available for use by all county residents.<sup>3</sup> Similarly, Grand Valley Transit in Mesa County has a “Rides to Work” program that offers free public bus rides for anyone in the community. The federal Job Access and Reverse Commute (JARC) program requires counties to make a local match in order to procure federal funds. In 2008, Montrose used some of its TANF funds to pay for part of the match by procuring 13,000 transportation vouchers from the JARC program.

**Child Care:** Unavailable or inadequate child care is a commonly cited barrier to work for low-income workers with children. To support working parents, Cheyenne County used its TANF funds to help open a child care center for low-income individuals. The center also offers training opportunities for individuals on Colorado Works, who work in the center to learn

<sup>3</sup> Rio Grande is also participating in a larger collaboration with five other counties in the San Luis Valley and the Colorado Department of Transportation to improve public bus transportation in the region.

valuable job skills. Following the closure of a major child care provider in Garfield County, the Garfield Department of Social Services worked with other community groups and used TANF funds to invest in a new child care center that provides free and reduced-cost child care.

**Housing and Homelessness:** Many counties have used TANF funds to support homeless shelters, emergency housing, and as noted earlier, even housing repairs or contracting with private service providers, such as exterminators and repairmen. Other counties have developed specialized programs that fight homelessness in conjunction with job training efforts. For example, the CHOICES program in Adams County identifies low-income families in the community before they enter cash assistance and connects them with both housing assistance and training and professional licensure and certification programs. Boulder County uses its TANF funds to contract with the county Housing Authority and Workforce Investment Act center in an effort to buy property that has been dilapidated and restore it for client habitation. This program simultaneously employs low-income individuals serviced through WIA while creating housing opportunities for TANF clients.

**Energy:** While many counties offer subsidies for utility costs to individuals on the TANF caseload, some counties are in the process of taking this one step further by contracting with utility providers and gas stations to provide direct assistance to low-income individuals.

**Mental Health Services:** Mental illness and mental health conditions were mentioned in several interviews as major barriers to employment, self-sufficiency, and successful parenting. To alleviate these barriers, some counties, including Boulder and Larimer, use TANF funds to support the full-time employment of mental health professionals. In Boulder, this employee is located on-site at the Local Workforce Center, while in Larimer the staff member is located in the Department of Social Services' offices.

**Drug treatment services:** Many county administrators across the state remarked on the extremely detrimental role that drug addiction plays in the lives and employment situations of some of the most disadvantaged individuals on their caseloads. Staff from one county remarked that crystal meth addiction affected roughly one-third of the county's caseload, and that one-third of

the foster care caseload was due to parental meth addiction. Another result of meth addiction in the county was a rise in the number of father-headed single parent homes following the incarceration of meth-addicted mothers. Counties seeking to address issues of addiction may want to consider using their TANF funds to develop community outreach and education programs. For instance, for the last four years, Mesa County has operated an education program that teaches community groups and schools about meth addiction. Rio Grande County uses TANF funds to support Cornerstone Community Services, a faith-based addiction recovery program. Cornerstone Community Services provides job preparation services and promotes marriage, out-of-wedlock pregnancy prevention, and out-of-home placement prevention.

**Education and Training:** Pueblo County has developed special partnerships with schools and industries in the area to provide education and training opportunities to TANF clients. As part of an effort to train clients to work in "untraditional" industries, they partner with Trinidad State Junior College to offer a nine month certificate in the Energy Production and Industrial Construction (E.P.I.C) program. The E.P.I.C program prepares students to work in energy production and industrial construction. Graduates of the program are able to obtain jobs in welding or electrical alignment as heavy duty operators. Pueblo also partners with local banks to assist in training clients for bank teller positions. The county provides space for the trainings, which take place on a nightly basis.

**Employment Opportunities for Youth:** In an effort to create jobs and skills training for low-income teenagers in a rural community lacking employment opportunities, Washington County developed the Team Paint Program. Participating teenagers receive a minimum wage for painting houses and other buildings in this community beautification effort.

**Faith-Based and Other Community-Based Organization Job Preparation Services:** Recognizing that some individuals may not wish to seek help from the Department of Social Services, some counties have set up contracts with local faith-based groups to provide services using TANF funds. One example of such a program is Rio Grande's job preparation facility in Del Norte. The program is run by a faith-based provider and offers training, education, and guidance for clients with barriers

including criminal records and family problems. Prowers County's Ministerial Alliance provides food assistance, short-term emergency medical assistance, shelter, and utility support. Archuleta County has a similar initiative, Pagosa Outreach Connection in Pagosa Springs, in which the County Department of Humans Services, local churches, and other community organizations partner to offer financial assistance, food, gas vouchers, and medical assistance for low-income families.

**Community College Partnerships:** Garfield County uses its block grant to contract with Colorado Mountain College to offer classes on parenting skills, job readiness, and life skills. The comprehensive classes also include opportunities for English language learning, job development services, Pell grant application assistance, presentations about topics such as domestic violence, and case management for individuals who need vocational rehabilitation or will be applying for Supplemental Insurance Income. The college covers the cost of taxis for any student needing transportation. In a similar effort, Mesa County has begun to combine diversion payments, Pell grants, and part-time employment in order to fund college educations for qualified individuals.

### *Other Anti-Poverty Efforts for Special Populations*

Interviews and site visits across the state also revealed several creative anti-poverty strategies that are not particularly focused on the areas of youth, out of wedlock pregnancy prevention, and employment:

**Case Management Beyond the TANF Caseload:** Montrose County has established a part-time position by contract to conduct case management for the general public. The program, known as Family Planning, is administered by a community provider and provides case management services similar to what TANF families receive, but serves individuals who are not on the TANF caseload.

**Assisting Military Families:** In 2007, Adams County began a program in which caseworkers make home visits to military families to conduct needs assessments, connect families with Veterans benefits, provide counseling, and provide links to other supportive services and financial assistance. The program, which lasts three months, was created out of a growing concern to keep returning military

families together. It can serve any military family with children living in the county.

**Working with Troubled Youth in the Juvenile Justice System:** Rio Grande County's Friends of the Family program uses TANF funds to help families whose children have become involved with the juvenile justice system. In the program, a caseworker meets with families to help them navigate the legal system.

## WHAT ARE SOME KEY STRATEGIES FOR SPENDING TANF FUNDS MORE BROADLY?

As the examples above demonstrate, reaching a broad array of low-income and the larger community may require several different spending strategies. In some cases, counties may want to create entirely new programs in house, while in other situations it may be easier to partner with existing community organizations. In reviewing these initiatives, four key methods arose for spending TANF funds in a way that reaches a population broader than those just on basic cash assistance:

### *1. Identifying and supporting existing programs serving TANF-eligible families*

In many counties, community organizations may already be reaching the population of families that Colorado Works aims to assist, but may face financial constraints that limit the number of people they can serve. Counties can directly fund these existing programs with the TANF block grant so that they may expand the number of individuals served or the array of services offered. Suggestions for pursuing this strategy include:

- Helping organizations (e.g., faith based organizations, community institutions, school systems, and places of higher education) estimate what percentage of their population is TANF-eligible using data sources such as the Census or the American Community Survey, so that they may receive TANF funds to support their efforts

### *2. Developing new contractual relationships for non-assistance*

If counties determine that the needs of individuals and families in the community are not being met but that existing community organizations or private businesses may be able to best serve them, they may

want to enter into new contractual relationships. Counties pursuing this strategy for investment should consider:

- Targeting service organizations who provide education, youth activities, and other services, and targeting private businesses such as repairmen, utility companies, and exterminators who already provide direct service to TANF-eligible clients. Many businesses already serve TANF-eligible families, and can be utilized as a means to provide aid in-kind if TANF offices pre-arrange and negotiate covered expenditures before individual needs arise. This strategy will save time and establish lasting community resources for low-income families
- Helping contractors to develop screening tools and documentation methods so that they may show the percentage of families they assist who are roughly TANF-eligible for funding and auditing purposes

### 3. *Employment Support and Employer Outreach*

Some counties partner directly with employers to offer services and benefits for low-income families, while others provide employment supports to low-income individuals. TANF block grant funds can be used to cover job training, career advancement (including courses), child care, bonuses, and subsidized wages for low-income employees and low-income individuals who are unemployed. Counties interested in pursuing this strategy for reaching underserved low-income families should consider:

- Discussing with both employers and low-income workers what employment supports may benefit low-income workers
- Identifying employers of low-income families in the community and working with new employers as they enter the community to establish working partnerships

### 4. *Creating new programs and services*

When no existing community partner fills an identified service need, counties may create new programs, infrastructure, or resources. Counties that pursue this strategy might consider:

- Identifying possible unmet service needs in the community via surveys, talking with community leaders, and talking with current and former TANF clients
- Talking with existing community programs to learn about the legal and technical tasks faced when creating a new program
- Planning for the long-term viability of new investments to ensure that once TANF block grant funds end, the project does not cease
- Coordinating with other groups and businesses in the community to leverage funding for new initiatives, and to pool efforts in targeting new funding sources (e.g., foundations, municipalities)

Counties seeking to maximize the effect of the TANF block grant will likely choose to pursue a number of these strategies simultaneously, and there are surely other strategies and initiatives not listed here. If your county is using a particularly innovative strategy and you would like to share it with other counties, please contact Dan Daly, [Dan.Daly@state.co.us](mailto:Dan.Daly@state.co.us).

For further information, examples, and support related to creative spending of the TANF block grant across the country, counties may wish to contact the Welfare Peer Technical Assistance Network (<http://peerta.acf.hhs.gov>). The network offers a number of resources, including a listserv wherein individuals can ask technical support questions related to spending of the TANF block grant.