

**REPORT TO THE TWENTY-FOURTH HAWAII
STATE LEGISLATURE 2007**

**IN ACCORDANCE WITH THE PROVISIONS OF
ACT 160, SECTION 8. (15), SECTION 157.1
SESSION LAWS OF HAWAII (SLH) 2006**

**DEPARTMENT OF HUMAN SERVICES
DECEMBER 2006**

REPORT ON ACT 160, SECTION 8 (15), SECTION 157.1, RELATING TO THE STATE BUDGET, SESSION LAWS OF HAWAII 2006

Act 160, Section 8 (15), Section 157.1, SLH 2006, requires the Department of Human Services to prepare a report that shall include, but not be limited to, finding alternative sources of funding for teen pregnancy prevention and child welfare services programs that are currently budgeted for with Federal TANF funds.

INTRODUCTION

This Report is organized into this Introduction and three main Sections. Section I describes the Temporary Assistance for Needy Families (TANF) Federal program purposes and the Federal authorities to utilize TANF dollars to fund benefits and services to ameliorate current dependency and assist at-risk families as well as to fund services and programs to prevent future poverty and dependence. Section II provides information on the current TANF funding levels for pregnancy prevention and child welfare. Section III discusses what alternative funding sources are currently available for pregnancy prevention and/or child welfare services. It also presents information on the many advantages of utilizing TANF funds for pregnancy prevention and to supplement other Federal resources available to provide child welfare services.

SECTION I: THE ADVANTAGES OF UTILIZING TANF FUNDING FOR PREGNENCY PREVENTION AND TO PROVIDE CHILD WELFARE SERVICES

The following material describes the Federal guidance on TANF expenditures, provides information that community stakeholders support using TANF to support such initiatives, shows that Hawaii's expenditures in such areas are commensurate with other states, and describes the disadvantages of reserving rather than expending TANF Federal dollars. In addition, we discuss the need to supplement the inadequate Federal and State funding delineated for child welfare services. Finally, we point out that a high proportion of families receiving child welfare services are TANF recipients, so it is logical to use TANF funding to provide child welfare services.

TANF Program Purposes and Federal Spending Guidance Encourage Prevention Expenditures

TANF spending can be used to meet any of the following four TANF purposes, which are to:

1. Provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;
2. End the dependence of needy parents by promoting job preparation, work and marriage;
3. Prevent and reduce out-of-wedlock pregnancies; and
4. Encourage the formation and maintenance of two-parent families.

Two of the purposes – provide assistance to needy families (TANF purpose 1) and end dependence of needy families by promoting job preparation, work and marriage (TANF purpose 2) – deal with existing poverty and dependency. Services that states provide in these areas are to ameliorate and reduce dependency of families already in need of public assistance. These kinds of services have been available to families since the enactment of the Social Security Act in 1935.

The innovative aspect introduced by the Federal government in 1996 was the ability for states to use TANF block grants for providing services that prevent the kinds of dependency requiring cash assistance and for second-chance work services.

To demonstrate its encouragement of state spending on all four TANF purposes, the Administration for Children and Families (ACF) issued *Helping Families Achieve Self-Sufficiency: A Guide on Funding Services for Children and Families through the TANF Program* (DHHS, ACF/OFA, undated). The Guide repeatedly emphasizes the flexibility of TANF to fund a greater variety of activities, services, and benefits and to foster new collaborative partnerships. “States should view their Federal TANF grant as a source of funds that they may use creatively to support work and the efforts of low-income working families, promote marriage, and reduce and prevent out-of-wedlock childbearing. In support of these goals, they may use their funds to fill gaps in the service delivery system, integrate program services, and supplement or enhance the services available through other programs.” (Guide, page 8).

Community Stakeholders Support Utilizing TANF Federal Funds for Child Welfare and Youth Development Activities

Beginning in January 2006, the Department of Human Services (DHS), in partnership with Blueprint for Change, embarked on a statewide community-based process to develop a five-year TANF Strategic Plan to ensure that Hawaii makes the most effective use of TANF resources in meeting the four purposes of TANF and, thereby, contributing to the reduction of poverty in Hawaii. Although DHS had begun its strategic planning effort prior to the Legislative Auditor report dated January 12, 2006, the Department's strategic planning still in progress, has been and continues to be consistent with a key recommendation of that report on uses of TANF funding. The Auditor recommended that DHS work with community stakeholders to develop a Strategic Plan for determining “priorities, policies and major new programs.” (*Audit of the Department of Human Services’ Temporary Assistance for Needy Families*, p. 18).

The last of seven community stakeholders meetings was held in August 2006. A summary report of TANF initiatives requested by community stakeholders has been developed and DHS has also developed a draft Five-Year Strategic Plan that reflects the needs identified by stakeholders. Both child welfare and youth development activities were key service areas recommended by stakeholders and are included in the draft TANF Strategic Plan.

The stakeholders asked that DHS maximize two strategic objectives for TANF purposes 3 and 4. First, they asked DHS to maximize the number of youth engaged in youth development programs where youth experience positive outcomes by using TANF Federal funds for

strengthening families and positive youth development through before- and after-school programs, career and technical education /career exploration/work programs for youth, and additional efforts similar to the array of programs for families and children offered under the Department of Defense's About Face! programs. The second strategic objective requested by stakeholders is for DHS to maximize the safety of children served by the child welfare system by using TANF Federal funds to promote safe and stable families. Both of these requested initiatives will require the continuation of TANF Federal funding of current youth development programs and at least the same commitment of TANF Federal dollars to child welfare services.

Hawaii's Expenditures on Prevention and Child Welfare Are Comparable to Those of Other States

As reported by the U.S. Government Accountability Office (GAO):

Since welfare reform, states have increasingly spent TANF and MOE [Maintenance of Effort] funds for aid and services outside of traditional cash assistance payments, as allowed under TANF. We found that the states used these TANF and MOE funds to support a wide range of state priorities, such as child care and development, including pre-kindergarten; child welfare services; mental health and substance abuse treatments; and refundable state EITC [earned income tax credits]; among others . . . By 2004, in seven of the nine states (studied by GAO) cash assistance spending accounted for less than 40 percent of total TANF and MOE spending.

Furthermore, spending on at-risk services and activities, such as spending for child welfare, juvenile justice, mental health, and other related at-risk services, became the largest category of TANF spending. The median increase in spending in these areas among the nine states studied by GAO was 46 %. For example, California's spending in these areas increased 95% and New York's increase was 53%. (GAO-06-414, *Welfare Reform: Better Information Needed to Understand Trends in States' Uses of the TANF Block Grant*, March 2006).

Most states receive a huge percentage of their child welfare funding from TANF and other non-Title IV-B/IV-E Federal sources. Without this funding from non-child welfare sources, child welfare programs would be drastically under-funded. Nationally, in 2004, only 5.25% of total Federal spending on child welfare was from Title IV-B and 50.41% was from Title IV-E. Almost 41% of Federal spending on child welfare was from other sources. TANF funding led the way, with 20.16% of Federal funds coming from TANF. Another 11.09% came from the Social Services Block Grant (SSBG), and much of the SSBG funding was due to the direct transfer of dollars from TANF to SSBG. (Center for Law and Social Policy Institute (CLASP), *Child Welfare in the United States*, based on September 2006 data).

A staggering 97% of all the increased spending in child welfare nationwide is from TANF and Medicaid. Federal spending in child welfare increased from 2000 to 2002; TANF spending on child welfare increased 26% and Medicaid spending increased 31% (Casey Family Programs and the Urban Institute's *The Cost of Protecting Vulnerable Children IV*, Copyrighted 2004.)

Hawaii expenditures on child welfare and TANF purposes 3 and 4 are equivalent to or less than other states, and Hawaii's investment in these other services of about less than one-quarter of the TANF block grant is easily sustainable. Furthermore, investing on prevention "upstream" at the front end is a sensible approach, as we expect that the provision of services to prevent poverty and child neglect will, in the future, reduce the need for the "downstream" expenses to ameliorate the poverty and child neglect.

Hawaii began child welfare and TANF purposes 3 and 4 expenditures later than other states for a number of reasons. First, until DHS recently began its vigorous promotion of self-sufficiency services for TANF clients, purpose 1 (cash benefits) consumed a larger part of the TANF block grant in Hawaii. For Federal Fiscal Year (FFY) 2005, Hawaii's expenditure for basic assistance (55% of the TANF block grant), was much higher than the national expenditure average of 37.8%. However, the significant TANF caseload reduction of 11.6% from June 2005 to June 2006 (compared to the national average reduction of only 6.11%), means that a smaller part of the TANF block grant is now needed for TANF purpose 1 cash benefits. Although Hawaii's expenditures on TANF purpose 1 will always be higher than most states because Hawaii offers more generous monthly benefit payments, we cannot foresee any circumstances that would make unsustainable the current level of expenditures on prevention and child welfare services.

- The new "Reward Work" initiative, with disregards of earnings for 24 months to individuals working over 30 hours a week and welfare exit and employment retention bonuses, will produce a small increase in TANF purpose 1 costs, but not large enough to cause any funding shortage, and these new Reward Work benefits will assist families to leave dependency and will reduce poverty.
- Hawaii's expenditures on TANF purpose 2 employment-related services are already one of the highest in the U.S., and this is important as the State's goal is to assist individuals toward self-sufficiency. Hawaii spent 13.9% of TANF funds on work-related activities in FFY 2005, compared to nationwide spending on self-sufficiency services of only 7.6%. Only slight increases will be necessary in 2007 to provide additional services to "harder-to-serve" individuals, so increased costs for TANF purpose 2 will not cause any shortage of TANF funding.

(See, CLASP, *Use of TANF and Maintenance of Effort (MOE) Funds in Fiscal Year 2005*).

To ensure that spending in the area of prevention will be in areas that are the most valuable to the citizens of Hawaii, DHS has issued a contract to a nationally respected evaluation company, the Lewin Group, to provide DHS with objective criteria for the delivery of services for the prevention of dependency to the non-needy under TANF purposes 3 and 4, and to provide the DHS with objective ways to measure the effectiveness of these TANF-funded services. Work on that contract began on May 1, 2006, and a final report is due April 30, 2007.

Exhibit A is copy of the "Scope of Services Attachment – S1" under the contract between DHS and the Lewin Group, containing an "Important Overview" about the flexibility of TANF funds and "the intent of DHS in Hawaii, since December 2003, to leverage TANF funds strategically to

both meet the stated TANF purposes and to create an array of additional social benefits that will contribute, as broadly as possible, directly or indirectly, to the prevention of dependency in Hawaii." (Exhibit A, page 2).

A Memorandum of Agreement (MOA) has also been issued to the University of Hawaii's Office of Research Services to develop and implement an evaluation plan on the DHS/DOE UPLINK program that provides after-school activities to Middle School students. Work commenced on the University contract on November 1, 2006, and a final report is scheduled for October 31, 2007.

Current Hawaii expenditures for the combination of child welfare, pregnancy prevention, and related programs are approximately \$19.7 million, or less than one-quarter of the TANF block grant dollars spent on youth advocacy (e.g., the About Face! contract and Office of Youth Services contracts), teen pregnancy prevention offered through the Department of Education and the Department of Health, the Enhanced Healthy Start program providing home visitation for high-risk families who are active child welfare cases, families served by Blueprint for Change's Neighborhood Places, activities provided by the State Foundation on Culture and the Arts to at-risk children; and mentoring. See Section II below and Exhibit B for a complete listing of 45 separate DHS contracts to prevent teen pregnancy and create an array of additional social benefits that will, as broadly as possible, directly or indirectly, contribute to the prevention of dependency in Hawaii.

Value of "Reserved" TANF Funds Extremely Limited

Although TANF Federal funds not spent during a year are not lost, their future use is extremely restricted. Because reserved TANF Federal funds can only be used to "provide assistance," Hawaii will only be able to expend reserved funds within the TANF program to provide benefits that meet the Federal definition of "assistance" or on related administrative costs. The reserved TANF Federal funds will not be available to use for disasters or emergencies as some mistakenly contended to support saving TANF Federal funds.

Since the number of recipients of cash "assistance" in Hawaii will continue to decline, reserved TANF Federal funds will be able to serve fewer and fewer families over time. In addition, Hawaii's ability to utilize the reserved funds to raise TANF benefits further is severely limited by the need to allocate additional State dollars to raise benefits for Aid to the Aged, Blind, and Disabled (AABD) and General Assistance (GA) populations that are linked by State legislation.

SECTION II: TANF EXPENDITURES FOR TEEN PREGNANCY PREVENTION

In State Fiscal Year (SFY) 2006, DHS approved and administered 45 separate contracts to prevent teenage pregnancy. These contracts were funded by TANF Federal funds; 32 were administered by the Benefit, Employment and Support Services Division (BESSD) and 13 were administered by the Social Services Division (SSD). As shown in Exhibit B, these contracts were valued at \$19,703,226.

Additionally, 10% of the TANF block grant was transferred to the Social Services Block Grant (SSBG) which is the maximum allowed by Federal law. The TANF transfer to the SSBG for Federal Fiscal Year 2006 was \$9,833,713 and was used to implement the Federally-Mandated Program Improvement Plan (PIP) and avoid Federal sanctions. See discussion of this Federal PIP mandate on all states to aggressively reform their child welfare systems to measurably improve child safety, permanency and well-being outcomes; pages 10-11 herein, under "**Other Federal Funding and Hawaii General Funds Are Insufficient to Provide Needed Child Welfare Services.**"

The intent of DHS in Hawaii, since December 2003, has been to leverage TANF funds strategically to both meet the stated TANF purposes and to create an array of additional social benefits that will contribute, as broadly as possible, directly or indirectly, to the prevention of dependency in Hawaii. In other words, it is the priority of DHS "to leverage TANF funds to create the broadest range of social benefits, above and beyond meeting the stated TANF purpose" (Exhibit A, page 2).

For example, if a State wanted to maximize its use of TANF funds only to create the stated TANF purpose 3 to prevent and reduce out-of-wedlock pregnancies, that State may well invest all of its TANF funds in abstinence programs or other teen pregnancy prevention campaigns (such as the activities sponsored by Planned Parenthood). However, in Hawaii, the DHS considers such use as an ineffective investment of TANF funds because, while it meets the stated TANF purpose 3, it fails to create any broader social benefits that are reasonably calculated to contribute, directly or indirectly, to the prevention of dependency.

By contrast, in Hawaii, for example, the DHS prefers to use TANF funds for positive youth development programs and after-school programs that provide supervision, when school is not in session, to improve the motivation, performance, and self-esteem of youth (such as the activities sponsored by the Boys and Girls Clubs). Such uses of TANF funds are considered by the DHS in Hawaii to be highly effective because they both meet the stated TANF purpose 3, and, more importantly, they also create additional social benefits (e.g., youth staying in school, avoiding abuse of alcohol and drugs, character building, responsibility and job readiness skills) which are reasonably calculated to contribute, directly or indirectly, to the prevention of dependency in Hawaii.

SECTION III: NON-TANF SOURCES OF FEDERAL FUNDING FOR TEEN PREGNANCY PREVENTION AND CHILD WELFARE SERVICES

In addition to TANF, there are several Federal funding streams available to finance teen pregnancy prevention and child welfare services. An overview of these funding streams appears as Exhibit C.

As Exhibit C points out, some Federal funding streams are "capped." This means that states receive a maximum grant dollar amount from the Federal government. Other funding streams

are “open-ended”, i.e., available to states without limit, provided the states can come up with the non-Federal (“matching”) funds required.

In approximate descending order of magnitude, these funding streams include:

- ***Title IV-E of the Social Security Act*** provides Federal financial participation (FFP) for the costs of foster care and other out-of-home placements to children from low income families. Title IV-E also provides FFP ranging from 50% to 75% for the costs of administration and training, including “pre-placement prevention activities” designed to keep children out of foster care. Federal funding for Title IV-E is open-ended with State matching funds required.
- ***Title XIX of the Social Security Act (Medicaid)*** provides at least 50 % FFP for medical care, case management services, and certain administrative costs. Medicaid funding is open-ended with State matching funds required.

Among the components of Medicaid, most relevant to teen pregnancy and child welfare are targeted case management, family planning, and early and periodic screening, diagnosis, and treatment (EPSDT).

- ***Title XVI of the Social Security Act (Supplemental Security Income or SSI)*** provides 100% FFP for the costs of shelter and supervision for children from low-income families or children with disabilities.

Although Federal funding for SSI is open-ended, the amount that can be paid on behalf of any one child is limited.

It is estimated that 8% to 10% of foster children are receiving SSI.

- ***Title IV-D of the Social Security Act (Child Support Enforcement)*** provides 66% FFP for efforts to establish and enforce the responsibility of parents to contribute to the costs of out-of-home care for their children.

Although State and Federal law requires parents to share in the costs of the out-of-home care (including medical services) for their children, this mandate is rarely enforced by any state. In Hawaii, the Child Support Enforcement Agency is within the Department of the Attorney General.

- ***Title XX of the Social Security Act (Social Services Block Grant or (SSBG)*** provides a limited amount of flexible 100 percent FFP which can be used to provide services to children and their families. These funds are already fully utilized by DHS.

- *Title IV-B of the Social Security Act* provides a very limited amount of 75% FFP for child welfare services including child protective services, family preservation, and family support. These funds are already fully utilized by DHS.

These funding streams are not discrete. The types of services funded and populations eligible for those services under each funding stream overlap somewhat. This means that states have some flexibility as to which services to fund with which funding stream.

It is extremely difficult to tap into these funding streams in a sensible manner given that each funding stream has its own:

- definitions about which services can be provided;
- limitations on which populations can be served;
- specifications as to which providers are authorized to provide those services;
- unique data collection and reporting requirements; and
- provisions about which form of non-Federal funding may be considered as State matching funds which are necessary to draw down available Federal funds.

Adding to the complexity of the task of sensibly coordinating these funding streams is the fact that each funding stream has a different rate of FFP (ranging from 50% to 100%) and that under some funding streams, FFP is limited (capped) while under other funding streams FFP is unlimited (open-ended).

Nevertheless, DHS has undertaken an “Integrated Human Services” initiative to more aggressively, yet legitimately, draw down Federal funds to which the State of Hawaii is entitled. The challenge of this initiative is to develop a strategy that blends these funding streams in a way that:

- maximizes Federal funding by leveraging the non-Federal (matching) funds available;
- imposes the least administrative burden on agency staff, program providers, and clients (children and their families); and
- best promotes positive outcomes from its teen pregnancy prevention and child welfare services.

Other Federal Funding and Hawaii General Funds Are Insufficient to Provide Needed Child Welfare Services

Federal Title IV-B funding is insufficient to permit Hawaii to provide the services needed by at-risk families. This was recognized in the 1996 Federal TANF legislation, which encouraged states to use the TANF block grant to directly fund child care and Title XX/SSBG through a direct transfer of TANF funds. States were and are still permitted to transfer up to 20% of the TANF block grant to the Child Care Development Fund and 10% to SSBG, both of which Hawaii is doing.

Provision of adequate child welfare services is an important public good. In addition, failure to provide adequate services will increase the number of children who must be removed from their homes, and the subsequent cost of foster care.

Furthermore, before these funds were available, the services provided in Hawaii were inadequate as determined by the U.S. Department of Health and Human Services, Administration for Children and Families. To avoid Federal monetary penalties for the failure to offer a Federally-acceptable child welfare program, Hawaii was required to develop a Program Improvement Plan (PIP) and to meet annual performance improvement goals. Failure to meet these Federally-prescribed goals would mean a Federal monetary penalty starting at \$1.9 million could have been imposed as well as risking the withdrawal of all Federal ACF funding from our child welfare program in Hawaii.

At the start of the PIP, there were 19 of 23 items assessing the quality of child welfare service practice in Hawaii that were identified by Federal reviewers as needing improvement. In addition, 3 of 6 outcome data indicators were found to need improvement. At the end of PIP Year 1 (SFY 2005), Hawaii's performance had improved appreciably and, the ACF found that only 7 of the original 19 items required continued monitoring in PIP Year 2 (SFY 2006). Hawaii renegotiated the baseline and the goals for these seven items and, by the end of PIP Year 2, was successful in achieving all the renegotiated goals.

Hawaii's FY 2007 Annual Progress and Services Report for child welfare accomplishments identifies five reasons for the drop in reports of child abuse/neglect investigated/assessed. Two of the reasons identified attribute the better performance to increases in funding, as follows:

- "Increased funding for an expansion of community-based prevention, family support and early intervention service options, and
- Flexible use of Temporary Assistance for Needy Families (TANF) funds to expand community-based services, including substance abuse prevention and treatment services".

Both direct TANF funding and the transfer of TANF dollars to the SSBG paid for a high percentage of these new services.

Just because Hawaii has met its current PIP performance requirements does not mean that the State is safe from Federal penalties in the child welfare area. Federal agencies will continue to

monitor performance in this important aspect of service provision and Hawaii must continue to improve performance to avoid the imposition of new penalties. Moreover, successful services in the child welfare area meet all of the TANF goals. They are particularly valuable in permitting children to be cared for in their own homes, in preventing out-of-wedlock pregnancies, and in promoting the maintenance of two-parent families.

A High Proportion of Families Receiving Child Welfare Services Are TANF Recipients

The TANF and child welfare populations are significantly congruent. The *Future of Children* addressed the need for better integration between cash welfare and child welfare programs, pointing out that more than half of the children in the child welfare system came from families eligible for cash welfare (Packard Foundation, *Children, Families, and Foster Care: Issues and Ideas*, January 2004).

Pointing out the need for coordination with welfare agencies, the Finance Project advised, “There are natural linkages between the welfare and child welfare systems. More than half the children who enter the child welfare system come from families eligible for welfare. Poverty is strongly associated with an increased risk of child maltreatment. Children in families with annual incomes below \$15,000 are 22 times more likely than children in families with annual incomes above \$30,000 to be abused or neglected (Finance Project, *Developing and Supporting a Continuum of Child Welfare Services*, December 2004).

Because a high percentage of families receiving child welfare services are eligible for TANF benefits, the use of TANF dollars to provide additional services to the child welfare population makes perfect sense. Remember that TANF is a time-limited program, with only five years of benefits available in a lifetime. National data show that families with multiple barriers need more time to become fully self-sufficient, and families with both poverty and child welfare issues do have multiple barriers. They need the additional services that TANF funding is able to provide.

SECTION IV: CONCLUSION

The Department of Human Services appreciates the continued support of the Legislature in our efforts to maximize Federal revenues and free-up State revenues so we can expand the provision of a broad array of services and programs to both prevent and reduce poverty in Hawaii. DHS will soon complete its Five-Year TANF Strategic Plan with input from the Legislature and community stakeholders statewide, to guide our TANF investments in the years to come. The Department pledges to continue active engagement of the Legislature and full disclosure in all matters relating to TANF.



EXHIBIT A

Attachment - S1

STATE OF HAWAII

SCOPE OF SERVICES

Important Overview:

The Temporary Assistance for Needy Families (TANF) federal block grant is intended to help families achieve self-sufficiency. TANF, as defined by the U. S. Department of Health and Human Services, has four purposes:

1. To provide assistance to needy families;
2. To end dependence of needy parents by promoting job preparation, work and marriage;
3. To prevent and reduce out-of-wedlock pregnancies; and
4. To encourage the formation and maintenance of two-parent families.

The U. S. Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance (ACF) has issued a guidance document entitled “Helping Families Achieve Self-Sufficiency: A Guide on Funding Services for Children and Families through the TANF Program” (ACF TANF Guidance). The ACF TANF Guidance encourages the States to use TANF flexibly and in innovative ways to achieve the above-stated TANF goals:

“The TANF program provides extraordinary flexibility...So States should start with the assumption that they may use these funds in innovative ways to achieve the critical goals laid out in the TANF statute...” (ACF TANF Guidance, pages 3-4.)

“For example, [a State] could fund special initiatives to improve the motivation, performance, and self-esteem of youth (e.g., activities like those included in the HHS Girl Power! Campaign or sponsored by the Boys and Girls Clubs) because such initiatives would be expected to reduce school-dropout and teen pregnancy rates.” (ACF TANF Guidance, pages 7-8.)

“Activities, benefits, or services that are reasonably calculated to accomplish a TANF purpose are those that directly lead to (or can be expected to lead to) achievement of a TANF purpose. This language includes all activities that are obviously related to a purpose. **It also includes activities whose relationships to a purpose may not be obvious, but for which there is evidence that it achieves a purpose.** For example, there is a clear statistical relationship between staying in school and lower teen pregnancy rates. Thus, we would conclude that special initiatives to keep teens in school are reasonably related to the third purpose of TANF – to reduce out-of-wedlock pregnancies.” (ACF TANF Guidance, page 11, emphasis added.)

Potential activities that would be reasonably calculated to accomplish this purpose [TANF purpose 3 to prevent and reduce the incidence of out-of-wedlock pregnancies] include...after-school programs that provide supervision when school is not in session...” (ACF TANF Guidance, pages 12-13.)

States nationwide have used TANF to fund a wide range of services and programs benefiting low-income families. In Hawaii, while our State has expended TANF funds since July 1997 on TANF purposes 1 and 2 for cash assistance and work promotion for needy families and individuals, it was not until December 2003 that the Hawaii State Department of Human



EXHIBIT A

Attachment - S1

STATE OF HAWAII

SCOPE OF SERVICES

Services (DHS) began spending TANF funds on TANF purpose 3 to prevent and reduce out-of-wedlock pregnancies and TANF purpose 4 to encourage the formation and maintenance of two-parent families. As opposed to TANF purposes 1 and 2 that are limited to eligible needy families and individuals, TANF purposes 3 and 4 are for the prevention of dependency and thus are available to the non-needy.

“Neither this purpose [TANF purpose 3 to prevent and reduce the incidence of out-of-wedlock pregnancies] nor the following purpose [TANF purpose 4] (related to family formation) is limited to needy families or individuals. **Thus, a State may use Federal TANF funds...to serve non-needy families or individuals for either of these two purposes. However, the State must establish objective criteria for the delivery of services to the non-needy.**” (ACF TANF Guidance, page 11, emphasis added.)

This Scope of Services is intended to provide the DHS with objective criteria for the delivery of services for the prevention of dependency to the non-needy under TANF purposes 3 and 4 and to provide the DHS with objective ways to measure the effectiveness of these TANF-funded services.

It is important to emphasize that in developing objective criteria for the delivery of TANF-funded services for the prevention of dependency, and in developing objective ways to measure the effectiveness of those services, the Contractor must keep in mind the extraordinary flexibility of TANF funds as described in the ACF TANF Guidance. **Most importantly, the Contractor must keep in mind the intent of the DHS in Hawaii, since December 2003, to leverage TANF funds strategically to both meet the stated TANF purposes and to create an array of additional social benefits that will contribute, as broadly as possible, directly or indirectly, to the prevention of dependency in Hawaii.**

In other words, the DHS prefers to use TANF funds on services that are reasonably calculated to create, directly or indirectly, a broad range of social benefits reasonably calculated to contribute, directly or indirectly, in the prevention of dependency in Hawaii, including but not limited to meeting the stated TANF purposes 3 and 4. The DHS considers it much more useful and effective to leverage TANF funds to create the broadest range of social benefits, above and beyond meeting the stated TANF purpose 3 to prevent and reduce out-of-wedlock pregnancies and the stated TANF purpose 4 to encourage the formation and maintenance of two-parent families.

For example, if a State wanted to maximize its use of TANF funds only to create the stated TANF purpose 3 to prevent and reduce out-of-wedlock pregnancies, that State may well invest all of its TANF funds in abstinence programs or other teen pregnancy prevention campaigns (such as the activities sponsored by Planned Parenthood). However, in Hawaii, the DHS considers such use as an ineffective investment of TANF funds because, while it meets the stated TANF purpose 3, it fails to create any broader social benefits that are reasonably calculated to contribute, directly or indirectly, to the prevention of dependency.



EXHIBIT A

Attachment - S1

STATE OF HAWAII

SCOPE OF SERVICES

By contrast, in Hawaii, for example, the DHS prefers to use TANF funds for positive youth development programs and after-school programs that provide supervision, when school is not in session, to improve the motivation, performance, and self-esteem of youth (such as the activities sponsored by the Boys and Girls Clubs). Such uses of TANF funds are considered by the DHS in Hawaii to be highly effective because they both meet the stated TANF purpose 3, and, more importantly, they also create additional social benefits (e.g., youth staying in school, avoiding abuse of alcohol and drugs, character building, responsibility and job readiness skills) which are reasonably calculated to contribute, directly or indirectly, to the prevention of dependency in Hawaii.

Therefore, the Contractor must provide the DHS with objective criteria for the delivery of services for the prevention of dependency to the non-needy under TANF purposes 3 and 4, and provide the DHS with objective ways to measure the effectiveness of these TANF-funded services, keeping in mind that program effectiveness is intended to be interpreted in the broadest terms as services that will both meet the stated TANF purposes and create additional social benefits that will contribute, as broadly as possible, directly or indirectly, to the prevention of dependency in Hawaii.

The CONTRACTOR shall, in satisfactory and proper manner, as determined by the STATE, perform and provide the services detailed below:

I. Contract Task Areas

A. Task 1- Project Opening Meeting and Finalize Detailed Work Plan

The CONTRACTOR shall conduct meetings with DHS staff and Community Stakeholders to discuss a number of topics, including, but not limited to: Objectives of the study and clarifying questions, DHS staff assessment of the goals of the teen pregnancy prevention program, timing and format of project status reports and the scope, content and timelines described in the DWP (Detailed Work Plan). The purpose of these meetings is to ascertain the views, assumptions and concerns, if any, on the ultimate goals of the teen pregnancy prevention initiative.

B. Task 2- Conduct Literature Review

The CONTRACTOR shall conduct a systematic review of the research and evaluation literature on efforts to reduce teen pregnancy and out-of-wedlock childbearing. The review shall include, but is not limited to relevant peer-reviewed research as well as relevant “gray literature” (literature produced by government, academia, and business but is not controlled by commercial publishers.) for the following purposes: 1) summarize findings in the literature in a comprehensive yet straight forward manner; 2) identify key program components or program approaches that appear especially effective; 3) identify contextual factors that appear to influence the effectiveness of programs studied; 4) identify the limitations of the extant literature; and 5) use this information to inform the development of measures for evaluating the set of programs to be included in the



EXHIBIT A

Attachment - S1

STATE OF HAWAII

SCOPE OF SERVICES

proposed evaluation. The deliverables resulting from this task include a draft and final report, complete with references.

The CONTRACTOR shall submit a draft of the literature review by the week 11 of the project and shall submit the final literature review within two weeks of receiving feedback from the DHS.

C. Task 3- Develop Goals and Objectives for Teen Pregnancy Prevention

The CONTRACTOR shall ascertain the effectiveness of currently funded teen pregnancy prevention programs, as well as provide a framework for identifying promising program approaches that align with DHS and TANF goals and objectives.

The CONTRACTOR shall summarize the findings from the previous subtasks and submit to the DHS for review by the 20th week after the start of the study.

D. Task 4- Develop Measures for Evaluation

The CONTRACTOR shall develop a general Teen Pregnancy Prevention Logic Model using the finding from the literature review, the development of goals and objectives relating to reducing teen pregnancies, and initial interviews with DHS staff and key stakeholders to create a prototype logic model for the DHSS overarching teen pregnancy prevention initiative. This prototype will clearly spell out the overall goals of the initiative, and will delineate specific performance indicators of what the program is producing (outputs) and outcome measures of program effectiveness that should be considered in developing and evaluating teen pregnancy prevention programs.

This task shall be completed by the 22nd week of the project.

The CONTRACTOR shall present the prototype logic model and outline potential measures to the DHS for review by the 22nd week of the project.

The CONTRACTOR shall contact the DHS funded teen pregnancy prevention grantees to obtain relevant documents, including, but not limited to, annual reports, program descriptions, strategic plans, participant data, applications to DHS for funding, budgets, organizational charts, interagency agreements, forms, procedure manuals, and other grantee-produced material-to identify explicit and implicit goals and corresponding objectives of their teen pregnancy prevention programs. These materials will allow the CONTRACTOR to develop a specific logic model for each of the teen pregnancy prevention programs to be included in this evaluation.

This task shall be completed by the 24th week of the project.

The CONTRACTOR shall use the materials collected, identify to the extent possible, the program context, the assumptions behind the program, the inputs, interventions, expected



EXHIBIT A

Attachment - S1

STATE OF HAWAII

SCOPE OF SERVICES

outputs, expected immediate outcomes, and expected subsequent outcomes and ultimate program goals.

E. Task 5- Develop Data Collection and Interview Instruments

The CONTRACTOR shall develop data collection and interview protocols to guide discussions with providers, DHS staff, and other relevant stakeholders who will be identified in collaboration with the DHS.

The CONTRACTOR shall submit the draft discussion guide to the DHS by the 26th week of the project.

F. Task 6 Conduct Field Research

The CONTRACTOR shall conduct field research in accordance with discussion guides (Task 5). The CONTRACTOR shall be responsible for coordinating all site visits to providers, DHS staff, key stakeholders, researchers and other agencies as deemed necessary. DHS shall supply the names and contact information for all prospective interviewees. The CONTRACTOR shall train all field research staff on field interviewing, data collection guidelines, the “do’s and don’ts” of behavior while on site and confidentiality and data security. The CONTRACTOR shall enter information obtained through the site visits into a database that collects both quantitative and qualitative data.

G. Task 7- Perform Data Analysis

The CONTRACTOR shall assess the data, revise logic models, align each program model with the DHS prototype and review and analyze available performance data.

These tasks shall be completed by the 39th week of the project.

H. Task 8- Develop Report

The CONTRACTOR shall develop a comprehensive report of the findings that advises on the effectiveness of each teen pregnancy prevention program currently funded, compares relative effectiveness of various program approaches and provides recommendations for improvements in program design and operation. A draft report shall be submitted to DHS by the 43rd week of the project. The CONTRACTOR shall submit the final report by the 50th week of the project.

I. Task 9-DHS Briefing



EXHIBIT A

Attachment - S1

STATE OF HAWAII

SCOPE OF SERVICES

The CONTRACTOR shall conduct a briefing for DHS officials on the results of the study. A power point presentation that highlights the main finding shall be developed and presented through a web-based meeting service.

II. Project Management and Control

The CONTRACTOR shall, through its project director, ensure that 1) work completed meets the highest standard of quality; 2) all work started and completed in a timely manner; 3) resources are used efficiently and tasks are completed within budget; and 4) the team is responsive to the DHS.

III. DHS Duties and Responsibilities

- A. Provide program and fiscal oversight for this Contract through the Employment and Child Care Program Office (hereafter "ECCPO).
- B. Provide the names and contact information for all potential interviewees, including but not limited to, relevant DHS staff, Directors from the 16 funded teen pregnancy prevention program providers, staff from selected providers, staff from partner state agencies (e.g. DHS of Health, DHS of Education and DHS of Defense), legislators and other stakeholders.
- C. Review all drafts of deliverables and provide feedback.
- D. Process invoices for payment upon acceptance of deliverables.

Exhibit B

TANF Funded Teen Pregnancy Prevention Services, STATE FY 2006

<u>Provider</u>	<u>Description of Services</u>	<u>\$ Amount</u>
<u>Benefit, Employment & Support Services Division</u>		
Kapiolani Medical Center	Program is an interactive teen pregnancy prevention training, for fifth and sixth graders, parents and others	175,000
Department of Health Maternal & Child Health Branch	Implement and monitor teen pregnancy prevention contracts in collaboration with BESSD	72,888
University of Hawaii Outreach College	To provide professional development course in sexuality to public and private schools, K through 12 Grade teachers, counselors and administrators	42,125
University of Hawaii School of Medicine	Evaluate the DOE Teen Pregnancy Prevention Training Program	26,400
State Foundation on Culture and the Arts	Benefits youth from disadvantaged circumstances by the proven ability of the arts to promote life skills and prevent bad decision-making	725,000
Parents and Children Together	Youth Services Center Youth and families access a continuum of services	201,478
Kokua Kalihi Valley	Youth Services Center Youth and families access a continuum of services	137,500
Susannah Wesley Community Center	Youth Services Center Youth and families access a continuum of services	161,022
Boys & Girls Club Ewa Beach	Youth Services Center Youth and families access a continuum of services	183,474
Boys & Girls Club Nanakuli	Youth Services Center Youth and families access a continuum of services	167,902
Salvation Army Keaau, Big Island	Youth Services Center Youth and families access a continuum of services	187,500
Salvation Army Pahoa	Youth Services Center Youth and families access a continuum of services	187,500
Salvation Army Hilo	Youth Services Center Youth and families access a continuum of services	187,500

Hale Kipa Kawananakoa Middle School	Youth Services Center Youth and families access a continuum of services	187,012
Hale Kipa Stevenson Middle	Youth Services Center Youth and families access a continuum of services	186,879
Hui Malama Learning Center	Youth Services Center Youth and families access a continuum of services	166,988
Boys & Girls Club Kauai	Youth Services Center Youth and families access a continuum of services	173,548
Kanu O Ka Aina Learning	Teen Pregnancy Prevention Services Ten Native Hawaiian Charter Schools After-school positive youth development	1,461,520
Department of Defense (DOD)	Teen Pregnancy Prevention Services Services provided during after-school hours for families and children through DOD About Face! programs (About Face!, Healthy Lifestyles/Community Allstars, Forward March & Jump Start)	2,200,000
Department of Defense (DOD)	About Face! Program Services for school-aged at-risk youth including functional life skills, job readiness skills, teen pregnancy reduction and prevention, and drug awareness issues	2,500,000
Maui Youth and Family Services	Teen Pregnancy Prevention Services	24,800
Adult Friends for Youth	Teen Pregnancy Prevention Services	24,800
Hui Malama Learning Center	Teen Pregnancy Prevention Services	24,800
Maui Economic Opportunity	Teen Pregnancy Prevention Services	24,800
The Baby Hui	Teen Pregnancy Prevention Services	24,800
Read Aloud America	Train the trainer program at six elementary schools	183,039
Discovery Education	Discovery Health Connections-Training	195,045
Department of Education	UPLINK Statewide After-school Middle School teen pregnancy prevention	1,800,000
Department of Education	UPLINK Program - Molokai After school Middle School teen pregnancy prevention	193,200
University of Hawaii	UPLINK-Evaluation	150,000
The Lewin Group	Development of Performance Measures for Teen Pregnancy Prevention Programs	399,935

Office of Youth Services	MOA to Procure Teen Pregnancy Prevention services through Positive Youth Development	350,000
Subtotal BESSD		\$12,726,455

Social Services Division

Hale Kipa Social Services Division/CWS Office of Youth Services	Youth Advocacy Services Intensive community-based youth mentoring and family strengthening services to prevent removal of children (including foster children) from their homes/placements or to prevent juvenile incarceration (Hawaii Advocate Program)	2,686,771
Blueprint for Change	Neighborhood Places	1,550,605
Parents and Children Together	Family Centers	200,000
Child & Family Services	Enhanced Healthy Start - Kauai	132,616
Child & Family Services	Enhanced Healthy Start - Oahu	266,666
Molokai Family Services	Enhanced Healthy Start - Molokai	68,800
Catholic Charities	Enhanced Healthy Start - Oahu	266,664
YWCA	Enhanced Healthy Start - East Hawaii	266,666
Family Support Services of WH	Enhanced Healthy Start - West Hawaii	266,666
Maui Family Support Services	Enhanced Healthy Start - Maui/Lanai	266,139
YWCA	Enhanced Healthy Start - East Hawaii Pilot	118,876
Family Support Services of WH	Enhanced Healthy Start - West Hawaii Pilot	154,610
PACT-Oahu	Enhanced Healthy Start - Oahu	266,666
Other	Pending	465,026
Subtotal SSD		6,976,771
Combined Total		\$19,703,226

**Exhibit C: Overview of Major Federal Funding Streams Available for
Teen Pregnancy Prevention and Child Welfare Services**

Funding Stream	Services Authorized	Rate of FFP Available	Funding Open-Ended or Capped
Title IV-E (Foster Care and Adoption Assistance)	Out-of-Home Care Administration Training	50-75%	Open-Ended with State matching funds required
Title XIX (Medicaid)	In-Patient and Out-Patient Medical Services Administration Family Planning	50-90%	Open-Ended with State matching funds required
Title XVI (Supplemental Security Income or SSI)	Cash Assistance (and Entitlement to Medicaid)	100%	Open-Ended with State matching funds required
Title IV-D (Child Support Enforcement)	Establishing and Enforcing Parental Responsibility	66%	Open-Ended with State matching funds required
Title XX (Social Services Block Grant)	Direct Client Services Administration	100%	Capped
Title IV-B (Child Welfare)	Child Welfare Services	75%	Capped with State matching funds required