

## Collaboration Between CCDF and TANF to Meet the Needs of Low-Income Working Families

Improving the economic well-being of low-income families is a shared goal of the Child Care and Development Fund (CCDF) and Temporary Assistance for Needy Families (TANF) federal block grant programs. The purposes of CCDF and TANF intersect in providing access to child care so that parents can work and/or attend school or other training. Under the Child Care and Development Block Grant (CCDBG) Act of 2014, there are more opportunities than ever to improve the quality of that child care and focus attention on a two-generation approach to helping families achieve long-term financial independence through collaborative efforts of these programs. This brief will highlight opportunities for CCDF Lead Agencies to work more closely with their state's TANF programs.

### Why is Collaboration Across CCDF and TANF Important?

The Administration for Children and Families (ACF) is committed to a two-generation approach that focuses on addressing the needs of both children and their parents to help break the cycle of poverty.<sup>1,2</sup> Collaboration among state, territory, and tribal CCDF and TANF Lead Agencies and other government agencies provides an opportunity to craft such an approach. It involves developing partnerships that use the strengths of each program to create cohesive service delivery policies and practices to achieve common objectives and promote access to effective services and supports. Cross-system collaborations can result in administrative efficiencies by streamlining eligibility processes, using staff and infrastructure more effectively, and eliminating duplication of effort.

CCDF and TANF child care share a long legislative history starting with the Family Support Act (FSA) of 1988 which required states to guarantee child care services to families receiving Aid to Families with Dependent Children (AFDC). Two years later, Congress enacted the CCDBG Act of 1990. CCDBG supported families who were not connected to AFDC and whose income from employment did not exceed 75 percent of the state median income.

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA 1996), known as welfare reform, replaced AFDC with the TANF program and consolidated AFDC and CCDBG child care funding under CCDF. PRWORA increased the CCDF Federal maximum income limit to 85 percent of the State Median Income level. Both programs still support low-income parents with the costs of child care but have evolved to support a two-generation approach.

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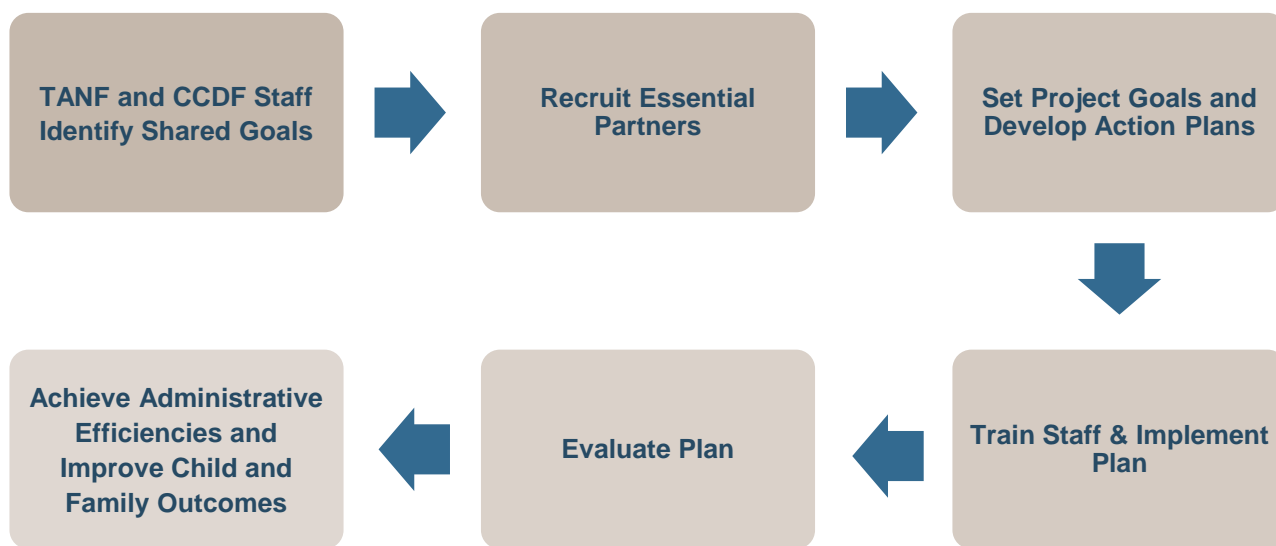
<sup>1</sup> ACF (n.d). *ACF & two-generation approaches*. Retrieved from: <https://www.acf.hhs.gov/two-generation-approach/acf-two-generation-approaches>

<sup>2</sup> ACF Office of Family Assistance (2016). *Strengthening TANF outcomes by developing two-generation approaches to build economic security* (TANF-ACF-IM-2016-03). Retrieved from: <https://www.acf.hhs.gov/ofa/resource/tanf-acf-im-2016-03>

Approximately 13 percent of families receiving CCDF-funded child care in 2016 also reported receiving TANF assistance.<sup>3</sup> Therefore, changes made to CCDF as the result of CCDBG reauthorization directly impact TANF recipients. This makes collaboration between CCDF and TANF services critical for ensuring that parents have the opportunity to make the best choices about their children’s early care and education so they can focus on their own education, training, and work activities.

## What are Beginning Steps in Collaboration?

A first step to collaboration is to identify the potential partnerships between the CCDF and TANF Lead Agencies along with other state agencies. For example, partners may include staff from the social and human services agencies and the departments of labor, early education, transportation, child support enforcement, and child care licensing; the early childhood advisory council; legislators; and other entities that serve low-income families and children. Initial objectives could be to establish formal communications, identify common goals and interests, determine the scope of the desired collaboration, and assess needs and gaps in services. The following diagram provides a visual of what a cross-system collaboration model might look like.



<sup>3</sup> ACF Office of Child Care (2018). FY 2016 data tables (preliminary). Retrieved from: <https://www.acf.hhs.gov/occ/resource/preliminary-fy2016>

## CCDF and TANF Collaboration Opportunities

CCDF and TANF Lead Agencies have broad discretion to design their programs. They can work together to create a common vision for aligning program structures, policies, reporting, access to services, and resources to meet the needs of the families and children.

### Do You Know Your Partners in the Lead Agency for TANF?

As a CCDF administrator, increasing your understanding of the requirements of the TANF program may help you design a collaborative approach that improves self-sufficiency for families and improves outcomes for children.

#### Do you know:

- Which state, territory, or tribal Lead Agency hosts the TANF Program?
- The name of the program administrator?
- How the TANF program is operated; i.e., is the program state-administered? County administered? Administered by a private or non-profit entity?
- Whether the eligibility for the CCDF and TANF programs can be determined by the same caseworker?
- Whether the program can use dedicated caseworkers or mixed-program caseworkers? An example of the use of mixed-program caseworkers is a state where the education department is the CCDF Lead Agency, but TANF caseworkers in the social services department can determine eligibility for both CCDF and TANF child care assistance.
- Who manages the fiscal and data reporting for the TANF program?

Below are strategies CCDF administrators may consider in pursuing effective and efficient collaboration between program administration and service provision:

### Redesigning Organizational Structure, Culture, and Funding

Consider if the current organizational structure for CCDF and TANF provides the most effective and efficient way for delivering services. For example:

- Consider “co-designing” CCDF and TANF so that child-centered and parent-centered service providers work as teams to develop services for families.<sup>4</sup>

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<sup>4</sup> ACF Office of Family Assistance (2016). *Strengthening TANF outcomes by developing two-generation approaches to build economic security* (TANF-ACF-IM-2016-03). Retrieved from: <https://www.acf.hhs.gov/ofa/resource/tanf-acf-im-2016-03>

- Evaluate how current state rules affect Lead Agencies' abilities to collaborate.
- Evaluate whether TANF funds should be transferred to CCDF to meet the child care needs of TANF families or whether should the programs and funding remain separate.
- Consider the strategic role the Department of Labor may have in delivering services to underemployed CCDF families. The Workforce Innovation and Opportunity Act (WIOA) operated by states' labor departments supports employment and training services for adults, dislocated workers, and individuals with disabilities.
- Determine how TANF and CCDF interact with Head Start and state-funded pre-kindergarten programs.
- Evaluate whether Social Services and Community Services Block Grant funds can be used to support new initiatives.
- Consider whether the state has the potential to access foundation and other private funds to supplement the cost of demonstration projects.

## **Cross Training Eligibility Workers to Assess Parents' Child Care Needs**

- Provide training to CCDF and TANF eligibility workers on the requirements and objectives of both programs or train "system navigators" that are dedicated to helping families understand how to enroll in these two programs (and potentially other public assistance programs).
- Ensure TANF eligibility workers assess parents' needs for child care at intake, TANF orientation, employability assessment, and employment plan development.
- Ensure CCDF eligibility workers are aware of a family's TANF status.
- Train eligibility workers to understand the critical role stable and high-quality child care has on parents' abilities to participate in education, training, and employment activities; as well as on the healthy development of children.
- Provide parents with information on their child care options and resources needed to assist them in locating and accessing high-quality child care.

## **Streamlining/Aligning Eligibility and Payment Policies**

- Develop a streamlined application process that allows families to apply for assistance using a single application form.
- Share data across agencies and programs for both initial determination and changes over the course of the family's participation in the programs, noting that CCDF regulations prohibit CCDF Lead Agencies from acting on changes that would negatively affect family eligibility or benefits during the eligibility period unless it impacts Federal eligibility requirements. This could include instant or quick updates across programs if the family reports changes to one program, and easy access to state data and a seamless interface for workers to view and update the family's data.

- Establish procedures for families to move seamlessly between TANF and CCDF child care assistance.
- Align eligibility policies to the extent practicable, such as the date assistance begins, composition of the eligibility unit, countable and excluded income, verification practices, 12-month redetermination periods, change reporting and good cause and good faith exemptions for non-compliance, and eligibility reinstatement policies that avoid or minimize interruptions in benefit payments.
- Implement policies that allow children cared for in regulated child care settings to continue to receive TANF child care payments during temporary interruptions in parents' education, training or employment activities.
- Establish uniform child care payment rates that support access to a full range of child care providers.
- Establish uniform health and safety standards for all licensed, regulated and registered child care providers, including caregivers that provide child care services to TANF families that may be exempt from the CCDF regulatory requirements.
- Coordinate child support policies and fatherhood initiatives to promote the formation and maintenance of two-parent families.

## Coordinating Consumer Outreach and Education

- Develop a coordinated consumer outreach and education system for engaging low-income families and vulnerable populations (e.g., children at risk of needing protective services, individuals with disabilities, homeless populations, etc.) by leveraging existing infrastructure, consumer education websites, and call centers.
- Target outreach efforts to specific populations such as children in families with low incomes, refugees, American Indian/Alaska Native families, families and children with disabilities, families experiencing homelessness, and under-employed individuals.
- Educate families on the availability of cash assistance and child care services provided through CCDF and TANF and workforce support services.
- Provide all families with access to information on early childhood development, health and mental health services, opioid addiction, and other public benefits and support services.

## How Have States Improved Collaboration Between CCDF and TANF?

Some states have implemented streamlined eligibility processes by allowing families to apply for and manage benefits, including change-reporting, through a single application. Additional examples of collaboration include cross-training caseworkers, allowing TANF activities to qualify families as eligible for CCDF-subsidized care, and using TANF funds for early care and education programs.



**Colorado's** Program Eligibility Application Kit (PEAK) is an online service that allows all Colorado families to screen and apply for medical, food, cash, and early childhood assistance programs. Families may choose to access their accounts through an online portal or mobile app. In creating and refining a joint benefit application, Colorado was able to reduce the size of the application,<sup>5</sup> thereby reducing burden on both families and caseworkers.



In **North Carolina**, an integrated eligibility project called North Carolina Families Accessing Services Through Technology (NC FAST) was recently implemented for child care assistance and Work First (TANF) programs, allowing caseworkers to streamline services and administrative tasks. With client data shared across benefit programs, administrative burden on caseworkers is eased.



In **Vermont**, TANF caseworkers may determine eligibility for child care subsidies and share this information with community child care support agencies to initiate access to child care subsidy benefits.



In **New Mexico** and **Tennessee**, TANF dollars are used to partially fund state-funded pre-kindergarten.<sup>6</sup>

Most states allow TANF work activities to qualify families as eligible for CCDF-subsidized child care and 38 states and territories allow other TANF activities to qualify families as eligible for CCDF subsidies.<sup>7</sup> In combination with streamlining eligibility, expanding the range of TANF activities that qualify families for CCDF-subsidized care may lead to greater and easier access to child care for low-income families.

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<sup>5</sup> Urban Institute (2013). Early Lessons from the Work Support Strategies Initiative: Colorado. Retrieved from <http://webarchive.urban.org/UploadedPDF/412790-Early-Lessons-from-the-Work-Support-Strategies-Initiative-Colorado.pdf>

<sup>6</sup> National Institute for Early Education Research (2018). Implementing 15 essential elements for high-quality pre-k: An updated scan of state policies: <http://nieer.org/wp-content/uploads/2018/10/Essential-Elements-FINAL-9.14.18.pdf>

<sup>7</sup> ACF Office of Planning Research & Evaluation. (2018). *The CCDF policies database book of tables: Key cross-state variations in CCDF policies as of October 1, 2017* (OPRE Report No. 2018-106). Retrieved from <https://www.acf.hhs.gov/opre/resource/the-ccdf-policies-database-book-of-tables-key-cross-state-variations-in-ccdf-policies-as-of-october-1-2017>

In addition, states have made great strides in supporting two-generation initiatives. These two-generation approaches aim to support the whole family through a focus not only on early childhood development and job training/employment, but also through social capital, health, and economic assets,<sup>8</sup> bringing together a network of services and supports from multiple agencies. Below are examples of the components of some two-generation initiatives that relate to CCDF and TANF.



In 2015, **Connecticut** passed the nation's first two-generation implementation bill, creating six demonstration sites to assist both parents and children in moving out of poverty through a focus on school and workforce readiness and success. The bill called for a long-term plan to fund two-generation programming by using TANF funds to the extent permissible under federal law and by creating state grants to provide an incentive to private entities to develop two-generation programs. What resulted is a unique blend of federal, state, and private funding combined with non-financial support from philanthropic and national partners. Further, a comprehensive administrative structure was established through the Two-Generational Intragency Working Group, bringing together members representing all branches of state government, parents, and private partners to guide the development and implementation of the two-generation programming. More information can be found at: <https://ctcwcs.com/two-generational/>.



Also in 2015, **Utah's** Intergenerational Welfare Reform Commission released Utah's Plan for a Stronger Future which identified goals in four areas of child well-being to address intergenerational poverty: early childhood development, education, family economic stability, and health. The plan included recommendations guided by data collected by the Commission since 2012 when the intergenerational poverty legislation was enacted. Utah's approach is unique in its specific focus on intergenerational poverty measured through families' enrollment in four public assistance programs: CCDF, TANF, Supplemental Nutrition Assistance Program (SNAP), and Medicaid and/or the Children's Health Insurance Program (CHIP).<sup>9</sup>

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<sup>8</sup> Ascend. (n.d.). *What is 2GEN?* Retrieved from: <http://ascend.aspeninstitute.org/two-generation/what-is-2gen/>

<sup>9</sup> Utah Department of Workforce Services (n.d.). *Utah's intergenerational poverty initiative*. Retrieved from: <https://jobs.utah.gov/edo/intergenerational/>



The **Colorado** Department of Human Services has invested heavily in two-generation approaches over the past several years, including the 2Generation Opportunities (2GO) program through which community organizations and agencies may apply for grants to plan and implement two-generation service delivery. More details and further examples of these initiatives can be found at:

<https://www.colorado.gov/governor/two-generation-approach>.

## Fiscal Considerations in Collaborations Between CCDF and TANF

CCDF and TANF Lead Agencies must understand fiscal rules and regulations to succeed in collaborating. TANF Lead Agencies can spend TANF funds directly on child care and they can transfer up to 30 percent of the TANF grant award to CCDF (the transfer can not exceed 30% of the *combined* annual funds transferred to CCDF *and* the Social Services Block Grant [SSBG]). Below are other fiscal considerations that are important to understand:

- Funds transferred into the CCDF program are subject to the rules and regulations of CCDF in place at the time when the transfer occurs. A state can only transfer the current year TANF funds; it may not transfer a prior year's unobligated or reserved balances to CCDF.
- TANF Lead Agencies are prohibited from sanctioning parents of children under age six due to parent's inability to obtain appropriate child care within a reasonable distance from home or work, suitable informal child care by a relative or other arrangement, or care in a formal child care setting that is not affordable.
- TANF has two separate funding categories: assistance and non-assistance. It is important to understand the differences in these categories because using TANF assistance funds may count against a family's lifetime limit for receiving these funds.
  - TANF regulations at 45 CDF Part 260.31 defines "assistance" to include cash, payments, vouchers, and other forms of benefits designed to meet a family's ongoing basic needs (i.e., for food, clothing, shelter, utilities, household goods, personal care items, and general incidental expenses). It includes supportive services such as transportation and child care provided to families *who are not employed*.
  - Non-assistance includes child care for employed families and nonrecurrent short-term benefits that are not intended to meet recurrent or ongoing needs and that do not extend beyond four months. This includes nonrecurring and short-term child care benefits provided for job search and to recently employed families during a period of unemployment.



- States and territories have the option of using their state or territory dollars that meet the federal maintenance of effort TANF requirement to operate a separate state program.<sup>10</sup> An important aspect of a separate state program is that families who receive TANF funding for services such as child care are not bound by the 60 month time-limit for TANF benefits.
- CCDF has a Maintenance of Effort (MOE) requirement that requires the state to expend its own funds at the level at which it was matching the former AFDC-linked child care programs in FY 1994 or FY 1995, whichever was greater.

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<sup>10</sup> Congressional Research Services (2016). *A Primer on TANF financing and federal requirements*. Retrieved from <https://greenbook-waysandmeans.house.gov/sites/greenbook.waysandmeans.house.gov/files/RL32748%20-%20TANF%20Block%20Grant%20-%20A%20Primer%20on%20TANF%20Financing%20and%20Federal%20Requirements.pdf>