

Restoring TANF Cash Benefits Will Help Montana Families

EXHIBIT 8
DATE 2-9-05
HB 387

Restoring TANF Cash Benefits will stabilize families in Montana.

Most poverty is not long term, the average length of time that a family is on assistance is 3 years. TANF benefits help families to meet their basic needs in times of financial crisis, often preventing them from becoming homeless or living in dangerous situations (without electricity or heat).

Restoring TANF Cash Benefits is good for local economies.

Families struggling with poverty are not able to save money. All the money that they receive through work or their TANF benefit goes to pay for basic needs like clothing, gas, medicine, diapers or baby wipes. All of these purchases are made in local communities and benefit local economies.

Adults in low-income families want to work, and often do work.

- According to the National Center for Children in Poverty, 58% of Montana children in low-income families have at least one parent who is employed full-time/ year-round.
- 34% of Montana's children in low-income families have at least one parent who is employed either part-year or part-time.
- Just 8% of Montana children in low-income families do not have an employed parent.

TANF benefits do not reward laziness or encourage people not to work. TANF benefits allow families experiencing a financial crisis to provide for their children while they find work or get training that will provide them the opportunity to obtain a higher wage.

Restoring TANF (Temporary Assistance to Needy Families) Cash Assistance Program HB 387 (Juneau)

Background: Temporary Assistance for Needy Families (TANF) is about stabilizing families and ensuring the well being of Montana's children.

- In August 2003, the TANF cash benefit for Montana families was cut by 25%. The benefit for a family of 3 went from \$536/month to \$405/month. At the same time, eligibility was dropped from 40.5% of the Federal Poverty Line (FPL) to 30% FPL.
- Directly following this cut, there was an immediate steep decline in those participating in the TANF program. This was because of the change in eligibility and the level of program requirements required to receive the reduced benefit.
- *Between July and August 2003 the caseload dropped from 6185 to 5731*
- *1448 fewer individuals were receiving cash assistance, 948 or 65% were children*
- Following this cut, there was an immediate steep incline in the usage of other community resources such as food banks and temporary shelters. *The need for TANF has not decreased*, the burden has simply been shifted on to other community service organizations.
- The caseload has continued to drop with the current caseload at 4,671 (43% are tribal cases). That's a drop of over 1,500 households, containing over 3,000 children.

The state caseload figures do not reflect the tribally contracted caseloads of Rocky Boy and Flathead Reservation which totals 699 cases. With these cases, the percentage of Indians on TANF goes up to 50%.

All of these facts are cause for deep concern because the child poverty rate in Montana has not improved and remains one of the highest in the nation at 19.7%. The 59th Montana Legislature has the opportunity to restore TANF benefits and improve the economic circumstances of Montana's children.

What is poverty?

Poverty describes individuals and families who are engaged in a daily struggle to meet their basic needs of food, shelter, clothing, etc. The 2004 Health and Human Services poverty guidelines state that the poverty line for a family of 3 is \$15,670 a year (net income).

How many Montana children are low-income or in poverty?

- 46% of Montana's children live in low-income families (compared to 38% nationally)
- 19.7% of Montana children live in poverty (ranking 38th nationally)

Funds are available to restore these cuts.

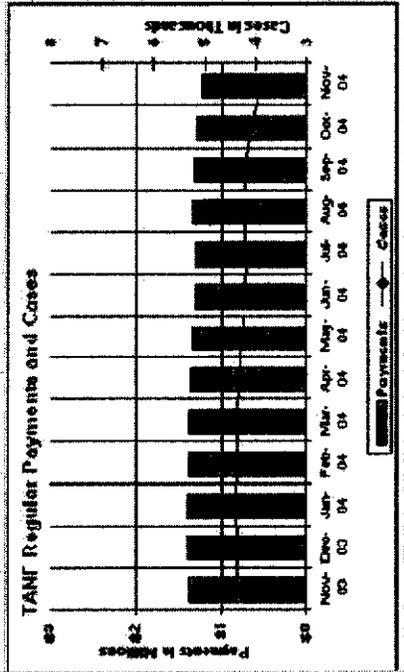
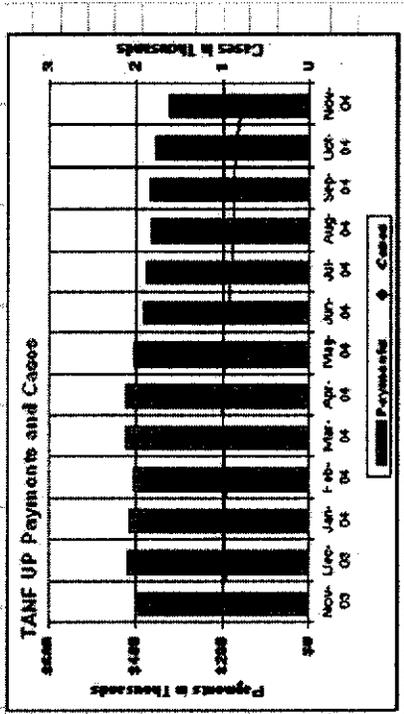
There is \$20,386,134 in TANF "Reserves" now available to help restore these cuts. This is money that was "saved" by DPHHS due to the cuts made to TANF Families and their children in August 2003.

TABLE 2. *FAMILIES ACHIEVING INDEPENDENCE IN MONTANA (FAIM) FINANCIAL ASSISTANCE
BY UNEMPLOYED AND REGULAR CASES

NOVEMBER, 2004

COUNTY	TOTAL			REGULAR			UNEMPLOYED PARENT			AMOUNT
	CASES	ADULTS	KIDS	CASES	ADULTS	KIDS	CASES	ADULTS	KIDS	
BEAVERHEAD.....	26	21	42	21	14	33	5	7	9	\$1,691
BIG HORN.....	329	282	676	258	176	522	71	106	154	\$27,174
BLAINE.....	13	6	27	11	4	22	2	2	5	\$828
BROADWATER.....	13	8	23	11	5	19	2	3	4	\$749
CARBON.....	12	8	18	10	5	14	2	3	4	\$826
CARTER.....	0	0	0	0	0	0	0	0	0	\$0
CASCADE.....	423	288	672	380	219	582	43	69	90	\$17,590
CHOUTEAU.....	8	4	14	7	4	11	1	0	3	\$207
CUSTER.....	25	16	38	22	12	35	3	4	3	\$892
DANIELS.....	0	0	0	0	0	0	0	0	0	\$0
DAWSON.....	11	8	21	10	6	19	1	2	2	\$183
DEER LODGE.....	52	39	84	44	27	66	8	12	18	\$3,251
FALLON.....	0	0	0	0	0	0	0	0	0	\$0
FERGUS.....	7	0	11	7	0	11	0	0	0	\$0
FLATHEAD.....	184	129	309	166	101	271	18	28	38	\$8,030
GALLATIN.....	55	27	89	51	21	78	4	6	11	\$2,290
GARFIELD.....	0	0	0	0	0	0	0	0	0	\$0
GLACIER.....	681	661	1,223	495	344	816	186	317	407	\$79,243
GOLDEN VALLEY.....	4	0	11	3	0	9	1	0	2	\$298
GRANITE.....	5	5	11	5	5	11	0	0	0	\$0
HILL.....	45	29	59	36	20	49	9	9	10	\$3,276
JEFFERSON.....	18	16	25	15	10	19	3	6	6	\$1,238
JUDITH BASIN.....	2	2	3	2	2	3	0	0	0	\$0
LAKE.....	108	89	204	86	48	158	22	41	46	\$8,917
LEWIS & CLARK.....	217	150	377	195	121	334	22	29	43	\$9,105
LIBERTY.....	2	2	5	2	2	5	0	0	0	\$0
LINCOLN.....	76	53	158	62	29	118	14	24	40	\$6,221
MADISON.....	6	4	7	6	4	7	0	0	0	\$0
MCCONE.....	1	0	2	1	0	2	0	0	0	\$0
MEAGHER.....	4	1	8	4	1	8	0	0	0	\$0
MINERAL.....	25	18	44	20	10	36	5	8	8	\$1,952
MISSOULA.....	354	288	603	308	214	507	46	74	96	\$17,565
MUSSELSHELL.....	6	4	15	5	2	10	1	2	5	\$684
PARK.....	29	17	44	28	15	43	1	2	1	\$375
PETROLEUM.....	0	0	0	0	0	0	0	0	0	\$0
PHILLIPS.....	5	3	8	4	1	7	1	2	1	\$375
PONDERA.....	87	88	147	63	43	102	24	45	45	\$10,312
POWDER RIVER.....	0	0	0	0	0	0	0	0	0	\$0
POWELL.....	15	12	22	12	7	18	3	5	4	\$1,124

	1	0	1	\$221	1	0	1	\$221	1	0	0	0	0	0	0	0	0	\$0
PRAIRIE.....	75	45	124	\$22,919	67	31	109	\$20,010	109	8	14	15	0	0	0	0	0	\$2,909
RAVALLI.....	7	3	11	\$1,525	7	3	11	\$1,525	11	0	0	0	0	0	0	0	0	\$0
RICHLAND.....	558	500	1,135	\$193,706	444	320	858	\$148,003	858	114	180	277	0	0	0	0	0	\$45,703
ROOSEVELT.....	214	171	473	\$76,083	175	111	379	\$60,293	379	39	60	94	0	0	0	0	0	\$15,790
ROSEBUD.....	32	13	53	\$9,308	31	11	50	\$8,797	50	1	2	3	0	0	0	0	0	\$511
SANDERS.....	6	5	21	\$2,537	5	3	11	\$1,799	11	1	2	10	0	0	0	0	0	\$738
SHERIDAN.....	209	131	355	\$63,157	179	87	287	\$51,188	287	30	44	68	0	0	0	0	0	\$11,969
SILVER BOW.....	14	9	24	\$4,402	12	5	18	\$3,239	18	2	4	6	0	0	0	0	0	\$1,163
STILLWATER.....	2	0	3	\$519	2	0	3	\$519	3	0	0	0	0	0	0	0	0	\$0
SWEETGRASS.....	9	9	19	\$2,710	6	3	12	\$1,536	12	3	6	7	0	0	0	0	0	\$1,174
TETON.....	9	6	12	\$2,376	7	3	11	\$1,980	11	2	3	1	0	0	0	0	0	\$396
TOOLE.....	0	0	0	\$0	0	0	0	\$0	0	0	0	0	0	0	0	0	0	\$0
TREASURY.....	59	56	122	\$21,311	47	34	78	\$15,015	78	12	22	44	0	0	0	0	0	\$6,296
VALLEY.....	14	9	26	\$4,475	7	3	12	\$1,926	12	7	6	14	0	0	0	0	0	\$2,549
WHEATLAND.....	1	1	0	\$309	1	1	0	\$309	0	0	0	0	0	0	0	0	0	\$0
WIBAUX.....	613	460	1,063	\$197,311	550	355	938	\$170,957	938	63	105	125	0	0	0	0	0	\$26,354
STATE TOTAL.....	4,671	3,696	8,442	\$1,547,236	3,891	2,442	6,723	\$1,227,291	6,723	780	1,254	1,719	0	0	0	0	0	\$319,945



COUNTY DATA

SOCIAL & ECONOMIC DATA

EDUCATION & LEARNING

	People in Poverty Under 18 2000	% of People in Poverty Under 18 2000	Median Household Income 2000	Total Unemployment Rate 2003	Per Capita Personal Income 2002	Public Enrollment Pre-K-12 2003	Private Enrollment Total 2003	Home School Enrollment Total 2003	Public School Enrollment % 2003	Total Dropout Rate 2003
MONTANA	40,497	18.8	33,281	4.3	24,831	148,168	7,818	3,917	92.63	3.6
Beaverhead	412	20.8	30,499	3.4	23,524	1,319	0	69	94.98	2.7
Big Horn	1,377	32.1	27,502	16	16,187	2,334	397	35	84.37	7.6
Blaine	653	31.2	26,157	4.6	15,593	1,393	102	30	91.34	4.8
Broadwater	191	19.1	33,572	4	21,436	745	0	19	97.46	1.7
Carbon	368	17.4	33,556	2.8	25,792	1,563	0	69	95.76	0.9
Carter	84	26.4	27,850	2.4	17,556	188	0	25	88.26	0
Cascade	3,427	17.6	33,819	4.5	26,546	12,665	693	209	93.32	2.4
Chouteau	332	22.3	30,054	2.2	22,081	779	0	50	93.86	0.3
Custer	520	19.8	31,361	2.6	22,837	1,850	74	32	94.55	2.9
Daniels	91	22.7	29,720	1.9	28,286	290	0	0	100.00	0
Dawson	328	17.3	33,200	1.9	22,320	1,378	6	54	95.82	1.8
Deer Lodge	401	20.9	27,795	6.4	21,163	1,400	0	9	99.36	4.4
Fallon	98	15.2	32,339	2.1	21,838	504	0	8	98.44	0.9
Fergus	531	20.4	31,624	4	23,057	1,983	0	72	96.49	2.4
Flathead	3,161	17.2	36,327	5.2	25,583	13,224	1,051	612	88.79	5.2
Gallatin	1,797	12.3	39,592	2.1	26,890	9,862	744	358	89.93	4.3
Garfield	79	27.8	28,622	1.1	20,617	205	0	5	97.62	0
Glacier	1,410	32.8	27,049	12.3	18,192	2,863	0	34	98.82	5.5
Golden Valley	62	33.6	26,886	6.2	17,318	169	0	12	93.37	3.1
Granite	160	25	29,362	4.6	22,704	481	0	9	98.16	0.6
Hill	973	22.2	32,043	4.4	24,437	3,132	193	52	92.75	5.6
Jefferson	317	12.5	43,283	4.1	25,696	1,722	0	70	96.09	3.7
Judith Basin	116	21.2	29,704	4.1	18,404	404	0	15	96.42	1.5
Lake	1,818	26	29,527	6.1	19,545	4,385	262	166	91.05	6.7
Lewis & Clark	1,808	13.4	39,893	4	27,453	9,526	331	213	94.60	4.5
Liberty	92	18.6	29,505	2.3	22,571	358	0	8	97.81	0.9
Lincoln	1,107	25.5	28,389	13	19,559	3,012	85	62	95.31	2.3
McCone	92	21.2	30,876	1.5	19,202	285	0	7	97.56	0
Madison	272	18.9	31,457	3	22,533	938	0	34	96.50	0
Meagher	118	26.4	28,172	3	21,810	286	0	14	95.33	0
Mineral	225	26.6	28,209	7.3	20,619	765	30	13	94.68	1.8
Missoula	3,393	16.2	35,353	3.5	26,823	13,546	1,207	260	90.17	4
Musselshell	262	28	26,278	6.3	17,045	665	0	37	94.72	3.4
Park	594	17	32,593	3.3	23,005	2,168	163	118	88.48	3.2
Petroleum	34	29.1	24,618	4.2	15,682	103	0	5	95.37	0
Phillips	258	23.4	29,414	4.3	20,496	876	0	9	98.98	0.7
Pondera	396	22.5	30,569	6.4	21,871	1,164	60	24	93.23	4.8
Powder River	86	19.5	29,830	1.3	18,102	377	0	7	98.18	0
Powell	251	18.4	31,530	5.4	19,211	1,001	0	21	97.94	7
Prairie	50	23.4	27,568	1.1	22,030	174	0	3	98.30	0
Ravalli	1,924	21.8	33,121	4.7	22,194	6,224	0	91	98.55	3.3
Richland	432	17.7	33,605	3.8	23,590	1,812	28	11	97.88	3.1
Roosevelt	1,228	36.1	25,474	9.1	19,113	2,551	0	31	98.80	7.6
Rosebud	743	25.7	36,980	7	23,226	1,927	569	34	75.98	3.7
Sanders	674	29.5	27,798	6.7	18,679	1,792	0	67	96.37	0.6
Sheridan	135	16.5	31,392	3.3	24,882	571	2	3	99.13	0.4
Silver Bow	1,418	19	31,284	5.2	25,624	5,011	457	79	90.34	3.6
Stillwater	254	12.9	42,082	2.9	26,877	1,508	0	95	94.07	0.9
Sweet Grass	135	15.3	34,190	2.6	22,716	611	0	30	95.32	2.1
Teton	324	19.8	31,351	2.8	22,257	1,264	2	42	96.61	0.2
Toole	220	17.5	30,785	3	21,835	878	0	18	97.98	7.6
Treasure	39	18.9	31,447	1.8	20,525	141	0	0	100.00	2.1
Valley	382	21.7	32,194	3.5	26,050	1,266	22	35	95.65	3
Wheatland	138	32.4	23,993	2.8	17,042	454	0	14	96.98	0.8
Wibaux	54	22.7	29,080	2.9	20,024	160	0	7	95.81	2.9
Yellowstone	4,653	14.8	38,308	3.7	28,330	21,916	1,340	511	92.16	3

Demographics [1]

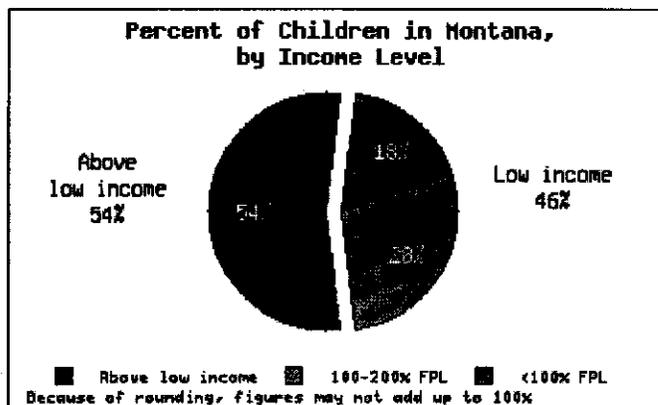
For a printer-friendly version of this page, [#1] click here.

Number of Low-Income and Poor Children

In Montana, there are 121,911 families, with 209,685 children.

Low-Income Children: 46%
(95,536) of children live in low-income families (National: 38%).

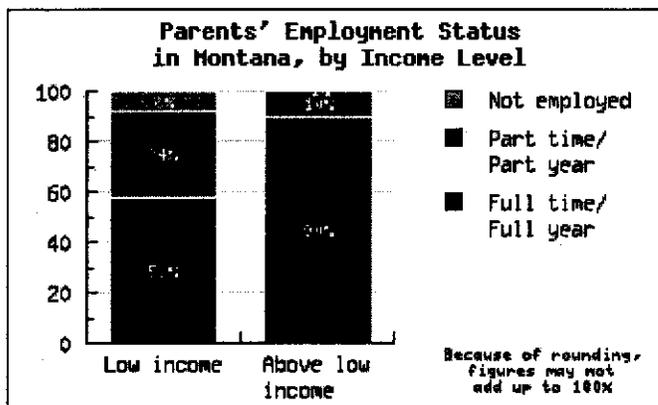
Children in Poverty: 18%
(37,037) of children live in poor families (National: 17%).



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In Montana, many children in low-income families have parents who are employed.

- 58% (55,398) of children in low-income families have at least one parent who is employed full-time/ year-round.
- 34% (32,305) of children in low-income families have at least one parent who is employed either part-year or part-time.
- Just 8% (7,833) of children in low-income families do not have an employed parent.

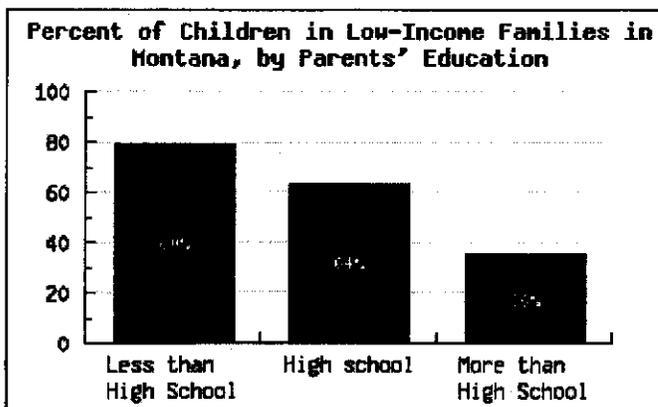


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In Montana, children whose parents have low educational attainment are more likely to be low-income.

- 80% (7,542) of children whose parents do not have a high school degree live in low-income families.

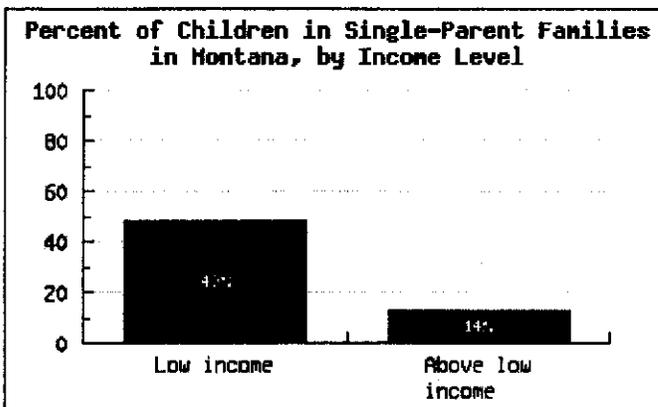
- 64% (35,661) of children whose parents have a high school degree, but no college education live in low-income families.
- Only 36% (52,333) of children whose parents have at least some college education live in low-income families.



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In Montana, children in low-income families are more likely to live with a single parent.

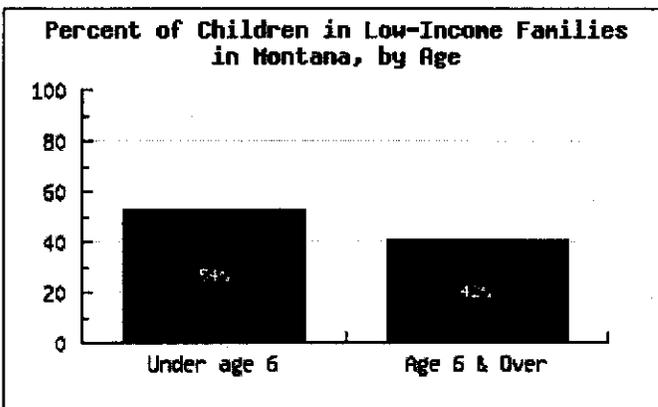
- 49% (46,888) of children in low-income families live with a single parent.
- 14% (16,530) of children in above low-income families live with a single parent.



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In Montana, young children are more likely to live in low-income families.

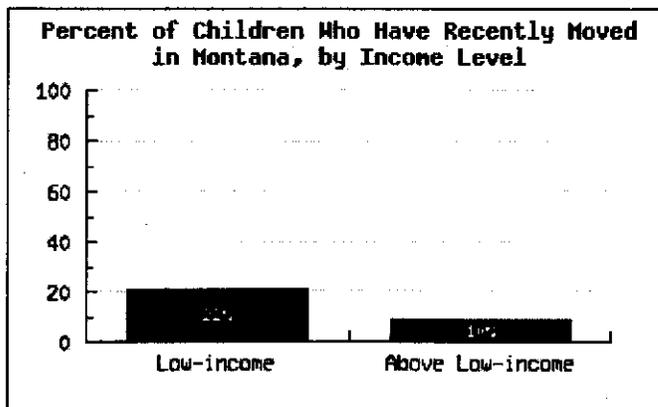
- 54% (33,459) of children under age 6 live in low-income families.
- 42% (62,077) of children age 6 or older live in low-income families.



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In Montana, children in low-income families are more likely to have moved in the last year.

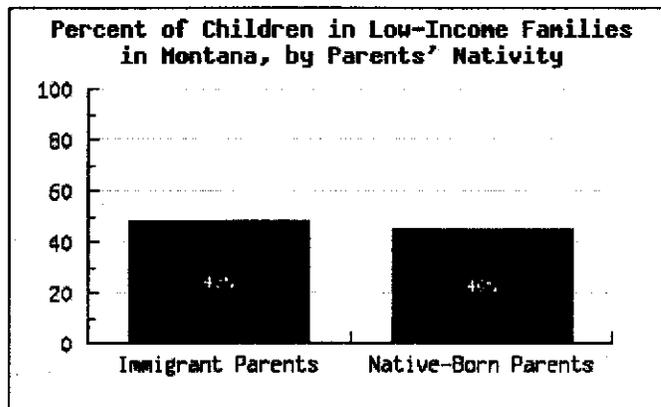
- 22% (20,540) of children in low-income families moved last year.
- 10% (11,710) of children in above low-income families moved last year.



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In Montana, children of native-born parents are less likely to live in low-income families.

- 49% (1,116) of children of immigrant parents live in low-income families.
- 46% (93,645) of children of native-born parents live in low-income families.



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Use the [#2] Demographics Wizard to build custom tables by selecting your own variables for one or more states.

Definitions

Poverty: Income below the federal poverty level (FPL), currently \$18,850 per year for a family of four.

Low-income: Income below 200 percent of the federal poverty level (FPL); currently \$37,700 per year for a family of four.

For definitions of other terms, please refer to [#3] Explanations of Terms and Data Sources.

These numbers are from the federal poverty guidelines issued by the U.S. Department of Health and Human Services. The demographic findings on this page were calculated using a more complex version of the federal poverty measure—the thresholds issued by the U.S. Census Bureau. For more information about federal poverty measures, see [#4] The 2004 HHS Poverty Guidelines.

Sources

1: State data were calculated from the Annual Social and Economic Supplement (the March

supplement) of the Current Population Survey from 2002, 2003, and 2004, representing information from calendar years 2001, 2002, and 2003. NCCP averaged three years of data because of small sample sizes in less populated states. The national data were calculated from the 2004 data, representing information from calendar year 2003.

[#1]: http://nccp.org/printable/printable_state_detail_demographic_MT.html

[#2]: <http://nccp.org/wizard/wizard.cgi?action=B>

[#3]: <http://nccp.org/definitions.html>

[#4]: <http://aspe.hhs.gov/poverty/04poverty.shtml>

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TANF BLOCK GRANT ANALYSIS

TANF Spending Scenarios

Prepared by Working for Equality and Economic Liberation (WEEL)

HB 387 Rep. Juneau – Cash Assistance Benefits @ 35 percent of FPL

	SFY 2004	SFY 2005	SFY 2006	SFY 2007	SFY 2008	SFY 2009
Actual/Projected Balance of Grant						
Grant Amount	\$7,037,611	\$19,940,136	\$20,386,134	\$17,908,988	\$14,880,186	\$10,340,511
Beginning Balance	48,020,033	42,292,069	42,800,152	42,261,633	42,261,633	42,261,633
Expenditures:	\$55,057,644	\$62,232,205	\$62,186,286	\$60,170,621	\$57,141,819	\$52,602,144
Benefits – Cash Assistance	\$20,142,865	\$24,011,585	\$30,581,028	\$31,439,364	\$32,792,340	
Cost Allocation: Projection based on exp thru 04/04						
Indirect Program 02 – HCSD	3,189,424	3,253,212				
Indirect Program 03 – CFSD	1,871,686	1,909,120				
Indirect Program 04 – Director's Office	163,543	166,814				
Indirect Program 06 – Fiscal	406,259	414,384				
Indirect Program 08 – QAD	157,729	160,884				
Program 09 and 02 Systems – TEAMS	1,650,849	1,683,866				
Program 09 and 03 Systems – CAPS	333,979	300,000				
Total cost allocation	\$7,773,469	\$7,888,280	\$8,040,045	\$8,194,846	\$8,352,743	
Other TANF uses:						
LIEAP	500,000	500,000	0	0	0	0
After-school	0	375,000	0	0	0	0
Work Operator and OPA Improvements	0	500,000	0	0	0	0
TANF WorC Contracts	606,516	0	0	0	0	0
Abstinence	0	40,000	0	0	0	0
Food Banks	0	100,000	0	0	0	0
Work Participation	0	1,176,336	1,850,000	1,850,000	\$1,850,000	
Achievement Awards	0	250,000	0	0	0	0
Accelerated Employment Services	0	581,451	0	0	0	0
Low-Income Housing	276,514	377,620	0	0	0	0
Individual Development Accounts	35,501	0	0	0	0	0
Emerg Assist & Prg 03 Foster Care Ben.	1,784,417	1,807,999	1,807,999	1,807,999	\$1,807,999	
Total Other TANF Uses	\$3,202,948	\$5,708,406	\$3,657,999	\$3,657,999	\$3,657,999	
Total Expenditures	\$31,119,282	\$37,608,271	\$42,279,072	\$43,292,209	\$44,803,082	
Transfers:						
Child Care	\$2,000,000	\$2,239,574	\$0	\$0	\$0	\$0
Title XX program 03	1,998,226	1,998,226	1,998,226	1,998,226	1,998,226	1,998,226
	\$3,998,226	\$4,237,800	1,998,226	\$1,998,226	\$1,998,226	\$1,998,226
Expenditures and Transfers	\$35,117,508	\$41,846,071	\$42,277,298	\$45,290,435	\$46,801,308	
Ending Balance (4,000,000 for reserve)	\$19,940,136	\$20,386,134	\$17,908,988	\$14,880,186	\$10,340,511	

HB 387 Rep. Juneau - Cash Assistance Benefits @ 35 percent of FPL

WEEL Assumptions

1. Average caseload increases by 1.5 percent each year
2. Benefit standard at 35 percent of whatever the current FPL is set at
3. Caseload projections are estimated at the half-way point between the current caseload and the caseload before the 8/03 cut
4. Cash benefits amount used was for a family of 3
5. Benefit increase starts July 1, 2005

SFY	Month	Caseload	Cash Ben.	monthly cost	SFY Costs	Current Bud.	Fiscal Note
2006	July, 2005	5457	\$467	\$2,548,419			
	Aug, 2005	5457	467	2,548,419			
	Sept, 2005	5457	467	2,548,419			
	Oct, 2005	5457	467	2,548,419			
	Nov, 2005	5457	467	2,548,419			
	Dec, 2005	5457	467	2,548,419			
	Jan, 2006	5457	467	2,548,419			
	Feb, 2006	5457	467	2,548,419			
	Mar, 2006	5457	467	2,548,419			
	Apr, 2006	5457	467	2,548,419			
	May, 2006	5457	467	2,548,419			
	June, 2006	5457	467	2,548,419	\$30,581,028	\$23,629,804	\$6,951,224
2007	July, 2006	5539	473	2,619,947			
	Aug, 2006	5539	473	2,619,947			
	Sept, 2006	5539	473	2,619,947			
	Oct, 2006	5539	473	2,619,947			
	Nov, 2006	5539	473	2,619,947			
	Dec, 2006	5539	473	2,619,947			
	Jan, 2007	5539	473	2,619,947			
	Feb, 2007	5539	473	2,619,947			
	Mar, 2007	5539	473	2,619,947			
	Apr, 2007	5539	473	2,619,947			
	May, 2007	5539	473	2,619,947			
	June, 2007	5539	473	2,619,947	\$31,439,364	24,323,248	7,116,116