

Using TANF Funds To The Greatest Advantage SFY 06-07

Montana receives a block grant of approximately \$42.2 million known as the TANF (Temporary Assistance For Needy Families) Block Grant. The law, which authorizes this Federal block grant, lists four purposes for these funds. They are:

- 1) To provide assistance to needy families;
- 2) To end dependency 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.

Montana has made employment and increased self-reliance our highest priority. The state has been awarded roughly \$10 million in high performance bonuses for our success in moving TANF participants into employment. This has been accomplished by maintaining a clear and consistent message regarding personal responsibility, generous investments in barrier reduction and employment support, and wonderful teamwork between clients and their communities. Montana's TANF Program is known for its compassionate approach to issues such as sanctions and domestic violence. We are also recognized for the high quality of our community employment and training specialists known as WoRC contractors.

We propose the following strategy for spending TANF funds, and continued success, in the next biennium.

SPENDING TANF FUNDS	2006	2007
CASH BENEFITS (Benefit amounts are re-projected regularly)	23,629,804	24,323,248
Cost allocated and administrative costs (These costs are spread across seven different parts of the Department)	8,040,045	8,194,846
TRANSFERS Childcare (Quality, available childcare keeps low-income families employed and children in safe, healthy settings. The Federal government recognized the importance of this work-support and allows a 30% transfer of TANF funds to childcare.)	9,687,356	9,606,006
TITLE XX/FOSTER CARE	1,998,226	1,998,226
IMPROVING EMPLOYMENT OUTCOMES Work Participation and Supports (Includes work support payments)	1,850,000	1,850,000
TANF Achievement Awards (Positive incentives to recognize participants reaching milestones on their way to economic independence)	1,000,000	1,000,000
Accelerated Employment Services (Many applicants are job-ready and require immediate and limited assistance. By not enrolling them in long-term programs TANF funds are available for other uses.)	1,000,000	1,000,000
STRENGTHEN THE SAFETY NET LIEAP (TANF funding for LIEAP is a year-to-year decision. Last biennium \$1 million was used in this program.)	0	0
Food Banks (Many TANF recipients, and other low-income families, rely on food banks.)	100,000	100,000
MEETING OTHER TANF GOALS After-School Programs (Providing safe places for young people helps prevent behavior that may create dependence and supports employment of parents.)	375,000	375,000
Emergency Assistance/Foster Care (A historical use of AFDC, therefore a part of the TANF Block Grant.)	1,807,999	1,807,999
Montana Abstinence Education Program (In support of Goals 3, 4)	40,000	40,000
GRAND TOTAL:	49,528,436	50,295,325

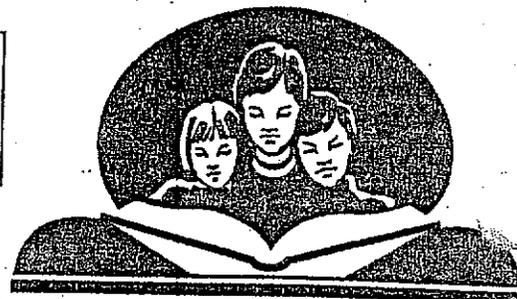
The Department intends to spend above the annual grant amount during the 06-07 biennium. Previous years TANF funds will be used. It will be important to monitor TANF expenditures very carefully during the biennium to address the possible shortfall in the 08-09 biennium. The State Public Assistance Advisory Council assists the Division with monitoring program effectiveness, and spending. The Council is composed of clients, field workers, advocates, and elected officials. The Division asks for the flexibility to make adjustments within the Federal parameters to maintain our high performance and fiscal stability.

TANF EPP 2006 and 2007
3-Jan-05

TANF BLOCK GRANT ANALYSIS
SFY Expenditures through 30 June 2004 Projections for SFY 2005-2009
Grant Amounts for SFY2005-2007 have been reduced to remove tribal funding (SK, FBIC, RB)
and includes the Supplemental Grants and High Performance Bonuses

	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	\$23,033,551	\$15,305,273	\$7,271,581	\$1,649,706
Beginning Balance	48,020,033	42,292,059	41,800,152	42,261,633	42,261,633	42,261,633
Expenditures:						
Benefits - Cash Assistance	\$55,057,644	\$62,232,205	\$64,833,703	\$57,566,906	\$49,533,214	\$40,611,927
Cost Allocation: Projection based on exp thru 10/04	\$20,142,865	\$21,364,168	\$23,628,804	\$24,323,248	\$25,052,945	\$25,804,534
Indirect Program 02 - HCSD	3,189,424	3,253,212	3,318,277	3,384,642	3,452,335	3,521,382
Indirect Program 03 - CFSD	1,871,686	1,909,120	1,947,302	1,986,248	2,025,973	2,066,493
Indirect Program 04- Director's Office	163,543	166,814	170,150	173,553	177,024	180,565
Indirect Program 06- Fiscal	406,259	414,384	422,672	431,125	439,748	448,543
Indirect Program 08 - QAD	157,729	160,884	164,101	167,383	170,731	174,146
Program 09 and 02 Systems - TEAMS	1,850,849	1,683,866	1,717,543	1,751,894	1,786,932	1,822,671
Program 09 and 03 Systems - CAPS	333,979	300,000	300,000	300,000	300,000	300,000
Total cost allocation	\$7,773,469	\$7,888,280	\$8,040,045	\$8,194,846	\$8,352,743	\$8,513,798
Other TANF uses:						
LIEAP	500,000	500,000	0	0	0	0
After-school Programs	0	375,000	375,000	375,000	375,000	375,000
Work Operator and OPA Improvements	0	0	0	0	0	0
TANF Work Contracts	606,516	0	0	0	0	0
Absstinence	0	40,000	40,000	40,000	40,000	40,000
Food Banks	0	100,000	100,000	100,000	100,000	100,000
Work Participation and Supports	0	1,176,336	1,850,000	1,850,000	1,850,000	1,850,000
Achievement Awards	0	250,000	1,000,000	1,000,000	1,000,000	1,000,000
Accelerated Employment Services	0	581,451	1,000,000	1,000,000	1,000,000	1,000,000
Low-Income Housing	276,514	377,620	0	0	0	0
Individual Development Accounts	35,501	0	0	0	0	0
Emerg Assist & Prig 03 Foster Care Benefits	1,784,417	1,807,999	1,807,999	1,807,999	1,807,999	1,807,999
Total other TANF uses	\$3,202,948	\$5,708,406	\$6,172,999	\$6,172,999	\$6,172,999	\$6,172,999
TOTAL EXPENDITURES						
Transfers:	\$31,119,282	\$34,950,854	\$37,842,848	\$38,691,093	\$39,578,688	\$40,491,331
Child Care	\$2,000,000	\$2,239,574	\$9,687,356	\$9,606,006	\$9,606,006	\$9,606,006
Title XX program 03	1,998,226	1,998,226	1,998,226	1,998,226	1,998,226	1,998,226
Expenditures and Transfers	\$3,998,226	\$4,237,800	\$11,685,582	\$11,604,232	\$11,604,232	\$11,604,232
Ending Balance (\$4,000,000 for Reserve)	\$35,117,508	\$39,199,654	\$49,528,430	\$50,295,325	\$51,162,920	\$52,095,563
	\$19,940,136	\$23,033,551	\$15,305,273	\$7,271,581	(\$1,649,706)	(\$11,483,636)

FAMILY OF THREE



Current Benefit Level (30% of 2002 Federal Poverty Level plus \$30)

NO EMPLOYMENT INCOME (Full TANF cash assistance grant \$405/mo)

TANF CASH	MEDICAID	FOOD STAMPS	CHILD CARE	SUPPORTIVE SERVICES	LIEAP & POWER DISCOUNT	TELEPHONE ASSISTANCE	TOTAL ANNUAL
\$4,860	\$7,200	\$4,716	\$6,901	\$85	\$842	\$132	\$24,736

20 HOUR/WEEK MINIMUM WAGE JOB (\$5.15 / hour) (Partial TANF cash assistance grant \$222/mo)

WAGES	EITC	TANF CASH	MEDICAID	FOOD STAMPS	CHILD CARE	SUPPORTIVE SERVICES	UTILITY ASSISTANCE *	TOTAL ANNUAL
\$5,356	\$2,150	\$2,664	\$7,200	\$4,500	\$6,901	\$85	\$1,012	\$29,868

FULL-TIME MINIMUM WAGE JOB (\$5.15 / hour) (Not eligible for TANF) With child care assistance

WAGES	EITC	TANF CASH	MEDICAID#	FOOD STAMPS	CHILD CARE	SUPPORTIVE SERVICES	UTILITY ASSISTANCE *	TOTAL ANNUAL
\$10,712	\$4,299	\$0	\$7,200	\$4,020	\$6,901	0	\$862	\$33,994

FULL-TIME MINIMUM WAGE JOB (\$5.15 / hour) (Not eligible for TANF) No child care assistance

WAGES	EITC	TANF CASH	MEDICAID#	FOOD STAMPS	CHILD CARE	SUPPORTIVE SERVICES	UTILITY ASSISTANCE *	TOTAL ANNUAL
\$10,712	\$4,299	\$0	\$7,200	\$4,716	0	0	\$862	\$27,789

FULL-TIME EMPLOYMENT EARNING \$7.00/HR (Not eligible for TANF) With child care assistance

WAGES	EITC	TANF CASH	MEDICAID#	FOOD STAMPS	CHILD CARE	SUPPORTIVE SERVICES	UTILITY ASSISTANCE *	TOTAL ANNUAL
\$14,560	\$4,300	0	\$7,200	\$2,700	\$6,901	0	\$787	\$36,448

FULL-TIME EMPLOYMENT EARNING \$7.00/HR (Not eligible for TANF) No child care assistance

WAGES	EITC	TANF CASH	MEDICAID#	FOOD STAMPS	CHILD CARE	SUPPORTIVE SERVICES	UTILITY ASSISTANCE *	TOTAL ANNUAL
\$14,560	\$4,300	0	\$7,200	\$4,356	0	0	\$787	\$31,203

100% of the 2002 Federal Poverty Guideline for a family of three is \$15,020

150% is \$22,530

200% is \$30,040

These scenarios are based on a typical family paying \$350/month in rent.

* Utility assistance includes LIEAP, telephone assistance and power discount.

Based on the assumption that they had been eligible for Medicaid and would qualify for Extended Medicaid.

(updated 1-5-05)

FAMILY OF THREE



Current Benefit Level (30% of 2002 Federal Poverty Level plus \$30)
w/o Medicaid

NO EMPLOYMENT INCOME (Full TANF cash assistance grant \$405/mo)

TANF CASH	FOOD STAMPS	CHILD CARE	SUPPORTIVE SERVICES	LIEAP & POWER DISCOUNT	TELEPHONE ASSISTANCE	TOTAL ANNUAL
\$4,860	\$4,716	\$6,901	\$185	\$842	\$132	\$17,536

20 HOUR/WEEK MINIMUM WAGE JOB (\$5.15 / hour) (Partial TANF cash assistance grant \$222/mo)

WAGES	EITC	TANF CASH	FOOD STAMPS	CHILD CARE	SUPPORTIVE SERVICES	UTILITY ASSISTANCE *	TOTAL ANNUAL
\$5,356	\$2,150	\$2,664	\$4,500	\$6,901	\$85	\$1,012	\$22,668

FULL-TIME MINIMUM WAGE JOB (\$5.15 / hour) (Not eligible for TANF) With child care assistance

WAGES	EITC	TANF CASH	FOOD STAMPS	CHILD CARE	SUPPORTIVE SERVICES	UTILITY ASSISTANCE *	TOTAL ANNUAL
\$10,712	\$4,299	\$0	\$4,020	\$6,901	0	\$862	\$26,794

FULL-TIME MINIMUM WAGE JOB (\$5.15 / hour) (Not eligible for TANF) No child care assistance

WAGES	EITC	TANF CASH	FOOD STAMPS	CHILD CARE	SUPPORTIVE SERVICES	UTILITY ASSISTANCE *	TOTAL ANNUAL
\$10,712	\$4,299	\$0	\$4,716	0	0	\$862	\$20,589

FULL-TIME EMPLOYMENT EARNING \$7.00/HR (Not eligible for TANF) With child care assistance

WAGES	EITC	TANF CASH	FOOD STAMPS	CHILD CARE	SUPPORTIVE SERVICES	UTILITY ASSISTANCE *	TOTAL ANNUAL
\$14,560	\$4,300	0	\$2,700	\$6,901	0	\$787	\$29,248

FULL-TIME EMPLOYMENT EARNING \$7.00/HR (Not eligible for TANF) No child care assistance

WAGES	EITC	TANF CASH	FOOD STAMPS	CHILD CARE	SUPPORTIVE SERVICES	UTILITY ASSISTANCE *	TOTAL ANNUAL
\$14,560	\$4,300	0	\$4,176	0	0	\$787	\$24,003

100% of the 2002 Federal Poverty Guideline for a family of three is \$15,020

150% is \$22,530

200% is \$30,040

These scenarios are based on a typical family paying \$350/month in rent.

* Utility assistance includes LIEAP, telephone assistance and power discount.

AVERAGE CASH BENEFITS
FOR
MONTANA AND SURROUNDING STATES
(Reviewed 8/19/04)

Cash benefits level for a family of three:

	<u>Level in 02-03</u>	<u>Level listed now</u>
ARIZONA	\$347	\$347
CALIFORNIA	\$679	\$645
COLORADO	\$356	\$356
IDAHO	\$293	\$309
MONTANA	\$507	\$375 + \$30 = \$405 (1-1-05)
NEVADA	\$348	\$348
NORTH DAKOTA	\$457	\$477
OREGON	\$460	\$460
SOUTH DAKOTA	\$469	\$501
UTAH	\$451	\$474
WASHINGTON	\$546	\$546
WYOMING	\$340	\$340

Five states give a lower benefit than Montana: Arizona, Colorado, Idaho, Nevada and Wyoming.

Six states give a higher benefit: California, North Dakota, Oregon, South Dakota, Utah and Washington.

Montana is right in the middle.

If all 50 states are compared, Montana's reduced benefit at 30% FPL falls in the middle—27 states would have higher benefits, and 24 states would have lower benefits.