

**Impact of TANF
on State Kinship Foster
Care Programs**

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Steven G. Anderson, Ph.D.
*Children and Family Research Center
School of Social Work
1207 West Oregon
Urbana, Illinois 61801*

Kelly Righton
*Children and Family Research Center
School of Social Work
1207 West Oregon
Urbana, Illinois 61801*

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EXECUTIVE SUMMARY

Many child welfare researchers and advocates have expressed concern about how welfare reforms implemented through the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) may affect children and child welfare systems. This study examines early TANF impacts on state policies related to children living with non-parental relatives, in what commonly are known as kinship care arrangements.

The study findings are based on a survey of state TANF and child welfare officials from 20 states, which was designed to determine how state kinship care policies changed as the result of the 1996 PRWORA legislation. In addition, we sought to learn if state officials believed that the implementation of TANF was having discernable effects on foster care caseloads or the living circumstances of children in kinship care.

TANF Agency Findings

Prior to TANF, all states included kinship care cases as part of their child-only caseloads; only a portion of these cases involved children in state custody. Similarly, survey results show that all responding states include child-only cases in their TANF programs, and TANF family cases including only a non-parental relative and children are allowed in all but two study states.

Critics of the PRWORA legislation argued that states might engage in a “race to the bottom” to reduce welfare payment levels. This has not occurred in our study states during initial TANF implementation. Thirteen (13) of the 19 state TANF agency respondents have the same child-only benefit levels in 1999 as they had under AFDC in 1996, and four states have raised their benefit levels. Similarly, benefit levels generally have remained stable for family cases.

The time limits and employment and training requirements established by PRWORA also could affect state kinship care giving patterns. For child-only cases, all of

the study states exempt the adult relative caregiver from both time limits and work requirements. However, in all but two study states, the adult relative in family kinship cases is subject to time limits and work and training requirements. Eleven (11) of the 19 state programs provide exemptions from work and training requirements based on upper age limits, while seven include such age-related time limit exemptions. However, none of these exemptions are for persons under 60 years of age.

Child Welfare Agency Findings

TANF funding provides financial assistance for children in state custody who live with relatives in most study states. The most common payment pattern, which is used by half of our 18 child welfare agency respondents, involves two types of payments. Those kin who meet state licensing or approval standards can receive foster care payments at the same rate as non-kin foster care providers. Alternatively, non-licensed kin providers may receive TANF grants, which pay lower rates.

A second common pattern includes states that only provide payments for children in state custody at the same rates as paid to non-kin foster care providers. If kin do not meet the licensing or approval standards, the state finds an alternative provider. TANF generally is not used as a funding source in these states for state custody cases, although some states use it as an option if the court grants the relative custody instead of the state.

Not including simple payment rate changes, ten state respondents had revised kinship care payment options for children in state custody since TANF was implemented. However, only four of these respondents said that the changes were related to TANF development or implementation.

No state reported foster care payment rate decreases between 1996-99, while 12 states increased rates. In comparison to the TANF child-only and family case payment rate changes, payment levels for licensed providers were much more likely to have risen,

suggesting an increasing premium for licensed kinship caregivers when compared to relatives that rely on TANF. Licensed foster care rates in all states exceed child-only TANF rates, but the size of these rate differences varies considerably between states.

Eight states have revised kinship care licensing standards since 1997. However, only one state respondent indicated that such licensing changes were related to TANF development. TANF funds were used to at least partially pay for selected support services for kinship caregivers in half of the study states. In addition, four states use TANF to support the costs of child welfare caseworkers for kinship foster care cases.

TANF also is playing a role in the development of legal guardianship programs in some states. Eleven (11) of the 18 study states have established such programs, and TANF funding is used to support five of these. The legal guardianship payment rates generally exceed TANF child-only rates but are below licensed foster care payment rates.

Staff Perspectives on Caseload and Living Circumstances Impacts

We asked both TANF and child welfare agency respondents their opinions about early TANF impacts on kinship care caseloads and living circumstances. Only one respondent indicated that there has been an increase in kinship care caseloads as the result of TANF. Respondents were slightly more likely to anticipate future kinship care caseload changes, generally because of expectations about future time limit impacts.

Respondents from ten states anticipated that TANF would impact kinship family living circumstances. Two of these again mentioned the potential negative impacts of time limits. However, respondents more commonly voiced potential positive impacts from changes in TANF-related kinship care policies that were being implemented in their state. Most often mentioned were increases in kinship payment rates through legal guardianship or other payment variations, as well as improved case management or support services. The greater flexibility in funding allowed by TANF, as well as savings being generated from reduced TANF caseloads, were cited as allowing these changes.

Implications

Our results indicate that, in the short run, benefit levels for TANF child-only and family kinship care cases have remained fairly stable. All child-only cases are exempted from time limits and work and training requirements in our study states, which suggests that at least minimal income support will continue to be available to kin relatives on a non-time limited basis. In addition, some states have utilized TANF funds to experiment with special payment programs for kin who obtain legal custody or guardianship, as well as to finance supportive services and casework functions.

However, kin caregivers in family TANF cases generally are subject to time limits and employment and training requirements. When coupled with the increasing number of parents who reach time limits, the long term impact of state TANF policies on kinship caregiving patterns remains in doubt. The variability of support for children living with relatives both within and across states also is troubling. It is clear that children in similar circumstances receive widely differing levels of support depending on the state in which they live, as well as the payment option selected by the state.

INTRODUCTION

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) radically changed both the substance and administrative authority for public assistance programs for low-income families. The law replaced the Aid to Families with Dependent Children (AFDC) program, which had been established in 1935 by the Social Security Act, with new state Temporary Assistance for Needy Families (TANF) programs. Programmatically, the law imposed five-year time limits on public assistance receipt, and required strict employment and training requirements for public assistance recipients. Administratively, PRWORA devolved most decision-making authority to the states, which allowed states new flexibility in designing their welfare programs. Resulting TANF programs now have been implemented in all states, and declining caseloads have led both politicians and many researchers to declare TANF an important program success.

However, declining caseloads are an inadequate measure for evaluating welfare reform effects (Gleeson, 1996), and little is yet known about the well being of families who leave TANF. Early leaver studies have shown that most TANF leavers find work and remain off TANF (Brauner & Loprest, 1999; U. S. General Accounting Office, 1999). Yet, research has shown that wages generally are insufficient to raise incomes above the poverty level, and problems with job instability also are common (Brauner & Loprest, 1999; Julnes, et. al., 2000; Parrot, 1998).

Even less is known about how TANF may be affecting the well-being of children living in poor families, or about the related impact that TANF may have on child welfare systems. While some researchers noted that TANF funding flexibility might lead to new child welfare programming investments (Boots & Geen, 1999), concerns more often were expressed about possible negative effects on children or the child welfare system. This could affect the demand side for child welfare services if TANF time limits, sanctions, or exits for low-wage work left families in economically vulnerable circumstances

(Courtney, 1997; Kaplan, 1999). Mathews (1999) hypothesized that day care problems facing parents as they worked or met TANF training requirements might increase child welfare agency scrutiny if children were left in unsafe care arrangements. TANF also could affect the supply side if kin caregivers, who frequently received payments through AFDC, faced lower payments or were subjected to time limits and employment and training requirements under TANF. The possibility that states in a devolved system would engage in a “race to the bottom” to lower welfare benefits exacerbated these concerns (Ellwood, 1996; Mullen, 1996).

Assessments of TANF program impacts on child welfare systems are complicated by several factors. For one thing, TANF changes occurred at a time when state child welfare systems already were experiencing major increases in out-of-home foster care placements. Such placements had grown from 280,000 in 1986 to over 530,000 in 1996, an increase of 89.5 percent (Petit, et. al, 1996). Most of this growth involved placements with the relatives of children, which are commonly known as kinship care placements. In addition, TANF implementation coincided with major child welfare system changes mandated by the Adoption and Safe Families Act of 1997 (P.A. 105-89, 1997). This Act tightened decision-making timelines involving reunification decisions, which may result in increased demand for kinship care placements, but also toughened kinship care licensing requirements. Finally, TANF programs are evolving during a period of unusual economic prosperity, which makes it difficult to separate program effects from more general economic impacts.

While it is too early to determine the long-term effects that TANF may have on children or child welfare systems, it is possible to examine how states have responded initially to the new state program flexibility. This study examines state responses in one important area of programming: state policies related to children living away from their parents and with non-parental relatives, which we hereafter will refer to as kinship care arrangements. Based on a survey of state TANF and child welfare agencies, we report on the extent to which states changed selected kinship care policies after TANF was

implemented. Because important changes were occurring in child welfare systems simultaneously to TANF implementation, we also asked state program officials to indicate whether kinship care policy changes were related to TANF program development. In addition, we asked these officials their opinions concerning how TANF may have affected kinship care caseloads or the living circumstances of non-parental kin who care for children.

The Complex Nature of State Supported Kinship Care Arrangements

Although kinship care often is described generically, the term embodies a complex set of care arrangements involving substantial variations in levels of state financial support, types of financing mechanisms, and levels of state regulation and licensing. Some researchers have distinguished between formal and informal kinship care. Formal kinship care generally involves placements with kin after children have been removed from their parents' homes through a judicial determination, while informal kinship care arrangements occur between children's' parents and relatives voluntarily (Berrick, Needell, & Minkler, 1999). While this distinction is useful, there are other important variations as states exercise discretion in the development of kinship care options. For example, the state is involved in many informal kinship care arrangements through the payment of TANF child-only or family grants, as well as through the provision of related supportive services.

Table 1 describes variations in kinship care arrangements according to degree of state involvement and payment mechanism. This continuum ranges from completely voluntary arrangements between parents and their relatives for a child's care with no state involvement to formalized foster care placements with kin who meet full foster care licensing requirements. Most states utilize several of the kinship care options depicted in Table 1, and all of the options shown are used by at least some states.

Table 1. Primary Types of Kinship Care Arrangements, According to Level of State Involvement and Payment Mechanism

	Level of State Involvement	Payment Mechanism	Type Of Care Arrangement
Informal Kinship Care	None	None	Kin care for related child under informal arrangements with child’s parents.
	State TANF Agency Only	Child-only payments (TANF)	Kin receives payments for caring for related child regardless of kin’s income.
		TANF family payments	TANF family case may be opened if kin has limited income and no children. If TANF case already is open for kin and children, additional payments may be received for the related child.
Formal Kinship Care	State Child Welfare Agency and State TANF Agency	Child-only payments (TANF)	Same as above
		TANF family payments	Same as above
		Special payments through state TANF system	Kin receive payments through the TANF system higher than those paid to families with their own children.
	State Child Welfare Agency	Title IV-E foster care payments	If kin meet licensing requirements and related child is from low-income family, kin may receive foster care payments at regular provider rates.
		State funded foster care using non-TANF funds	May be used if kin does not meet full licensing standards, or if related child is not from a low-income family.
		Legal guardianship programs	Kin who assume legal guardianship may receive long term maintenance payments.

On the informal end of this continuum, many relatives care for children without the involvement of state child welfare agencies. Some of these families fulfill these roles with no state help, using their own resources. Others apply to state TANF agencies for child-only grants, which provide financial assistance for care of related children regardless of the income of the relative caregiver. If families have limited financial resources and no other children, the presence of the related child may result in the opening of TANF family cases, as opposed to child-only cases. This allows the family to obtain higher levels of payment. If the family caring for the kin child has children of its own and already is receiving TANF, it may receive additional TANF payments for the kin child.

In other instances, which we will term formal kinship care, state child welfare agencies are involved in the decision-making regarding where the child is placed. This occurs when the state obtains custody of the child because sufficient reason has been found to remove children from the parental home. In many states, child welfare agencies also help arrange kinship care in conjunction with court child abuse and neglect proceedings even though state custody is not obtained (Leos-Urbel, Bess, & Geen, 1999).

One set of options in these formal kinship cases is simply to refer relative caregivers to the TANF system for income support, in which case they will receive payments just as kin caregivers not involved in the child welfare system do. This commonly occurs in instances in which kin want to care for related children, but cannot or do not choose to meet a state's foster care licensing requirements. It also may represent a cost savings measure through which states avoid paying higher foster care payment rates (Gleeson, 1999), which raises the question of whether caregivers are consistently informed about various payment options. While TANF payments for these cases typically are at the same level as payments received by kin not involved with the child welfare system receive, states also may choose to enhance TANF payment levels for children involved with the child welfare system.

Kin providers in cases involving state custody may receive higher payments if they become licensed foster providers. If they meet Title IV-E licensing requirements and the child was removed from a low-income home, they are paid the same rates as non-kin foster care providers.¹ These rates typically exceed TANF child-only payment rates substantially (Gleeson, 1999). If the child was not removed from a low-income home, kin may still receive state funded foster care payments if they meet designated state licensing requirements, which vary widely from state to state.

Finally, some states have developed programs to encourage kin to assume legal guardianship of children who have been removed from the parental home. These programs make ongoing maintenance payments to kin who assume legal guardianship, but the child welfare agency generally is freed from the more extensive monitoring and evaluation required when a child is in state custody. These programs are not eligible for federal reimbursement. However, the Department of Health and Human Services currently is experimenting with Title IV-E guardianship waivers in seven states, and many other states provide such payments without federal reimbursement (Leos-Urbel, Bess, & Geen, 1999). Payment levels vary and are not necessarily related to foster care payment rates.

We should emphasize that there is substantial variation in state procedures and payments levels *within* each of the care arrangements discussed above. When coupled with the fact that states also use different mixes of these care arrangements, the systems of kin care arrangements in different states vary dramatically. The study findings presented in later sections will detail both the similarities and differences between states in these care patterns.

¹ The income requirements for this purpose are based on the parent or guardian's income, using 1996 AFDC standards.

Incidence Levels and Growth of Children Living in Kinship Care Arrangements

Total Incidence Rates

As Table 2 shows, over two million children lived in kinship care arrangements in 1998, a figure that had remained stable since at least 1994. The census data indicate a substantial rise in the number of children living with relatives since earlier in the decade, but nearly all of this increase took place between 1993 and 1994. Because the Census Bureau initiated significant data collection changes during this period, Harden, Clark, and Maguire (1997) have argued that the large one-year increase was due mainly to improvements in identifying children living with non-relatives, as opposed to actual changes in incidence levels. Consequently, the number of children living with non-parental relatives probably remained reasonably stable throughout the decade, and represents about 3 percent of all children. Living with relatives is easily the most common form of living arrangements for children not living with parents, representing 72 percent of all such children in 1998 (Table 2).

Table 3 shows that the percentage of all children living with non-parental relatives varies dramatically by race. While 2.1 percent of all white children were living with a non-parental relative in 1998, 7.4 percent of African American children and 3.5 percent of Hispanic children were living with non-parental relatives. As a result, minority group children comprise a much larger portion of children living with non-parental relatives than of the general population. For example, while 16 percent of all children are African American, nearly 40 percent of children living with non-parental relatives are African American.

Children who do not live with a parent most often live with grandparents (Table 4). In 1998, nearly half of all children not living with their parents were living with their

Table 2. Total Number of Children Living in the Care of a Relative without a Parent Present: United States, 1989–1998 (numbers in thousands)

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Total children	63,637	64,137	65,093	65,965	66,893	69,508	70,254	70,908	70,983	71,377
Children not living with a parent	1,585	1,728	1,790	1,690	1,797	2,806	3,028	2,926	2,797	2,945
Children living with non-parental relative	1,341	1,422	1,428	1,334	1,443	2,150	2,352	2,137	1,983	2,125
Children living with a non-relative	244	306	362	356	354	656	676	789	814	820
% of all children who do not live with a parent	2.5%	2.7%	2.7%	2.7%	2.7%	4.0%	4.3%	4.1%	3.9%	4.1%
% of all children who live with a non-parental relative	2.1%	2.2%	2.2%	2.0%	2.2%	3.1%	3.3%	3.0%	2.8%	3.0%
% of all children not living with a parent who live with a relative	84.6%	82.3%	79.8%	78.9%	80.3%	76.6%	77.7%	73.0%	70.9%	72.2%

Source: US Bureau of the Census, "Marital Status And Living Arrangements", Current Population Reports, Population Characteristics, Series P20.

Table 3. Total Number of Children Living in the Care of a Relative without a Parent Present, By Race: United States, 1998 (number in thousands)

	Total	White	African American	Hispanic*
Total children	71,377	56,124	11,414	10,863
Children living with non-parental relative	2,125	1,164	843	380
% of children in each racial group who live with non-parental relative	3.0%	2.1%	7.4%	3.5%
% of all children who are in each racial group	100.0%	78.6%	16.0%	15.2%
% of children living with a non-parental relative who are in each racial group	100.0%	54.8%	39.7%	17.9%

*Persons of Hispanic origin may be of any race.

Source: US Bureau of the Census, "Marital Status And Living Arrangements," Current Population Reports, Population Characteristics, Series P20.

Table 4. Total Number of Children Living with Neither Parent: United States, 1998 (number in thousands)

	Number of Children	Percent of All Children Living with Neither Parent	Percent of All Children Living with a Relative
Living with Relative	2,125	72.2%	100.0%
Grandparent	1,417	48.1%	66.7%
Other Relative	709	24.1%	33.3%
Living with Non-Relative	820	27.8%	NA
Foster Parent	238	8.0%	NA
Other	582	19.8%	NA

Source: US Bureau of the Census, "Marital Status And Living Arrangements," Current Population Reports, Population Characteristics, Series P20.

grandparents. Of all children who were living with a non-parental relative, two-thirds were living with grandparents.

Only a small portion of children living with non-parental relatives is in state custody. While accurate data on the total number of such cases are not available, rough estimates can be made. Harden, Clark, & McGuire (1997) estimate that about one-third of all foster care is provided through kinship arrangements. Applying this percentage to the 1996 foster care caseload of 530,496 (Petit, et. al, 1999) yields an estimate of about 175,000 children living in formal kinship care arrangements at that time. Alternatively, the Current Population Survey estimates that 311,000 children were living in non-relative foster care in 1996. Subtracting this number from the 530,496 1996 total foster care figure results in an estimate of 219,500 children who are in state custody and live with kin.

These estimates suggest that, while public policy attention focuses on those children in state custody, these children only represent about 8-10% of all children living with a non-parental relative. Nonetheless, kinship foster care placements have represented an increasing proportion of all foster care placements over time. While not all states maintain accurate data on kinship care placements, Hardin, Clark, and McGuire (1997) report that such placements rose from 18 percent to 31 percent of all foster care placements for selected states between 1986–1990. Most of this growth occurred in the three large states that account for about 40 percent of the national foster care caseload: California, Illinois, and New York. By 1993, kinship care cases comprised 54 percent of all foster care cases in Illinois, 45 percent in California, and 36 percent in New York (Hardin, Clark, & McGuire, 1997).

As previously mentioned, many children living in kinship care arrangements receive public financial supports through TANF or other payment mechanisms other than Title IV-E or state foster care payments. Because states often do not have accurate data available on the numbers of children who receive various types of financial support, it is not possible to accurately estimate the percentage of all children living in kinship care

arrangements who receive some type of public financial support. However, estimates can be made on the number of children in kinship care who receive public support through selected financing mechanisms.

Probably the most common type of kinship care financial support is provided through TANF payments, which formerly were provided through the AFDC program. For a portion of these cases, state custody has been established, or else the court has assigned custody to the kin relative. In others, families simply make informal arrangements for the care of children by their kin, and these kin caregivers then apply to the state public welfare agency for support. As previously discussed, two types of TANF grants generally are available: child-only grants and family grants.

Because only a portion of all child-only cases involves non-parental relatives, data on the number of kinship care child-only cases generally are not available.² However, a previous study (Lewin Group, 2000) has used federal quality control data to estimate the number of kinship care child-only cases for selected years. Table 5 shows that such child-only kinship cases increased by 88 percent between 1988 and 1996, from 206,000 to 388,000 cases. Consistent with the 1997 declines in TANF family cases and total TANF child-only caseloads, kinship child-only cases then dropped by 12 percent to 341,000 in 1997. Based on sharp decreases in total child-only TANF cases in 1998, we estimate that about 286,000 kinship care cases received child-only payments in 1998. This represents about 13 percent of all households in which children were living with their kin.

While available data do not distinguish how many of these child-only kinship care cases are in state custody, it would appear to be well under half. For example, in 1996, when about 388,000 children received child-only payments, there were only an estimated 175,000–220,000 children in state custody living in kinship care arrangements. An

² Other major categories of child-only grants are cases in which the adult has been sanctioned and cases in which the adult receives Supplemental Security Income (SSI).

Table 5. Total Number of Kinship Care Families Receiving Child-only AFDC/TANF Assistance: 1988–1998

Fiscal Year	Child-only Cases in Kinship Families	% Change from FY 1988
1988	206,000	NA
1991	263,000	27.7%
1994	364,000	76.7%
1996	388,000	88.3%
1997	341,000	65.5%
1998	286,000*	38.8%

*Data for FY 1998 are estimated.

Source: The Lewin Group, *Understanding the AFDC/TANF Child-only Caseload: Policies, Composition, and Characteristics in Three States*, and unpublished data from the U. S. Department of Health and Human Services.

unknown number of these children in state custody received payments through Title IV-E, AFDC family grants, or other funding sources, or else received no payments of any kind.

If the kin caregiver is poor, a TANF family case may be opened rather than a child-only case.³ This allows the kin caregiver to receive higher payments than are available for child-only cases. In addition, kin caregivers who already have established TANF cases may receive additional payments for adding a kin child to their case, as opposed to opening a separate child-only case. National data on the number of children included in such TANF family cases are not available. A 1991 estimate indicated that about 750,000 children were living with relatives that received AFDC (National Commission on Family Foster Care 1991). Given that only 263,000 children were living in AFDC child-only cases at that time, the total number of kin caregivers who received financial support through AFDC in a given year probably was considerably higher than reflected by the child-only data presented above. This child-only versus family case distribution may change somewhat under TANF, however, due to differing work and time limit requirements for these two types of cases.

METHODOLOGY

The findings in this study are based on a survey of state TANF and child welfare officials from 20 states. The inclusion of both state TANF and child welfare agencies in each state was important, because kinship care may be subsidized by either or both of these agencies. Most often, state child welfare agencies have responsibility only for those cases in which the state has custody of the children, or in other cases in which abuse and neglect complaints have been filed. In comparison, TANF agencies provide

³ Another alternative used by some states is to open a child-only case for the relative kin, and then to open a separate family case for the kin caregivers and their own children.

kinship care financial support both for children served by child welfare agencies and for children cared for through informal kin arrangements.

The survey, which was developed by project staff in consultation with child welfare and TANF program experts, was designed to determine how state kinship care policies may have changed as the result of the 1996 PRWORA legislation. In addition, we sought to learn if state officials knowledgeable about kinship care believed that the implementation of TANF was having discernable effects on foster care caseloads or the living circumstances of kin caregivers. Finally, the survey enabled us to detail the relationships between kinship care provision through TANF and through other state arrangements in a manner that has not been described elsewhere.

More specifically, the survey asked respondents to describe the various payment mechanisms used to support kinship care arrangements, as well as how choices were made between different funding mechanisms. Questions also were included on the degree of relationship required to receive kinship care payments; the types of services that kinship caregivers could receive; and the applicability of TANF time limits and employment and training requirements to kinship caregivers.

For each of these substantive areas, questions were designed so that determinations could be made about how payments or other kinship care dimensions had changed since TANF programs were implemented. In asking data related questions, our general approach was to ask for information for 1996, the last full year before TANF implementation, and for 1999.

Sample Selection and Response Rate

Several criteria were used in selecting the twenty states included in the sample. To assure that states with large numbers of children in out-of-home placements were included, we first selected all states with one of the largest ten state caseloads in either

total foster care, Title IV-E foster care, or Aid to Families with Dependent Children (AFDC) child-only cases in 1996. This resulted in the selection of 15 states.

To complete the sample, we purposively chose states with features that appeared substantively interesting. Wisconsin was selected because of the national attention it has received through its welfare reform program. Arizona was chosen both as an example of a program with strict welfare reform rules, and because it had experienced large recent Title IV-E program growth. Oregon had received a demonstration project to experiment with child welfare reforms. Finally, Oklahoma and Washington each had high proportions of their total foster care caseloads in kinship care, and also added geographic balance to the sample.

The resulting sample, which is shown in Table 6, includes five states from each region of the country. Collectively, in 1996, these states included 80 percent of the total United States out-of-home caseload, 83 percent of the Title IV-E caseload, and 75 percent of all AFDC child-only kinship cases (Table 6).

Surveys were completed with staff from 19 of the 20 state TANF agencies, and with 18 of the 20 child welfare agencies (Table 7). Because the states not responding differed for the TANF and child welfare agencies, responses from both agencies were received in 17 states, or 85 percent of the sample. These states include approximately 77 percent of all children receiving Title IV-E foster care payments, and 72 percent of all children in out-of-home placements.

Survey Administration and Data Analysis

Initial state contacts were made through letters sent to the directors of the TANF and child welfare agencies in each state. These letters briefly explained the purpose of the study, solicited cooperation, and asked the directors to identify the agency staff person most knowledgeable about kinship care policy. If responses were not received,

Table 6. Numbers of Children in Out-of-Home Care in Sample States: 1996

States	Children Under 18	Children in Out-of-Home Care	Children in Title IV-E Foster Home	AFDC Child-only Cases – No Parent Present
Arizona	1,150,186	6,158	3,181	5,847
California	8,866,413	104,406	61,805	54,490
Florida	3,423,067	24,129	6,147	24,678
Georgia	1,952,456	15,426	3,945	15,377
Illinois	3,155,905	54,540	25,225	11,644
Maryland	1,286,190	11,768	3,861	7,953
Massachusetts	1,421,929	13,046	9,335	5,501
Michigan	2,537,014	15,663	8,897	8,035
Missouri	1,394,199	10,272	4,826	6,921
New Jersey	1,986,972	8,651	4,749	10,556
New York	4,540,534	53,285	44,082	16,661
North Carolina	1,833,617	10,880	4,437	22,171
Ohio	2,847,841	18,811	7,017	21,660
Oklahoma	880,796	5,937	1,658	4,592
Oregon	808,406	6,300	2,752	8,830
Pennsylvania	2,894,676	21,377	13,763	16,581
Tennessee	1,322,161	9,114	2,233	11,769
Texas	5,452,277	15,008	6,034	24,958
Washington	1,436,804	8,841	1,997	9,396
Wisconsin	1,343,034	8,424	4,640	5,058
Total sample	50,534,477	422,036	220,584	292,678
Total U.S.	69,048,323	530,496	266,977	388,120
Sample as % of Total U.S.	73.2%	79.6%	82.6%	75.4%

Table 7. Survey Responses for States in Sample

State	TANF Agency Response	Child Welfare Agency Response
Arizona	X	X
California	X	X
Florida	X	X
Georgia	X	
Illinois	X	X
Maryland	X	X
Massachusetts	X	X
Michigan	X	X
Missouri	X	X
New Jersey	X	X
New York	X	X
North Carolina	X	X
Ohio		X
Oklahoma	X	X
Oregon	X	
Pennsylvania	X	X
Tennessee	X	X
Texas	X	X
Washington	X	X
Wisconsin	X	X

follow-up telephone contacts were initiated. We received suggestions on staff contact persons from both the TANF and child welfare agencies in all 20 states.

Telephone contacts then were made with the designated agency staff. If these staff persons agreed to participate in the study, they were sent the survey. The designated staff person then developed the state response, sometimes in collaboration with other agency staff. Considerable consultation between project staff and the designated state respondents also generally was required in order to clarify state responses. In addition to completing the survey, respondents were asked to provide relevant legislation or administrative procedures that described important aspects of the state's kinship care policy. This interviewing process was completed between January and September, 2000.

Completed survey items subject to quantification were entered into an SPSS data file. Open-ended responses were organized by question and entered into word processing files for comparative analysis. Field notes also were developed for each state response to elaborate on nuances of state policy or contact person perspectives.

FINDINGS

In this section, we present findings from the completed state surveys. We begin by describing state TANF agency responses, which pertain to persons receiving child-only or TANF family grant assistance. Then, child welfare agency responses will be analyzed, which are based on cases in which the state has custody of children.

State TANF Agency Responses

Prior to TANF, all states included kinship care cases as part of their child-only caseloads (Lewin Group, 2000). Neither the PRWORA legislation nor related federal regulations required states to continue child-only cases under TANF. Likewise, there are

no federal TANF requirements regarding TANF family cases with kin children, which we will hereafter refer to as TANF kinship family cases. In the absence of federal direction, it is possible that states may change eligibility requirements or benefit levels for kinship care providers. The application of time limits and strict work requirements under TANF also may affect kin caregivers. We turn next to how states responded to these issues during initial TANF implementation.

Inclusion of Child-only and Kinship Family Cases in TANF Programs

We asked state respondents whether kinship child-only cases and kinship family cases were included in their TANF programs, as well as whether their programs provided additional payments to already open TANF cases when an adult recipient added a related child. Table 8 shows that all states included child-only cases in their TANF programs, and TANF family cases including only a non-parental relative and related children were allowed in all states except Wisconsin and North Carolina. It thus appears that the modal state approach during early TANF implementation was to continue the kinship program eligibility requirements that existed under AFDC.

Critics of the PRWORA legislation argued that states might engage in a “race to the bottom” in which welfare benefit levels would be reduced in a perverse competition to make states unattractive to welfare recipients (Ellwood, 1996; Greenburg, 1996). Table 9 indicates that, at least for our sample, this has not occurred during initial TANF implementation. Thirteen (13) of the 19 study states had the same child-only benefit levels in 1999 as they had under AFDC in 1996, and four states raised their benefit levels. Only Wisconsin and Oklahoma lowered benefits, and Wisconsin’s rates are lower only when a single child is in care. Similarly, benefit levels generally remained stable for family cases (Table 10). One state, Texas, also established a supplementary one-time benefit of up to \$1,000 for low-income grandparents aged 50 and over who care for grandchildren who are receiving TANF. It is important to note that, given inflation,

Table 8. Inclusion of Child-only Grants, Family Grants with Related Children, and Additional Payments for Additional Children under State TANF Programs

State	Child-only Grants	Relative Family Grants	Payments For Adding Related Child
Arizona	X	X	X
California	X	X	X
Florida	X	X	X
Georgia	X	X	X
Illinois	X	X	X
Maryland	X	X	X
Massachusetts	X	X	X
Michigan	X	X	X
Missouri	X	X	X
New Jersey	X	X	X
New York	X	X	X
North Carolina	X		X
Oklahoma	X	X	X
Oregon	X	X	X
Pennsylvania	X	X	X
Tennessee	X	X	X
Texas	X	X	X
Washington	X	X	X
Wisconsin	X		X

Note: Relative family grant is defined as grant assistance for the non-parental relative caregiver and the relative child-only.

Table 9. State Monthly TANF Child-only Payment Rates: 1996 and 1999

State	1996 Monthly Rate	1999 Monthly Rate	\$ Change: 1996-1999	% Change: 1996-1999
Arizona	\$204	\$204	\$0	0.0%
California	\$326	\$354	\$28	8.6%
Florida	\$180	\$180	\$0	0.0%
Georgia	\$155	\$155	\$0	0.0%
Illinois	\$102	\$102	\$0	0.0%
Maryland	\$165	\$185	\$20	12.1%
Massachusetts	\$392	\$392	\$0	0.0%
Michigan	\$96	\$96	\$0	0.0%
Missouri	\$136	\$136	\$0	0.0%
New Jersey	\$162	\$162	\$0	0.0%
New York	\$352	\$352	\$0	0.0%
North Carolina	\$181	\$181	\$0	0.0%
Oklahoma	\$92	\$87	-\$5	-5.4%
Oregon	\$209	\$209	\$0	0.0%
Pennsylvania	\$215	\$215	\$0	0.0%
Tennessee	\$95	\$140	\$45	47.4%
Texas	\$64	\$68	\$4	6.3%
Washington	\$349	\$349	\$0	0.0%
Wisconsin	\$248	\$215	-\$33*	-13.3%*

Note: When states reported multiple payment rates that vary by geographic regions within the state, the rates listed are from the region with the highest payment rates.

*While this rate has declined for one child, it represents an increase for two or more children, because the \$215 is provided for each child. Under AFDC, a lower amount was provided for a second child.

Table 10. State Monthly TANF Family Payment Rates: 1996 and 1999

State	Adult with One Child				Payment for Additional Child ^f			
	1996	1999	Change: 1996–1999	% Change: 1996–1999	1996	1999	Change: 1996–1999	% Change: 1996–1999
Arizona	\$275	\$275	\$0	0.0%	\$72	\$72	\$0	0.0%
California	\$479	\$520	\$41	8.6%	\$118	\$121	\$3	2.5%
Florida	\$241	\$241	\$0	0.0%	\$62	\$62	\$0	0.0%
Georgia	\$235	\$235	\$0	0.0%	\$45	\$45	\$0	0.0%
Illinois	\$278	\$278	\$0	0.0%	\$102	\$102	\$0	0.0%
Maryland	\$292	\$328	\$36	12.3%	\$81	\$89	\$8	9.9%
Massachusetts	\$486	\$486	\$0	0.0%	\$95	\$95	\$0	0.0%
Michigan	\$401	\$401	\$0	0.0%	\$88	\$88	\$0	0.0%
Missouri	\$234	\$234	\$0	0.0%	\$136	\$136	\$0	0.0%
New Jersey	\$322	\$322	\$0	0.0%	\$102	\$102	\$0	0.0%
New York	\$469	\$469	\$0	0.0%	\$109	\$109	\$0	0.0%
North Carolina	\$236	N/A ^b	N/A	N/A	\$36	\$36 ^c	\$0	0.0%
Oklahoma	\$238	\$225	–\$13	–5.5%	\$69	\$67	–\$2	–2.9%
Oregon	\$395	\$395	\$0	0.0%	\$65	\$65	\$0	0.0%
Pennsylvania	\$320	\$320	\$0	0.0%	\$93	\$93	\$0	0.0%
Tennessee	\$142	\$142	\$0	0.0%	\$95	\$140	\$45	47.4%
Texas	\$163	\$174	\$11	6.7%	\$25	\$25	\$0	0.0%
Washington	\$440	\$440	\$0	0.0%	\$106	\$106	\$0	0.0%
Wisconsin	\$426	N/A ^b	N/A	N/A	\$91	N/A ^d	N/A	N/A

Note: When states reported multiple payment rates that vary by geographic regions within the state, the rates listed are those of the region with the highest payment rates.

^a If a state does not have a fixed payment rate per additional child, the rate entered is the payment rate increase when the family assistance unit increases from two persons to three.

^b A family grant is no longer offered to a relative caregiver who only cares for relative children. Under AFDC, a relative caregiver could receive a family grant for just herself/himself and relative children.

^c This additional payment is only given when a relative child is added to the assistance unit that consists of the relative caregiver and her/his own children.

^d In Wisconsin, if a family case with a parent and child is open, a child-only case can be opened for the same family, which pays \$215 per child.

unchanged benefit levels represent real reductions in benefits. However, real benefit reductions due solely to inflation were a well-established pattern under AFDC, so it is difficult to argue that this represents changing state behavior under TANF.

Time Limits, Employment and Training Requirements, and the Shifting of Family Cases to Child-only Cases

The time limits and employment and training requirements established by PRWORA also could affect state kinship care giving patterns. PRWORA imposed five-year time limits on federal reimbursement for TANF receipt by persons in family cases, and allowed states to apply shorter time limits. It similarly required adults to be involved in work and training activities in order for states to receive federal reimbursements. These policies raised concerns that children might be at risk as their parents reached time limits or were sanctioned for noncompliance with employment and training requirements. This in turn could lead parents to send their children to live with relatives, who might then receive TANF child-only or family payments.⁴ Child-only receipt would be possible because PRWORA only required that time limits and work and training rules be applied to adults receiving TANF. Nor was there any provision in the law that prohibited relatives from starting their own family cases with related children whose parents had been sanctioned or had reached time limits, except that they would be subject to time limits and employment and training requirements like other adults if they were to count toward federal program participation. Of course, given the broad discretion allowed states in developing their TANF programs, the possibility of such shifts could have been constrained by states imposing additional requirements on adults who received TANF child-only or family payments for their kin.

⁴ In fact, a more pressing concern of federal authorities was that states would allow families that reached time limits to convert to child-only cases without the child leaving the home.

To assess these issues, respondents were asked if relative caregivers were exempt from TANF time limits and work and training requirements, and if not, whether special rules applied to such caregivers. As would be expected given the federal requirement that time limits and employment and training requirements must be applied to adult members of TANF cases, Table 11 shows that state policies varied dramatically according to whether the case was a child-only or family case. For child-only cases, all of the study states exempt the adult relatives from both time limits and work requirements. However, in every state except Maryland and Tennessee, the adult relative in family kinship cases was subject to the same time limits and work and training requirements that applied to other family cases.

Because so many kinship care providers are grandparents, a related question is whether states include time limit or work and training exemptions based on age. To the extent that this is the case, many grandparents in family cases may be exempt from time limit or work and training requirements due to their age even though they are not exempt because of their status as relative caregivers. Table 12 shows that 11 of the 19 state programs had exemptions from work and training requirements based on upper age limits, while seven included time limit exemptions.⁵ However, none of these exemptions were for persons under 60 years of age.

Degree of Relationship and Other Program Changes

Another possible change concerns the degree of relationship that is required in order to receive TANF benefits. Under AFDC, federal law required that only persons closely related to the child were eligible to receive child-only payments (U. S. Department of Health and Human Services, 2000). Because neither the PRWORA

⁵ Some states also have exemptions based on lower age limits, such as all persons under age 16. Given the focus of our discussion, these are not considered here.

Table 11. TANF Time Limit and Work and Training Requirements for Kinship Caregivers

State	Child-only Case Requirements		Family Case Requirements	
	Time Limits	Work/Training Requirements	Time Limits	Work/Training Requirements
Arizona	No	No	Yes	Yes
California	No	No	Yes	Yes
Florida	No	No	Yes	Yes
Georgia	No	No	Yes	Yes
Illinois	No	No	Yes	Yes
Maryland	No	No	No ¹	No ¹
Massachusetts	No	No	Yes	Yes
Michigan	No	No	Yes	Yes
Missouri	No	No	Yes	Yes
New Jersey	No	No	Yes	Yes
New York	No	No	Yes	Yes
North Carolina	No	No	Yes ²	Yes ²
Oklahoma	No	No	Yes	Yes
Oregon	No	No	Yes	Yes
Pennsylvania	No	No	Yes ³	Yes ³
Tennessee	No	No	No	No
Texas	No	No	Yes	Yes
Washington	No	No	Yes	Yes
Wisconsin	No	No	Yes ²	Yes ²

¹If the family case consists only of the non-parental relative caregiver and the relative children.

²Refers only to family grants in which the non-parental relative caregiver is receiving assistance for self, own children, and relative children. State does not offer family grants to a case consisting of only the non-parental relative caregiver and the relative children.

³ The relative caregiver has the option to add the related child on to her/his existing family grant case or to establish a separate child-only case for the related child.

Table 12. TANF Time Limit and Work and Training Exemptions Based on Upper Age Limits

State	Time Limit Exemption	Work/Training Exemption	Criteria For Age Exemption
Arizona	Yes	Yes	Over 62
California	Yes	Yes	60 & Older
Florida	No	No	
Georgia	No	No	
Illinois	No	Yes	60 & Older (W/T Only)
Maryland	No	No	
Massachusetts	Yes	Yes	60 & Older
Michigan	No	Yes	65 & Older (W/T Only)
Missouri	Yes	Yes	60 & Older
New Jersey	Yes	Yes	Over 60
New York	No	Yes	60 & Older (W/T Only)
North Carolina	No	No	
Oklahoma	No	No	
Oregon	No	Yes	60 & Older (W/T Only)
Pennsylvania	No	No	
Tennessee	Yes	Yes	60 & Older
Texas	Yes	Yes	60 & Older
Washington	No	No	
Wisconsin	No	No	

legislation nor related TANF regulations provided requirements for relative definitions, we asked respondents if their states had changed these definitions since TANF was implemented. Only three of the 19 TANF agency respondents stated that definitional changes had been made regarding the relatives who are eligible to receive TANF benefits. In each of these states (Arizona, Maryland, and New Jersey), the definition of relatives eligible to receive TANF was expanded.

Finally, respondents were asked if their states child-only or kinship family case policies had changed in ways other than those already discussed since TANF was implemented. Only four respondents indicated that their state policies for these program components had changed in other ways, and these changes appeared fairly modest. For example, Illinois raised the asset levels allowed in determining eligibility for child-only cases, and exempted all earned income of the child in determining income eligibility. In Wisconsin, relatives seeking to receive TANF for caring for a related child are sent to the child welfare agency, where a determination of the need for relative care is made.

State Child Welfare Agency Responses

Given their primary areas of responsibility, we asked state child welfare staff only about kinship policies for cases in which the state has custody of children, except that we also included limited questioning about legal guardianship programs. Thus, the survey of child welfare agency staff pertained primarily to the use of kinship care as a foster care placement option. To ascertain how TANF funding may fit within the spectrum of financial support provided to children in kinship foster care, we asked respondents to provide information on the full range of payment options used for funding kinship foster care providers in their states. This included questioning about how various types of financing mechanisms were selected, and differences in payment levels associated with each option.

Factors in Selecting Payment Options

The payment options used within a state involve both differing payment levels and funding sources. As a result, most states have two or three-tiered payment systems for kinship foster care providers. The decision on which payment option to utilize depends on one or more of the following factors: (1) whether or not the kin provider meets approval or licensing standards, (2) whether or not the child is eligible for federal Title IV-E reimbursements, and (3) the income level of the provider. Before discussing specific state payment patterns, we will briefly describe how each of these factors may affect state payment options.

Probably the most important factor in differentiating kinship foster care payment levels within a state is whether the kin meets state licensing or approval standards. If a child is eligible for federal Title IV-E reimbursements, kin providers that meet all licensing standards must be paid at the same rates as non-kin providers. This requirement resulted from the 1979 Supreme Court decision in the Illinois *Miller vs. Youakim* class action lawsuit, which found that kin could not be denied IV-E reimbursements equal to those paid to non-kin providers as long as they met comparable licensing requirements (Testa, Shook, Cohen, & Woods, 1996). Given this requirement, the most conservative approach for states in kinship foster care licensing has been to simply require prospective kinship care providers to follow all of the same licensing requirements as non-kin providers in order to receive Title IV-E payments.

However, in order to encourage kinship foster care providers, many states have developed less stringent licensing requirements for kinship care providers than for non-kin providers. This generally occurs either through waiving some IV-E licensing requirements, or else by establishing separate approval processes for kin providers (Leos-Urbel, Bess, & Geen, 1999). If separate approval processes are established, kin providers generally are referred to as “approved” providers rather than “licensed” providers. Such differential licensing and approval mechanisms are likely to change in the near future, as

the final regulations for the Adoption and Safe Families Act of 1997 (ASFA) require comparable licensing processes for kin and non-kin IV-E providers (Leos-Urbel, Bess, & Geen, 1999).⁶

Both the *Miller vs. Youaquim* and AFSA requirements pertain only to children receiving Title IV-E reimbursements, so states have broader payment discretion for cases in which IV-E reimbursements are not claimed. If the kin of Title IV-E eligible children do not meet state licensing or approval requirements, the state may use other payment options or may instead choose to use a non-kin provider. TANF child-only and family grants are easily the most common alternative payment option. The fiscal disadvantage of using alternative funding options is that the state does not receive the federal match provided for IV-E cases. However, given that many states currently have excess TANF funds or budget surpluses, this may not always be considered a major obstacle.

Children are only eligible to receive IV-E payments if they have been removed from homes as the result of court involvement and meet the AFDC income eligibility standards in existence in 1996 (Geen & Boots, 1999). If children in state custody are not Title IV-E eligible, states have wide latitude in selecting and licensing kinship foster care providers, because Title IV-E regulations do not apply. While most states in our study followed the same licensing or approval procedures as used for IV-E eligible cases, and simply used different funding sources for licensed non-IV-E placements, some states do not allow licensed kin placements unless the child is IV-E eligible.

A final factor affecting kinship care payment levels is the income of the kin caregiver. Income is not a factor in basic Title IV-E or non-IV-E kinship foster care payment rates, as these rates generally vary only on the age of children in care, and sometimes the geographic area of the state in which the kin family resides. However, income is an important factor in cases that are referred to TANF for kin payments. Kinship foster care families may receive TANF child-only payments regardless of the

⁶ The new regulations allow states to make licensing requirement exceptions for kin providers on a case-by-

income of the kin provider. However, TANF family case payments, which usually are considerably higher than child-only payment rates, can only be received if the kin provider meets the same income standards that are applied to other TANF cases.

Payment Options Used by Study States for Children in State Custody

Given these components of variation, it is not surprising that several distinct kinship foster care payment patterns emerged in our analysis of state responses. Table 13 presents the payment options used by each state. The most common payment pattern is used by half of our 18 respondents (Maryland, Michigan, Missouri, North Carolina, Ohio, Oklahoma, Texas, Washington, and Wisconsin), and involves two basic types of payments. First, kin who meet state licensing or approval standards can receive foster care payments at the same rate as non-kin foster care providers, with the payments made through Title IV-E funding if the child is eligible and with state or local funds otherwise. Second, kin providers may receive TANF grants as an alternative to foster care payments. Generally, receipt of TANF grants requires less stringent approval standards than are required to receive foster care payments, although in some instances kin are approved according to the same standards and then given their choice of payment options.

In all of these states except Wisconsin and North Carolina, kin using the TANF grant option may apply for either TANF child-only or family grants, depending on their economic circumstances. In Wisconsin and North Carolina, kin only are eligible for child-only grants. A family grant cannot be opened for such caregivers in these states unless they qualify for TANF with their own children.

Only two of the study states, New Jersey and California, use different approaches according to whether or not the child is Title IV-E eligible. In these states, kin caregivers

case basis, but do not allow differing requirements for the entire class of kinship care providers.

Table 13. Payment Options Used for Children in State Custody Who Live with Kinship Caregivers

State	Payment at same level as for licensed non-kin providers		Payment lower than non-kin provider but higher than TANF grants	TANF Grants	
	IV-E Eligible Child	Non IV-E Eligible Child		Family	Child-only
Arizona	X	X	X*	X*	X*
California	X			X	X
Florida	X	X			
Illinois	X	X	X		
Maryland	X	X		X	X
Massachusetts	X	X			
Michigan	X	X		X	X
Missouri	X	X		X	X
New Jersey	X			X	X
New York	X	X			
North Carolina	X	X			X
Ohio	X	X		X	X
Oklahoma	X	X		X	X
Pennsylvania	X	X			
Tennessee	X	X			
Texas	X	X		X	X
Washington	X	X		X	X
Wisconsin	X	X			X

*In Arizona, relatives who receive TANF grants are eligible to receive supplementary clothing and personal allowances from the child welfare agency, which average about \$70 per month.

who meet state licensing or approval standards are paid at the same Title IV-E levels as non-kin providers if the children are Title IV-E eligible. However, the kin of children who are not Title IV-E eligible only are eligible for the TANF payment alternative, which is considerably lower.

Two states, Illinois and Arizona, have devised a separate payment option for children in state custody that is lower than the rates paid to licensed providers but higher than regular TANF rates. In these states, kin who meet IV-E licensing or approval standards receive the same payment rates as non-kin foster care providers. Other kin providers receive the special payment rate, rather than only the TANF payment levels. In Arizona, these kin receive the standard payments provided through TANF, and then receive a special supplement from the child welfare office. In comparison, Illinois does not utilize TANF funds for this purpose. Rather, the child welfare office provides the special payments using state funds. This provides the advantage of not having to involve another state agency in the payment of these unlicensed kin providers.

A final group of states, including New York, Florida, Massachusetts, Pennsylvania, and Tennessee only provide payments for children in state custody at the same rates as paid to non-kin foster care providers. If kin do not meet the licensing or approval standards, the state finds an alternative provider.

While our results point to important distinctions in state decision-making and funding for kinship foster care, another level of complexity should be noted. As previously mentioned, child welfare agencies in many states are involved in encouraging and arranging kinship placements in cases where the state does not have custody. In these cases, the court may place a child in the custody of the kin relative upon the recommendation of the state child welfare agency, and the kin may be provided with TANF grants or alternative payments.

Although our study did not systematically question child welfare respondents about such non-state custody kin arrangements, many examples of this process emerged in our discussions. Particularly for states that do not allow TANF grants as a payment

option for children in state custody, such cases may be far more common than state custody cases. Missouri and Florida offer two interesting examples of special kin payment rates for kin who are given custody. In each of these states, kin are given the option of obtaining payments that are higher than TANF child-only grants, and generally also are slightly higher than TANF family grants. Both states use TANF block grant funds to at least partially subsidize these payment levels. Missouri started this program for grandparents only, but recently expanded it to include other relatives, as does the Florida program.

Another issue that arose in discussions with agency staff concerns the extent to which intergovernmental relationships have been established between child welfare agencies and state TANF agencies. To assure that kin caregivers are able to access TANF payments easily, at least one state (Arizona) has developed intergovernmental agreements that allow kin providers to apply for TANF at the child welfare office. Other states make direct referrals to the TANF office, while some simply tell the kin that they can apply for TANF benefits.

Respondents also were asked whether the various payment options for children in state custody were available statewide, or whether payment options varied by local jurisdiction. Only one state respondent indicated that the full range of payment options was not available statewide (Wisconsin). Similarly, all but three of the study states (Ohio, Texas, and Wisconsin) applied statewide standards in selecting which kinship foster care payment option to use, as opposed to allowing locally developed standards. Consequently, within states, there was considerable policy consistency regarding procedures for selecting among kinship care payment options. Nonetheless, some respondents indicated that substantial discretion still resided in local child welfare offices. For example, local offices sometimes were seen as varying in the rigor with which kin parents were encouraged or provided help to become licensed, or in how aggressively referrals were made to TANF for unlicensed kin.

Because states are allowed broad discretion regarding the purposes for which TANF funds can be expended, we asked respondents whether their funding patterns for formal kinship care had changed as the result of TANF plan development or implementation. Not including simple payment rate changes, ten state respondents had revised the payment options for providing formal kinship care since TANF was implemented. However, only four of these respondents (California, Florida, Tennessee, and Wisconsin), said that the changes were related to TANF development or implementation. This suggests the complex mix of policy factors currently affecting state changes in kinship care policy. In each of the states in which TANF was indicated as a factor, changes either were intended to make kinship care policy consistent with evolving TANF policies, or else to take advantage of additional funding flexibility allowed by TANF. For example, California's change was to develop, within its state TANF plan, a program extending foster care payments to relatives who assume legal guardianship. Similarly, Florida used TANF funding to initiate its "Relative Caregiver Program", which provides TANF payments at levels higher than child-only grants to relatives who assume custody of children.

Kinship Care Payment Rates for Children in State Custody

All respondents were asked to provide payment rate information for licensed kin providers for 1996 and 1999. In determining these rates, respondents were asked to include standard board rates and any routinely received allowances for personal, clothing, or other items. Allowances other than the board rates were included only if they were routinely provided statewide.

Table 14 provides this rate information. No respondent reported foster care payment rate decreases between 1996–99, while 12 states increased rates. For those states that increased rates, increases ranged from 5 percent to 33 percent. In comparison to the TANF child-only and family case payment rates described earlier, payment levels

Table14: State Monthly Payment Rates for Licensed Kinship Caregivers: 1996 and 1999 (Rates include all routine payments)

State	1996 Monthly IV-E Rate	1999 Monthly IV-E Rate	\$ Change: 1996-1999	% Change: 1996-1999
Arizona	\$471	\$471	0	0.0%
California	\$484	\$604	118	24.4%
Florida	\$372	\$436	64	17.2%
Illinois	\$415	\$415	0	0.0%
Maryland	\$535	\$535	0	0.0%
Massachusetts	\$549	\$637	88	16.0%
Michigan	\$480	\$508	28	5.8%
Missouri	\$313	\$328	15	4.8%
New Jersey	\$429	\$570	141	32.9%
New York	\$608	\$644	36	5.9%
North Carolina	\$415	\$415	0	0.0%
Ohio	\$714	\$832	118	16.5%
Oklahoma	\$420	\$453	33	7.9%
Pennsylvania	N/A	\$508	N/A	N/A
Tennessee	N/A	\$397	N/A	N/A
Texas	\$476	\$509	33	6.9%
Washington	\$434	\$500	66	15.2%
Wisconsin	\$365	\$383	18	4.9%

Notes: If the state's payments varied by age of children, the highest payment rate was listed, which is typically the rate for the oldest age group.

When states reported multiple payment rates that varied by geographic regions within the state, the rates listed were from the region with the highest payment rates, because these rates generally included the state's largest urban areas. An exception was made for Pennsylvania, where rates for Philadelphia County were used.

CA, NC, and TX: Clothing allowances are not included in the IV-E payment rates above, since they vary considerably among counties and counties can decide whether or not to provide them.

OH: The IV-E payment rates represent the average foster care rates for 1996 and 1999, since maintenance and clothing rates vary considerably among counties.

for licensed providers were much more likely to have risen, suggesting an increasing premium for licensed caregivers when compared to relatives that rely on TANF child-only or family grant payments.

Table 15 shows the full range of payment rates used by each state for children in state custody in 1999. The table illustrates the wide variations that exist in every state depending on the payment option selected. As might be expected, licensed foster care rates in all states exceed child-only TANF rates, but these rate differences vary substantially between states. The right hand column in Table 15 shows that the ratio of licensed care rates to child-only payment rates ranges from 1.4 in Washington to 8.0 in Texas. Discrepancies between licensed foster care rates and family TANF grants generally are less striking, but nonetheless remain substantial. In addition, as previously noted, kin caregivers who receive TANF family payments typically are subject to TANF work requirements and time limits.

TANF Impacts on Licensing Standards, Support Services, and Caseworker Funding

Respondents were asked whether their state had made any revisions to kinship care licensing standards since 1997. Again reflecting the considerable activity in state kinship care policy development, eight of the 18 states had revised licensing standards. However, only one state respondent (Tennessee) indicated that such licensing changes were related to TANF state plan development or implementation. Tennessee made licensing changes as part of the development of its “Kinship Foster Care Program”, a new program partially funded with TANF that was intended to expand the number of kinship foster care placements in the state.

Respondents were asked whether kinship care families were eligible for a variety of services, based on their status as foster care providers. Table 16 shows that states typically provide an array of services to support kin caregivers. Half of the state

Table 15. Monthly Payment Rates under Different Options for Children in State Custody Cared for by Kin: 1999 (rates include all routine payments)

State	Title IV-E Or State Funded Licensed Care	Unlicensed Care With Special Rates	TANF Child-only	TANF Family Grant (2person)	Ratio of Licensed Rate to Child-only Rate
Arizona	\$471		\$204	\$275	2.3
California	\$604		\$354	\$520	1.7
Florida	\$436		\$181	\$241	2.4
Illinois	\$415	\$285	N/A	N/A	N/A
Maryland	\$535		\$185	\$328	2.9
Massachusetts	\$637		N/A	N/A	N/A
Michigan	\$508		\$99	\$401	5.1
Missouri	\$328		\$136	\$234	2.4
New Jersey	\$570		\$162	\$322	3.5
New York	\$644		N/A	N/A	N/A
North Carolina	\$415		\$181	\$236	2.3
Ohio	\$832		\$216	\$296	3.9
Oklahoma	\$453		\$87	\$225	5.2
Pennsylvania	\$508		N/A	N/A	N/A
Tennessee	\$397		N/A	N/A	N/A
Texas	\$509		\$64	\$163	8.0
Washington	\$500		\$349	\$440	1.4
Wisconsin	\$383		\$215	N/A	1.8

Notes: If the state's payments varied by age of children, the highest payment rate was listed, which is typically the rate for the oldest age group.

When states reported multiple payment rates that varied by geographic regions within the state, the rates listed were from the region with the highest payment rates, because these rates generally included the state's largest urban areas. An exception was made for Pennsylvania, where rates for Philadelphia County were used.

AZ: Relatives who receive TANF grants also are eligible to receive supplementary clothing and personal allowances from the child welfare agency, which average about \$70 per month.

CA, NC, and TX: Clothing allowances are not included in the IV-E payment rates above, since they vary considerably among counties and counties can decide whether or not to provide them.

OH: The IV-E payment rates represent the average foster care rates for 1996 and 1999, since maintenance and clothing rates vary considerably among counties.

Table 16. Support Services Available to Kinship Caregivers, and the use of TANF to Fund these Services

Support Services	Number Of States Offering Service to Kinship Care Families	Number Of States Using TANF To Fund Service*
Family reunification services	15	4
Intensive case management	13	4
Day care	18	5
Support groups	17	3
Counseling	15	4
Medical services	15	1
Mental health services	15	4
Educational services	14	3
Respite care	16	3
Legal assistance	9	2
Other	2	0

*State respondents for Ohio and California indicated that the use of TANF funds varies by local jurisdiction or agency, so these states are not included in this tabulation.

respondents indicated that TANF funds were used to at least partially pay for some of these services. In addition, four study states (California, North Carolina, Texas, and Washington) use TANF funds to at support the costs of child welfare caseworkers for kinship foster care cases.

Definitions of Kinship Foster Care Providers

We asked respondents whether anyone other than a blood relative was allowed to provide kinship foster care. Ten of the 18 states allowed persons other than blood relatives to be kinship care providers. In a few instances, these non-relative additions were minor variations of relative definitions. For example, Illinois allows kin caregivers who are related to at least one child in a sibling group. However, many states allowed broader definitions of kin, with the expanded definitions generally hinging on the existence of a psychological or emotional relationship between the prospective caregiver and the child. Examples of such persons mentioned by some respondents included godparents, neighbors, and teachers.

Five (5) states had changed their definitions of kinship caregivers since 1997, when TANF programs were implemented. However, only one state respondent (North Carolina) indicated that these definitional changes were related to implementation of state TANF programs.

Legal Guardianship Programs

Finally, we asked respondents if their states offered payments to kin caregivers who assumed legal guardianship of children. Table 17 shows that 11 of the 18 study states had established such programs. In general, the legal guardianship payment rates exceeded TANF child-only rates but were below licensed foster care payment rates.

Table 17. State Legal Guardianship Programs and Monthly Payment Levels: 1999

State	Have Legal Guardianship Program	1999 Monthly Payment Level
Arizona	X	\$181
California	X	\$604
Florida	X	\$242
Illinois	X	\$335/\$415
Maryland	X	\$300
Massachusetts	X	\$447
Michigan		
Missouri	X	\$216/\$292
New Jersey		
New York		
North Carolina	X	\$181
Ohio	X	\$216
Oklahoma		
Pennsylvania		
Tennessee		
Texas		
Washington	X	\$351/\$499
Wisconsin	X	\$215

*When two payment rates are listed, the first is the rate for the youngest children and the second is for the oldest, if the State's payments vary by age of children.

**When states reported multiple payments rates that vary by geographic regions within the state, the rates listed are from the region with the highest payment rates.

TANF funds were used to at least partially support these payments in five states (California, Florida, Missouri, Ohio, and North Carolina).

RESPONDENT PERCEPTIONS ABOUT THE IMPACT OF TANF ON KIN CAREGIVING PATTERNS

Because there has been so much speculation concerning the potential impacts of TANF on kinship caregiving patterns, we asked both TANF and child welfare agency respondents their opinions about early TANF impacts on kinship care caseloads and on the living circumstances of children in care in their states. For each of these domains, we asked if respondents could document any changes to date, as well as whether they anticipated changes, as the result of TANF policies. Those who responded affirmatively were asked to specify the changes they had observed or anticipated.⁷

Only one TANF agency respondent, and none of the child welfare agency respondents, indicated that there was evidence of kinship care caseload increases as the result of TANF. This respondent said that anecdotal reports from local offices informed his view, and that there had been some corresponding increases in the number of people living together. He speculated that caseload increases resulted as parents who were uncertain about welfare reform impacts turned their children over to relatives. This possibility was raised by some researchers and advocates prior to the passage of TANF, but had not yet been observed by any other respondent in our survey.

Respondents were slightly more likely to anticipate future kinship care caseload changes as the result of TANF, with four TANF agency respondents and three child welfare agency respondents representing seven different states expecting future caseload impacts. A variety of perspectives were offered concerning why changes were

⁷ In this section, we move from describing state policies and practices to discussing respondent opinions. Consequently, in order to assure confidentiality, we do not provide the names of the states corresponding to the respondents' opinions.

anticipated, but all of these respondents thought that caseload increases would result in some component of kinship care. Three of the TANF agency respondents said that caseload increases probably would result as TANF time limits were exhausted, and one of these also anticipated that some parents would turn over their children to relatives to avoid TANF employment and training requirements. The fourth TANF agency respondent indicated that a recent state increase in TANF child-only payments may stimulate child-only caseload growth, but that this in turn could reduce the number of cases that reached the child welfare agency.

The three child welfare agency staff that anticipated caseload increases all mentioned program changes being supported through flexible TANF funding arrangements. Two of these respondents mentioned state use of TANF funds to experiment with higher payment rates for selected kinship care program components, such as legal guardianship programs. A third said that the broadened definition of kinship caregivers eligible for TANF payments, including non-related persons with family-like attachments, could increase the number of children in kinship care relationships.

Two TANF agency and three child welfare agency respondents indicated that they had seen evidence of changes in living circumstances as the result of TANF. Of these, one TANF agency respondent stated that, although payments for kin had increased somewhat, expenses were increasing at a more rapid rate. The other said that payments for kin caregivers had increased when compared to TANF payments available to parents, which meant that those children who lived with relatives fared better financially than if they remained with their parents. In comparison, each of the three child welfare agency respondents who said they had observed changes in living circumstances pointed to increased payments for relative caregivers, which were supported with TANF funds.

Finally, respondents were asked if they anticipated future changes in the living circumstances of children in kinship care arrangements as the result of TANF programs or policies. Five TANF agency staff and six child welfare agency staff, representing ten

different states, suggested that living circumstances would change. The responses reflected uncertainty regarding the impact of various TANF policies. Two respondents again mentioned the unknown but potentially negative impacts of time limits. However, respondents more commonly voiced potential positive impacts resulting from changes in TANF-related kinship care policies that were occurring in their state. Most often mentioned were increases in kinship payment rates through legal guardianship or other payment variations, as well as improved case management or support services. The greater flexibility in funding allowed by TANF, as well as savings being generated from reduced TANF caseloads, were cited as allowing these positive changes.

DISCUSSION

Our results indicate that, much as AFDC did, TANF plays a critical role in the provision of financial support for children in kinship care. All states have continued TANF child-only payments, and only two study states have discontinued TANF kinship family cases. Most state child welfare agencies also continue to use TANF child-only and kinship family cases as a placement option for children in state custody.

Many researchers and advocates were concerned that devolving welfare programs to the states might result in radically reduced benefit levels, and thus expose children to serious economic harm. In the short run, our payment data suggest that benefit levels for TANF child-only and family kinship care cases have remained fairly stable. All child-only cases were exempted from time limits and work and training requirements in all study states, which suggests that at least minimal income support will continue to be available to kin relatives on a non-time limited basis. In addition, some states have utilized TANF funds to experiment with special payment programs for kin who obtain legal custody or guardianship, as well as to finance supportive services. Payment levels

for these new programs typically exceed payments available through TANF child-only or family grants.

The impact of work requirements and time limits on TANF family cases is more problematic. As previously mentioned, data indicating the proportion of kin caregivers who receive family versus child-only grants are not available, but family cases probably were more common than child-only cases prior to TANF. Payment levels for these family grants is much higher than for child-only grants, which is important given the previously documented low incomes of many kin providers. Unlike child-only payments, only two states in our study exempted kinship family cases from TANF time limits or employment and training requirements. Additional states included exemptions based on age, but these generally are limited to persons aged 60 and over. Thus, both time limits and work and training requirements may have substantial impacts on low-income caregivers who receive TANF family grants.

Several possible negative ramifications of this treatment of TANF family cases could occur over time in the absence of alternative state efforts, such as legal custody or guardianship programs. Some kin providers, most of whom are grandparents, may become discouraged with work or training requirements and be less inclined to care for kin relatives. Application of sanctions for failing to comply with these requirements also may lead to a reduction in family income in some cases. In addition, as time limits are applied, these kin families will face a loss of income as kin family cases are converted to child-only cases. Additional research is needed on the proportion of kinship cases that receive family versus child-only support, and on how this distribution shifts over time as kin care providers experience work and training requirements and time limits. Research on the perceptions of kin caregivers about the impact of these restrictions on their care giving practices also would be useful.

Of course, a more fundamental concern about TANF was that time limits and employment and training requirements might lead parents to send their children to live with relatives. While our state respondents generally had not seen and did not anticipate

this prospect, additional research on this issue is needed. For example, it would be useful to determine how many children from sanctioned and time limited cases end up living with relatives, both informally and through the child welfare system.

The need for this and other information points to a more general concern with the quality of data available on state kinship caregiving practices. Many states cannot accurately identify the number of children living in various kinship care arrangements, let alone the governmental expenditures provided in support of these relationships. This attenuates the possibility of addressing policy issues concerning kinship care, and also makes meaningful study of this population difficult. Both TANF and child welfare data systems should be improved so that states can provide basic caseload and expenditure data on this important population on a timely basis.

Likewise, additional information is needed on the processes states use in selecting payment options for children who come into contact with the child welfare system, and on the procedures used for assuring that such cases are adequately monitored and receive supportive services. One pressing issue, which may receive additional attention with implementation of the ASFA regulations, concerns how extensive state efforts are to help kinship caregivers become licensed. A related issue concerns how well-informed kinship caregivers are about financial support options, and the benefits and responsibilities associated with each available option. The specific procedures used in referring kinship caregivers to TANF and available supportive services also merits attention, as states appear to vary widely in these practices. Research on these issues should be useful in identifying caseworker protocols and other best practice procedures to aid in kinship placement decision-making.

The variability of support for children living with relatives both within and across states again is underscored by our findings. States use a wide array of licensed, approved, and unlicensed options for supporting the care of children removed from their parents. When coupled with wide differences in payment rates, it is clear that children in similar circumstances receive widely differing levels of support depending on the state in

which they live. Even within states, the variations in payment rates between different kinship care options suggest that children will be treated differently depending upon which payment option is selected. Additional research is needed to determine the extent to which choices among payment options reflect differences in children's needs and kinship caregivers capabilities and resources, as opposed to the nuances of eligibility for different funding streams.

Additional research attention also is needed regarding the similarities and differences between children in informal and formal kinship care. Research has properly focused on children who come into contact with the child welfare system, given the critical nature of state responsibility in these cases. However, such cases represent only a small portion of children living in kinship care arrangements, and many of these other children likewise live in impoverished circumstances. Research could usefully identify the extent to which these informal kinship arrangements are similar to or different from formal kinship care arrangements. Pertinent comparative factors in this respect include reasons for being removed from the parent's home, social and economic characteristics of both the children and the relative caregivers, and prospects for reunification.

Finally, while we have focused largely on TANF related issues, it is clear that many of the recent kinship care policy changes implemented by study states were at most tangentially related to TANF. Due both to increasing foster care caseloads during the 1990's and the ASFA of 1997, states are actively experimenting with new kinship care payment mechanisms, especially for kin who assume guardianship roles. Research is needed on the success of these new alternatives in improving the range of alternative kinship care options, as well as the differences in quality between different arrangements.

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