



Issue Note

The **FINANCE PROJECT**

An Update on Child-Only Welfare Cases

By Kelley O'Dell

Summary

During the past several years, policymakers and program administrators have paid more attention to child-only cases, which comprise a growing percentage of the Temporary Assistance for Needy Families (TANF) caseload. While the number of child-only cases dropped between 1996 and 1998 from a peak of 978,000 families (22 percent of the caseload), the number and proportion have since increased. In fiscal 2001 there were about 786,900 child-only cases, accounting for 37.2 percent of the total TANF caseload (Office of Family Assistance February 2003). In addition, because the children and caregivers in child-only cases have some unique or particularly marked needs, there are questions and concerns about the well-being of these children and how best to serve them and their caregivers.

To address the circumstances of child-only cases, some states have designed specific programs and policies for them, such as specialized case management and increased financial assistance. Other states are focusing on a holistic service approach and integrating the services of the welfare and child welfare systems.

This publication updates The Finance Project's April 2001 *Issue Note* "Addressing the Well-Being of Children in Child-Only Cases," available at <http://www.financeprojectinfo.org/Publications/childonlycasesissuenote.htm>. Although several relevant research reports have since been released, there is still much to learn about the needs and well-being of children and caregivers in child-only cases and about how best to serve them.

Characteristics of Child-Only Cases

Overview. Child-only cases are defined by there being no adult in the assistance unit. Parents may or may not be present. In parental cases, parents reside in the home with the child but are ineligible to receive TANF because of sanctions, time limits, a drug felony conviction, their immigration status, or their receipt of Supplemental Security Income (SSI).¹ In nonparental cases, no legal parent is present in the home and another adult—usually a grandparent or other relative—cares for the child.² According to the *Fifth Annual Report to*

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Congress by the U.S. Department of Health and Human Services' Office of Family Assistance, in 62.8 percent of child-only cases the children receiving assistance are the caregivers' children, 21.8 percent are their grandchildren, and 10.4 percent are relatives other than their grandchildren. About 2.3 percent of the children in child-only cases are the heads of household.³

Composition of and Trends in This Population.

It is difficult to assess welfare reform's effect on trends in child-only cases, partly because the changes in program requirements and reporting systems limit the comparability of TANF data and data from the previous Aid to Families with Dependent Children (AFDC) program. States have the flexibility to determine what types of households are eligible for assistance under TANF, including which members of those households are eligible. Most states have maintained the type of "child-only" assistance units that were part of the AFDC program.

The composition of the child-only caseload varies among states. For example, in states such as California, a high percentage of the child-only caseload is composed of immigrant families. Other states have a high percentage of child-only cases with grandparents and other nonparental caretakers.⁴ In "Frequently Asked Questions about Child-Only Cases" (1999), the Office of the Assistant Secretary for Planning and Evaluation of the U.S. Department of Health and Human Services notes that state variation is a result of "both demographic variation and policy choices." A study by The Lewin Group on the composition and trends of TANF child-only cases illustrates this point (Farrell et al. February 1, 2000). The study focused on three locations: Alameda County,

California; Duval County, Florida; and Jackson County, Missouri. A major finding is that state policies and county demographics directly affect the composition of child-only caseloads; about two thirds of the child-only cases in Jackson and Duval counties are relative caretaker cases, while Alameda cases are divided more evenly into sanctioned, SSI, alien, and relative cases.

Formation of Child-Only Cases.

A Mathematica Policy Research, Inc., study found that substance abuse, as well as other serious personal problems, were key in the formation of child-only cases (Wood and Strong May 2002). The Lewin study asserts that relative caretakers are more likely to be grandparents who are caring for a child because of parental desertion, incarceration, substance abuse, or child abuse or neglect (Farrell et al. February 1, 2000). According to a study by the Research Forum on Children, Families, and the New Federalism (September 2002), at least 35 percent of nonparental cases in South Carolina included children with prior involvement with child protective services, and at least 17 percent of the children in the care of relatives were in foster care prior to coming to their homes.

Education and Economic Circumstances.

The Lewin study found that adult caregivers in child-only cases experience significant barriers to employment, including less formal education and less work experience (Farrell, et al. February 1, 2000). In 2002 the South Carolina Department of Social Services published a comprehensive study on its child-only caseload (Edelhoch, Liu, and Martin 2002); this study also found that compared with other TANF cases, child-only relative caregivers have fewer years of education.⁵ In the Mathematica study, however, nonparental child-

¹ In its *Fifth Annual Report to Congress*, the U.S. Department of Health and Human Services' Office of Family Assistance estimates that in 2001, about 50 percent (389,773 out of 786,932) of the TANF child-only cases included parents living in the household, but not in the assistance unit. The reasons included sanction for failure to comply with work requirements, attend school, or cooperate with child support (9.7 percent); SSI receipt (42.1 percent); unknown citizenship or alien status (31.8 percent); and other/unknown (16.4 percent) (Office of Family Assistance February 2003). In a study of the South Carolina child-only caseload (Edelhoch, Liu and Martin 2002), about 175 cases, or 2 percent of the total caseload, stemmed from sanctions.

² For more information, see <http://www.financeprojectinfo.org/Publications/childonlycasesissuenote.htm>.

³ For more information, see <http://www.acf.dhhs.gov/programs/ofa/annualreport5/index.htm>.

⁴ For more information, see http://peerta.acf.hhs.gov/pdf/child_only.pdf.

⁵ The research used interviews and demographic data and focused on the characteristics of the children and caregivers and the well-being of the children.

only cases were generally found to be less disadvantaged, have more income, and face fewer hardships than other TANF families.

Other Characteristics. According to the Lewin study, children in child-only cases are typically older than other TANF children, and many of the children in child-only cases have had multiple caregivers (Farrell et al. February 1, 2000). The South Carolina caregivers also have older TANF children in their care, and the caregivers are more likely than caregivers in other TANF families to be married and older (Edelhoch, Liu and Martin 2002).

Well-Being and Needs of Children and Caregivers in Child-Only Cases

Until recently, not much was known about the well-being and needs of children and caregivers in child-only cases. However, several studies are now available that show that children in child-only cases contend with many problems that accompany poverty, including food insecurity, substandard housing, and poor or inadequate health care. These children also frequently suffer from mental health problems as a result, for example, of a trauma or the separation from their parents.

- The Mathematica study authors summarized that there are specific variations in the needs of three different groups of child-only TANF families: 1) the poor health of many nonparental caregivers in child-only cases; 2) the high rates of food insecurity for the families with parents receiving SSI; and 3) the extreme disadvantages of immigrant families receiving child-only grants (Wood and Strong May 2002).⁶

- In the South Carolina study, many of the caretakers “expressed concerns about the psychological, behavioral, and learning problems” of the children in their care. The researchers noted that supports are needed to improve services to this population, including higher TANF benefits, higher food stamp benefits, child care assistance, medical assistance for caretakers, mental health counseling for the children, and financial assistance for expenses related to education.⁷

- RTI International, in collaboration with the School of Social Work at the University of North Carolina at Chapel Hill, recently studied the characteristics of children in TANF child-only cases with relative caregivers, the policies and programs that define these cases, and states’ efforts to assess and respond to these children’s needs (Gibbs et al. 2004). The researchers found that children in relative care may experience substantial difficulties as a result of the separation from their parents and the circumstances precipitating the separation. The TANF system, with its focus on self-sufficiency and services to adults, may lack the resources that children in relative care need. The study concludes that enhanced services to this population could yield substantial benefits to the children and relative caregivers.⁸

- A study of welfare leavers in two California counties (Gritz et al. 2001) examined how families were doing after leaving the rolls; being denied assistance; or transitioning to child-only status, primarily because of sanctions. Selected outcomes for families that left welfare—including employment, earnings, health insurance, housing conditions, income relative to the poverty level, and stability of child care arrangements—were much better than

⁶ For more information, see <http://www.mathematica.org/publications/PDFs/wfnjchild.pdf>.

⁷ For more information, contact Marilyn Edelhoch, South Carolina Department of Social Services, medelhoch@dss.state.sc.us or 803-898-7324.

⁸ The study was conducted for the U.S. Department of Health and Human Services, Assistant Secretary for Planning and Evaluation, because limited information has been available to describe the service needs and well-being of children in child-only cases. It used a multimethod approach that included a literature and policy review, secondary analysis of national survey data, and case studies of five diverse systems. For more information, see the study at <http://aspe.hhs.gov/hsp/child-only04/index.htm>.

for families that transitioned to child-only status. The researchers concluded that the child-only group showed much less improvement than the other two groups of leavers and that policymakers should be concerned about this population.

Services and Supports to Address the Needs of Child-Only Cases

Available studies assert that children in child-only cases and their caregivers need a broad range of assistance that may include economic, case management, and child welfare services. Unmet needs may contribute to future dependency, poor child health and development, and instability in relationships with parents and caregivers. Policy discussion and practice focus on several strategies for improving supports and services to this population:

Additional Cash Benefits. States set their own TANF payment levels, so child-only benefit rates vary. Some states provide differential benefits to child-only cases. For example, Tennessee provides slightly higher monthly TANF payments, ranging from \$16 to \$50, to child-only cases with up to five family members. Nevada provides a supplemental payment to child-only cases that results in a more substantial differential in monthly payments \$476, compared to \$289. Like other aspects of state TANF programs, these additional cash benefits are funded through various sources, including TANF, state, and maintenance-of-effort funds.

Benefits Outreach and Enrollment. Many children living with relatives may be eligible for TANF child-only grants but not be receiving them. The Urban Institute has reported that 28 percent of all children in kinship care received AFDC (Geen et al. September 2001). Children and caregivers in these cases are likely to be eligible for other income supports, such as food stamps and Medicaid, but many do not receive these supports. This suggests that states can take steps to improve outreach and enrollment for these programs so

children and caregivers can benefit from the supports for which they are eligible.

Improving Services to Children and Caregivers Across Systems. Some states serve child-only TANF families through their child welfare system, using caseworkers from child welfare or cross-departmental services. Also, kinship (relative) care cases, as a percentage of both TANF and child welfare caseloads, are growing, which makes improving services to child-only cases extremely relevant to both systems. The Welfare Peer Technical Assistance Network, sponsored by the Office of Family Assistance of the U.S. Department of Health and Human Services, has prepared several reports stemming from conferences on serving child-only caseloads. The state representatives attending the conferences discussed the importance of a holistic approach to serving child-only cases and how service integration between service systems such as welfare and child welfare is critical to that approach.⁹

There are several issues to consider when vulnerable children in nonparental situations receive aid from the TANF system instead of the child welfare system or vice versa.

- Generally, child-only TANF benefits are less than foster care payments, so there is less financial support for the caregiving of children in need. For example, the South Carolina report discusses the issue of kinship care in foster care arrangements and TANF child-only cases, noting that monthly foster care payments are 70 percent higher and foster parents also receive a clothing allowance (Research Forum on Children, Families, and the New Federalism September 2002). In addition, states are not required to provide as many services to child-only cases, such as the specialized case management mandated for foster care cases in the child welfare system.
- When a caregiver receives child-only TANF benefits, he or she does not have to relinquish custody of the children to the state; relinquishing custody is required to receive

⁹ Three meetings were held in 2003, and the reports are available at http://peerta.acf.hhs.gov/search/search_act.cfm

foster care/child welfare payments. This can be an agonizing decision for a variety of reasons, including potential reprisals by the parents and implications for the children if parental rights are terminated. While grandparents and other relative caretakers might recognize the higher levels of support available to them under the child welfare system, that increase may not be enough for them to terminate parental rights.

In light of these complicated issues, many states are trying to find models to balance these competing concerns. Examples exist of innovative partnerships between the TANF and child welfare systems dedicated to serving needy children, including those in child-only or other kinship care situations, and the Urban Institute has noted that “there appears to be an emerging trend on the part of states and localities to consider different strategies for meeting the needs of kin outside of traditional foster care or TANF programs” (Geen et al. September 2001).¹⁰ The Lewin Group researchers also found that states are recognizing the importance of assisting cases where relatives are taking care of the children (Farrell et al. February 1, 2000).

States are creating alternative programs that provide services and increased financial assistance without the stringent licensing requirements of foster care. Many states have implemented programs targeted to kinship care families, especially grandparents. These programs include transportation, respite care, support groups, recreational opportunities, legal assistance/consultation, parenting education, child care, and specialized case management. For example, South Carolina provides child-care vouchers for relative caregivers in child-only cases who want to work. These families must have incomes at or below 200 percent of the federal poverty level. Many of these “alternative kinship care” programs are “subsidized guardianship” programs under which financial support is provided to relatives with permanent legal custody of a child who suffered abuse or neglect (Geen et al. September 2001). The alternative programs typically require additional eligibility tests and higher

payments than TANF programs. States are using TANF, maintenance-of-effort, and state and local funds for these programs (Farrell et al. February 1, 2000).

State and Local Initiatives

Alabama’s KinShare Pilot Program aims to address the needs of low-income kinship care families and prevent children from entering the foster care system. It serves vulnerable families with incomes less than or equal to 200 percent of the federal poverty level in which the children are at risk of foster care placement or when services are needed to stabilize an existing placement with a nonparent relative. The target population includes kinship care families that might be receiving child-only TANF cash assistance as well as families identified through the child welfare program. Services include respite care and counseling for the children and/or caregivers. The program also provides payments for special or emergency needs (e.g., beds, clothing, car repair, and emergency utility payments). Families access services through designated caseworkers. The program began as a pilot in one county in 2000, and it now serves families statewide. Contact Elizabeth Walker, Alabama Department of Human Resources, 334.242.1772 or ewalker@dhr.state.al.us.

El Paso County, Colorado, implemented a common system for child welfare and TANF, where the goal of child welfare services is to prevent poverty, while TANF is viewed as a child welfare prevention program. The County’s Kinship Care Program is focused on children receiving TANF and their relative caregivers, providing services and support by a team of TANF and child welfare caseworkers, with a focus on preventing entry into the child welfare system. Since the county had the flexibility of TANF funds and was trying to be as creative as possible, it blended income maintenance and casework services for child-only cases into one unit. The county hired a “grandparent advocate,” a case aide who had her own experience in raising a grandchild, to work with relative caregivers. Families attend an orientation to learn about the services. TANF funds

¹⁰ For more information, see http://www.urbaninstitute.org/UploadedPDF/310563_A-54.pdf

are also used to assist the household if child care expenses cause shortfalls in other budget areas. In 2000, 46 percent of referrals came from the child welfare intake unit. Over 550 relative caretakers participate in program services every year. The county has found that if relatives can get the support they need in the TANF child-only program, they may choose not to certify as foster parents. For more information, contact Nancy Lanning at 719.444.5542 or Nancy.Lanning@state.co.us.

The **Tennessee Department of Children's Services** (DCS) administers a public-private collaboration to support a program for relative caregivers and the children in their care. Legislation was passed in June 2000 to develop and pilot the Relative Caregiver Program in three regions of the state: Shelby, Davidson, and Upper Cumberland. Initially, DCS partnered with the Tennessee Department of Human Services and TANF funding was used to support the program. A request for proposals called for private agencies to deliver services in these pilot regions. The pilot phase ended June 30, 2004, and the pilot program became a formal program July 1, 2004, with its funding source built into DCS' base budget. The program aims to help support the care of children in the homes of relatives when they cannot be cared for by their parents. The goal is to preserve familial relationships and prevent children from entering state custody whenever possible. To be eligible for the program, the relative must be able to provide a safe and nurturing home environment for the child, have at least temporary legal custody of the child, be within a third degree of relationship to the child, have a household income that is not more than twice the federal poverty guideline, and reside within one of the pilot regions. There is a focus on providing supportive services, including caregiver support groups, children's activity groups, short-term respite care, recreational opportunities, family advocacy (case management), material assistance, legal assistance, information and referral, educational workshops, individual and family counseling, emergency financial assistance, transitional child care assistance, tutoring, and mentoring. Transportation for the families has proven to be a challenge for the program in all three regions. The program recognizes the immense financial needs of caregivers but lacks sufficient funding to fully

meet those needs at this time. The state is exploring other funding mechanisms to supplement assistance to children in relative placement. Contact Shalonda Cawthon, Tennessee Department of Children's Services, 615.741.8250 or shalonda.cawthon@state.tn.us.

In **Wisconsin** tribes and counties work cooperatively to manage child-only relative care cases within the **child protective services** (CPS) system. Court-ordered relative caregiver cases are managed through the child protective services system, while voluntary kinship care cases remain outside the CPS system. For relatives to receive kinship care support, kinship care workers must determine that a child/juvenile is in need or at risk of needing protection and services. This determination is made when relatives apply for child-only TANF assistance. As part of the eligibility process for kinship care applicants, the kinship caseworker conducts a background check on the relative caregiver and confirms that parental permission for the arrangement has been documented. The caseworker also establishes that the following criteria are present: there is a need for the placement; the placement is in the best interest of the child; and there is a need, or a potential need, for child protective services. This arrangement connects children with the child-focused expertise and resources of the child welfare system while still maintaining the autonomy of the relative caregiver. Contact Ruth Murphy, Kinship Care Coordinator, Wisconsin Department of Child and Family Services, murphr@dhfs.state.wi.us or 608.266.5330.

Print and Electronic Resources

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Resource Contacts

Child Welfare League of America, 202.638.2952; or visit www.cwla.org

National Center for Children in Poverty, 212.304.7100; or visit <http://cpmcnet.columbia.edu/dept/nccp/>

National Conference of State Legislatures, Sheri Steisel, 202.624.5400

National Governors Association, visit www.nga.org

Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services, David Nielsen, 206.615.2612

Research Forum on Children, Families and the New Federalism, 212.304.7150; or visit <http://www.researchforum.org/>

Research Triangle Institute, Deborah Gibbs, 919.541.6942 or dag@rti.org; or visit <http://www.rti.org>

The Urban Institute, Rob Geen, 202.833.7200; or visit <http://www.urban.org>

Welfare Peer Technical Assistance Network, Courtney J. Kakuska, 703.385.3200; or visit <http://www.calib.com/peerta>

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