TANF and Block Grants

Temporary Assistance for Needy Families
Social Services Block Grant
Mental Health Block Grant
PURPOSE
Temporary Assistance for Needy Families (TANF) is a federal block grant that allows states flexibility in using funds to: help needy families care for children; end dependence on public benefits by promoting work; reduce out-of-wedlock pregnancies; and encourage the formation and maintenance of two-parent families.

WHO IS HELPED
TANF was created under federal welfare reform legislation in 1996. Reform eliminated Aid to Families with Dependent Children (AFDC), ending federal entitlement and creating a flexible funding source for states to use in helping needy families achieve self-sufficiency.

TANF funds are used to:
- Assist needy families so that children can be cared for in their own homes or in the homes of relatives.
- Reduce the dependence of needy parents on government benefits by promoting job preparation, work, and marriage.

States must define “needy” through income and/or resource limits, and can have different limits for different programs.
- Prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual goals for preventing and reducing the incidence of these pregnancies.
- Encourage the formation and maintenance of two-parent families.

States are not required to use income or resource limits to establish eligibility or benefit levels.

Flexibility in the program allows transfer of a combined total of 30 percent of annual TANF funds to the Child Care Development Fund (CCDF) and the Social Services Block Grant (SSBG).

Utilization of TANF by Program SFY19
(Reflects adjustments made during the 2019 Legislative Session)

- Family Investment Programs (10%)
- Child Welfare (22%)
- Service Delivery (22%)
- SSBG Transfer (10%)
- CCDF Transfer (20%)
- Direct Child Care (16%)

Combined CCDF and SSBG Transfer = 30%.
Combined CCDF Transfer and Direct TANF for CCA = 36%.
Cash assistance is limited to five years (lifetime) and includes assistance received in other states.

The SFY20 Enacted Appropriation maximizes the combined amount of TANF transferred to CCDF and SSBG. Additional TANF funds are appropriated for direct child care assistance use.

SERVICES

TANF funds are used for benefits and services targeted to needy families, as well as for service delivery and administrative expenses.

The Family Investment Program (FIP) is the primary program that assists needy families so that children can be cared for in their own homes or in the homes of relatives.

Programs designed to reduce dependence of needy parents on government benefits include:

- PROMISE JOBS
- Family Development and Self-Sufficiency (FaDSS)
- Family Self-Sufficiency Grants (FSSG)

Preventing and reducing the incidence of out-of-wedlock pregnancies and encouraging the formation and maintenance of two-parent families is supported by the following programs:

- Pregnancy Prevention
- Child Abuse Prevention
- Child Welfare (selected programs)
- Promoting Healthy Marriage

Transfers to support other programs include:

- Child Care Assistance
- Social Services Block Grant
- Service Delivery

Using a small portion of TANF funding for promoting healthy marriage allows the state to expand categorical eligibility for food assistance thus providing food assistance benefits to more lowans in need.

In late July 2019, the federal Food and Nutrition Service (FNS) published proposed regulations that would significantly restrict states’ ability to use eligibility for TANF-funded programs, other than cash assistance, to expand categorical eligibility for food assistance. Few, if any states, including Iowa, would meet the proposed new criteria requiring states to use TANF or state maintenance of effort funds to provide a benefit or service having a cash value of at least $50 per month for six continuous months.

In SFY19, a monthly average of 9,230 households and 19,279 individuals were eligible for food assistance under enhanced categorical eligibility and received a monthly average benefit of just over $47.

Use of TANF funds for administration of TANF programs is limited to 15 percent; Iowa spends less than 10 percent.

GOALS & STRATEGIES

Goals, strategies, and performance results for TANF are incorporated into the programs that TANF funds support.
FUNDING SOURCES

TANF funds are 100 percent federal.

Iowa’s annual TANF award is $131,524,959; however, the federal law authorizing and funding TANF through September 30, 2019, reduced states’ awards for FFY19 by 0.33 percent and reserved those funds for research and evaluation projects. In addition, federal law allows Indian Tribes to apply to operate Tribal Family Assistance programs. Tribes approved to operate Tribal TANF programs are allocated a portion of the state’s annual TANF award based on the amount of federal funds expended by specified pre-TANF programs for Native Americans in the geographic area to be served by the Tribal TANF program.

Two Tribal TANF programs currently operate in the state: the Winnebago Tribe has been allocated $531,007 to provide TANF funded services to Native Americans in Woodbury County, while the Omaha Tribe has been allocated $1,852 to provide TANF services to Native Americans in Monona County.

The amount of funds from the state’s annual TANF award available after the 0.33 percent ($434,032) reduction and allocations for Tribal programs is $130,558,068 for FFY19. The SFY20 enacted appropriation for TANF funds ($130,512,383) is $45,685 below this funding level. The difference is available for appropriation in future years.

- **State funds of at least 80 percent of spending under the prior AFDC programs (pre-reform) must be expended each federal fiscal year as Maintenance of Effort (MOE). This requirement is reduced by the same proportion that TANF funds are allocated for Tribal TANF programs. Iowa’s MOE requirement for FFY17-19 due to the impact of the 0.33 percent reduction in conjunction with the Tribal TANF award amounts is $65,825,496.**

- **Current funding and authorization for TANF expires September 30, 2019. The last true reauthorization of TANF was under the Deficit Reduction Act of 2005. Since then, authority and funding have continued under a number of continuing resolutions and similar legislation with no major policy changes.**

LEGAL BASIS

Federal:
- Personal Responsibility and Work Opportunity Reconciliation Act of 1996
- Deficit Reduction Act of 2005
- Middle Class Tax Relief and Job Creation Act of 2012
- Title IV, Part A, of the Social Security Act
- CFR 45, 260-265
Social Services Block Grant

PURPOSE
Social Services Block Grant (SSBG) funded programs assist individuals or families to become less dependent on others for financial support or personal care; protect vulnerable children and/or adults; preserve or reunite families; support transition to independence; and avoid unnecessary or premature institutionalization.

WHO IS HELPED
Iowa’s intended use plan* for the state’s SSBG allocation advances the following SSBG goals on behalf of Iowans:

- Achieving or maintaining economic self-support to prevent, reduce, or eliminate dependency.
- Achieving or maintaining self-sufficiency, including reduction or prevention of dependency.
- Preventing or remedying neglect, abuse, or exploitation of children and adults unable to protect their own interests, or preserving, rehabilitating or reuniting families.
- Preventing or reducing inappropriate institutional care by providing community-based care, home-based care, or other forms of less intensive care.
- Securing referral or admission for institutional care when other forms of care are not appropriate or providing services to individuals in institutions.

*The 2020 SSBG Pre-Expenditure Report (intended use plan) is available on the DHS website, About DHS, under Reports: [https://dhs.iowa.gov/reports/social-services-block-grant](https://dhs.iowa.gov/reports/social-services-block-grant)

SFY20 Projected Use of SSBG Funds, by Program

- Case Management (38%)
- Protective Services-Adult (1%)
- Foster Care - Adults (< 1%)
- Home - Based Services (34%)
- Indep/Transitional Living Services (20%)
- Other - Volunteers (< 1%)
- Administrative Costs (6%)

Sequestration under the Budget Control Act and reallocations based on the most recent census reduced Iowa’s allocation from $16.6 million to $15.8 million for FFY 2014 and to $15.3 million for FFY 2015 - FFY 2020.
GOALS & STRATEGIES

Goal: Improve permanency and well-being for Iowa’s children

Strategies:
- Provide access to child welfare services.
- Promote best practice in service delivery.
- Ensure accountability in service delivery.
- Promote good parenting.

SFY19 key performance results:
- Almost 40,000 children and their families who are at risk or who experienced abuse were served by child welfare case management services.
- 98.3 percent of abuse assessment reports meet timeliness requirements.
- 88.1 percent of children are safe from re-abuse.
- Home-Based child welfare services, which include Safety Plan Services, Community Care, and FSRP services, serve an average combined total of over 5,715 families per month.
- Based on a survey of 389 PAL and Aftercare youth (93.7 percent participation rate) clients reported 97.9 percent have a safe and stable place to live; 99.5 percent have positive personal relationships with adults in the community; and 77 percent had enough resources to meet living expenses.

✓ HHS’ Administration for Children & Families (ACF) has implemented a performance measure strategy to improve States’ efficiency in planning for the use of SSBG funding.

- States will receive an overall performance score reflecting the percentage of all SSBG allocated dollars that were spent as the state projected in their Intended Use Plans. The target is 85 percent. Iowa’s performance on this measure has exceeded 90 percent for more than the last ten years, based on aggregate SSBG expenditures.
- In addition, ACF expects the percentage of SSBG funding used for administrative costs to be 10 percent or less; this is expected to be formalized in a performance measure in the future. Iowa’s intended use plans for 2015-2020 have actual or anticipated administrative cost use of less than six percent.

FUNDING SOURCES

Since 2013, Iowa’s SSBG allocation has gradually decreased. In part, this was due to the Budget Control Act of 2011, and sequestrations; an additional decrease in the overall award is due to state reallocations based on the most recent U.S. Census. The pending 2020 Census may have further impacts on future awards.

The projected annual federal fiscal year SSBG award available in SFY20 is $15.3 million. Up to 10 percent of TANF funds can be transferred to SSBG. The planned transfer of approximately $12.96 million TANF funds make nearly $28.3 million available.
In SFY20, the vast majority of the SSBG funding will be used to fund case management and child welfare services.

The Legislature has specified a procedure for prorating funds to various programs if the federal funding received is more or less than the amount appropriated.

LEGAL BASIS

Federal:
- CFR 45, Part 96, as amended
- U.S.C, Title 42 § 1397d(a)(1-10)

State:
- Iowa Administrative Code 441, Chapters 130 and 153
- Iowa Code, Chapters 17A, 217, and 234
Mental Health Block Grant

PURPOSE
The Mental Health Block Grant (MHBG) is a federal formula grant awarded to each state based on a combination of population and other economic factors. The MHBG is administered by the U.S. Dept. of Health and Human Services, Substance Abuse and Mental Health Services Administration (SAMHSA) and is managed by the DHS, Division of Mental Health and Disability Services.

The MHBG is required by federal statute to provide comprehensive, community-based mental health services to adults with a serious mental illness and children with a serious emotional disturbance and to monitor progress in implementing a comprehensive, community-based mental health system. States are allowed to set aside up to 5 percent of the annual allocation for administrative costs. States are also required to set aside 10 percent of the annual allocation to provide evidence-based practices for early interventions to address early, serious mental illness (ESMI).

WHO IS HELPED
Current Iowa law requires that 95 percent of the MHBG be used for eligible community mental health services to carry out the plan submitted to, and approved by, SAMHSA. The legislation requires that providers use the MHBG funds for staff training or services to adults with a serious mental illness and children with a serious emotional disturbance. Of the 95 percent of the MHBG allocated to eligible providers, 70 percent is currently required to be distributed to accredited community mental health centers (CMHC).

SERVICES
CMHCs use the MHBG funds for the following purposes:

- Community-based mental health services for adults with a serious mental illness and children with a serious emotional disturbance not otherwise covered by Medicaid or third party insurance;
- Integrated Health Home care coordination for adults with a serious mental illness and children with a serious emotional disturbance who are not eligible for Medicaid;
- Staff training in evidence-based practices such as Cognitive Behavioral Therapy, Parent-Child Interactive Therapy, and Motivational Interviewing;
- Development of trauma-informed service systems;
- Mental Health First Aid training;
- First Episode Psychosis (FEP) programs to address ESMI.
- Aligning service delivery to meet Certified Community Behavioral Health Clinics (CCBHC) standards.

The remaining 25 percent is retained by the Department for projects and programs of benefit to the mental health system, including:

- Required data collection;
- Consumer stipends for mental health education;
- Peer support and family peer support training;
- The Office of Consumer Affairs;
- Support of the Mental Health Planning Council.
- Support for a statewide mental health crisis line.
GOALS & STRATEGIES
Goal: Promote Iowans Behavioral Health Status.

Strategies:
- Provide access to mental health services.
- Promote Peer Recovery
- Ensure children with mental health conditions can be served in Iowa through effective community-based options.

The Goals and Strategies identified in the FFY19-20 MHBG Plan include:
- Increase capacity of Iowa’s Early Serious Mental Illness (ESMI) teams to identify and serve individuals identified with an ESMI.
- Reduce unnecessary and lengthy hospitalization of individuals with complex service needs, including individuals with a serious mental illness, substance use disorders, and intellectual disabilities.
- Children with an SED will receive services that promote community inclusion and success in family and community settings.

FUNDING SOURCES
The MHBG is funded entirely through the federal allocation.
- The FFY19 MHBG allocation is $5,377,612.
- The FFY19 allocation includes a decrease of $87,180 from the FFY18 allocation of $5,464,792.
- In the most recent fiscal year (FY2019), DHS had 32 contracts with a total of $4,600,674 committed to those contracts.
- The state has two years to expend each year’s MHBG allocation.
- The estimated FFY20 allocation is $5,271,090, a decrease of $106,522 from the FFY19 allocation.

Projected Distribution of MHBG Funds in SFY20-21
- To CMHCs (60%)
- To CMHCs for ESMI-FEP (10%)
- Other Mental Health Providers (25%)
- Administration (5%)

LEGAL BASIS
Federal:
- Title XIX, Part B, Subpart II and Subpart III of the Public Health Service Act and Title 42, Chapter 6A, Subchapter XVI of the United States Code.

State:
- 2019 Iowa Acts, Chapter 134, Section 2.