

Income Assistance

Mission

To provide temporary financial assistance to low-income families with dependent children in concert with appropriate social services to encourage and support the child's parent or caretaker to achieve greater financial independence through employment and child support collections.

Summary of Activities

The principal form of direct income assistance provided in Indiana is the federal / state Temporary Assistance for Needy Families (TANF) program, administered by the **Family and Social Services Administration (FSSA)**, Division of Family and Children (DFC). TANF assistance is available for the support of a dependent child under the age of 18 who lives with a parent or relative. Eligibility requirements include income and asset limitations, pursuit of employment by the parent, immunization of minor children, the children's attendance at school, a prohibition of controlled substance use by the parent, and the parent's maintenance of a safe and secure home environment for their children. Parents who are able-bodied are limited to receiving assistance for a period of 24 months. The parents and/or caretakers of the families receiving assistance are also provided case management, employment and training support services, and child support enforcement. For a family of three to be eligible for TANF, they must have a monthly income that is less than \$592. Eligibility is also restricted to families with total assets of less than \$1,000. The maximum monthly benefit for which a family of three is eligible is \$288. In 1999, TANF assistance was provided to an average of 36,741 families per month.

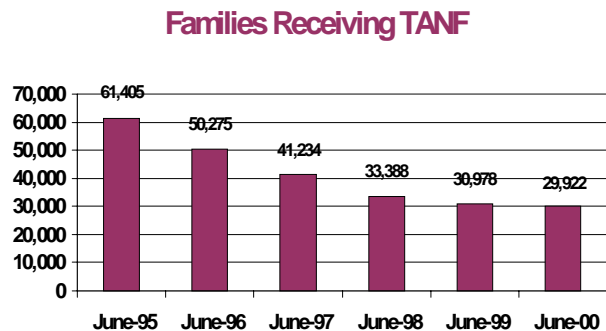
Custodial parents receive assistance in ensuring appropriate establishment and enforcement of child support payment through the Child Support program. The program also provides non-custodial parents with a fair and accurate accounting of their child support obligations. Child support services are generally accessed through the local County Prosecutor's Office.

Income assistance is also provided to low-income Hoosiers through the Individual Development Account (IDA) program, administered by the **Department of Commerce**. The IDA program provides low-income Hoosiers with the opportunity to invest money in a savings account. For every \$1 invested by a qualifying individual at a participating financial institution, a state match of \$3 is provided – up to a maximum of \$900 per year. The funds accrued in the account may be used for one of four purposes: attending an institution of higher education, pursuing accredited training, buying a home, or starting or buying a business. In FY 2000, matching funds were paid to 976 individuals, for a total of approximately \$685,000.

External Factors

The factors that currently influence the number of families served by income assistance programs include the success of the economy and the prevalence of social problems. Due to a successful economy, Indiana has been able to help the parents and/or caretakers of low-income children to acquire employment and leave the assistance rolls. Indiana has experienced a caseload decline of 44% from 1995, when the State first implemented its welfare reforms, to 1999. Although changes in eligibility policy contributed significantly to this decline, the decline would not have been as pronounced without the support of a strong economy.

The DFC is beginning to see a decrease in the number of income assistance recipients who are able to acquire and keep jobs. DFC caseworkers are continuously discussing the challenges in providing effective services to those families remaining on assistance. Substance abuse, chemical addiction, and domestic violence are reported as common problems among those parents remaining on assistance. Additional concerns are expressed regarding the low education and skill levels of the parents in addition to health, behavioral, and educational issues affecting the children in these families.



Evaluation and Accomplishments

The DFC evaluates the progress of its income assistance programs through a third-party evaluator, Abt Associates. To date, the agency has learned that the welfare reform eligibility requirements described above have been successful in reducing families' dependence on assistance. However, the income of these families is only enough to replace the assistance payments they had received previously. Consequently, many families remain financially vulnerable and are returning to assistance with the first financial crisis they face. Based upon this information, the DFC has made program improvements to better serve those receiving assistance. Key changes are anticipated to increase the financial stability of eligible families and enhance job retention.

The DFC has responded to the changes in the needs of those remaining on assistance by offering services that address the special needs of families in a customized and comprehensive manner. The DFC's response is demonstrated through initiatives such as expansion of programs and program services, implementation of performance-based contracts for employment & training service providers, implementation of competency-based training program for staff, policy changes that encourage and support participation in employment, and a 325% increase in child support collections distributed since 1989.

Plans for the Biennium

Over the next biennium, the DFC plans to continue to enhance service delivery to low income families by improving the quality of income assistance services available to families through customer service training, surveys administered to participants, and strategies based on survey outcome. The type and scope of services available to families who continue to receive benefits under the cash assistance program will be expanded, with special attention to the development of services to the families who have been victimized by domestic violence.



The FaithWorks Indiana program will encourage faith-based institutions to help Indiana's working poor achieve a better life for themselves and their families. The Indiana Father and Families program will support community-based efforts to provide emotional and financial support to fathers and their children.

