



MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

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TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)

TANF is a federal block grant that supports public assistance programs.

SERVICES AND REQUIREMENTS

Services for needy families funded with TANF funds include:

- o Cash assistance for the purchase of basic needs such as food, clothing, housing, and personal care items
- o Job preparation and work supports such as transportation, vehicle repair, and items that assist individuals in continuing employment or becoming employed
- o Education and training, excluding tuition

States receive a set level of federal funding, Montana's annual federal grant should be about \$38.0 million in FY 2015 – FY 2017. In order to receive the federal funds, a state must continue to expend state and local resources at a level known as the "maintenance of effort" or "MOE." Montana's annual MOE is about \$13.1 million.

Funds must be expended to achieve one of four TANF purposes:

- 1) To provide assistance to needy families for a limited time period of 60 months
- 2) To end dependency of needy parents by promoting job preparation, work, and marriage
- 3) To prevent and reduce out of wedlock pregnancies
- 4) To encourage the formation and maintenance of two-parent families

States must also meet other federal requirements including:

- o Work participation rates
- o Data reporting requirements
- o Limiting beneficiary to a maximum of 60 months per lifetime of benefits
- o Assignment of child support to the state by the beneficiary

ELIGIBILITY

States set the eligibility requirements for cash assistance benefits and services that are provided with federal and state TANF funding.

2011 Federal Poverty Index Earnings by Family Size				
Family Size	Annual Earnings by Percent of 2011 FPL			
	30%	33%	40%	100%
1	\$3,267	\$3,594	\$4,356	\$10,890
2	4,413	4,854	5,884	14,710
3	5,559	6,115	7,412	18,530
4	6,705	7,376	8,940	22,350
5	7,851	8,636	10,468	26,170
6	8,997	9,897	11,996	29,990
7	10,143	11,157	13,524	33,810
8	11,289	12,418	15,052	37,630

Monthly Earnings by Percent of 2011 FPL				
Family Size	30%	33%	40%	100%
1	\$272	\$299	\$363	\$908
2	368	405	490	1,226
3	463	510	618	1,544
4	559	615	745	1,863
5	654	720	872	2,181
6	750	825	1,000	2,499
7	845	930	1,127	2,818
8	941	1,035	1,254	3,136

The 2013 Legislature established that beginning July 1, 2013 a family's countable income (total income less allowable deductions) must be at or below about 30% or the 2011 federal poverty level (FPL) to be eligible for cash assistance benefits. As shown in the eligibility table to the right, a family of three would be eligible with a monthly income of \$463.

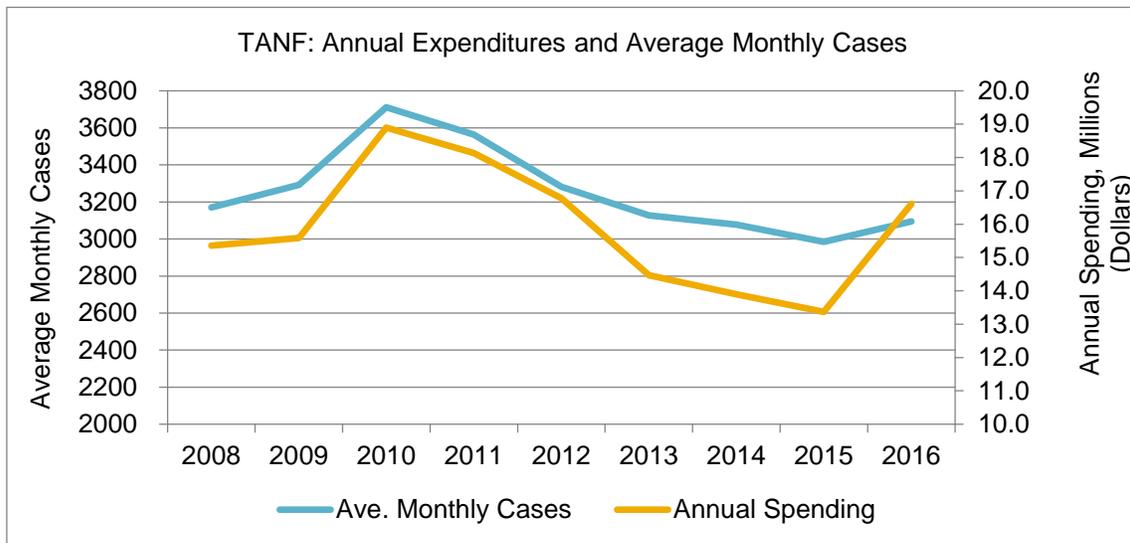
States also set the monthly benefit amounts that TANF families receive. The 2013 Legislature increased benefit levels to 33% of the 2011 FPL; at this level a household of three receives \$510.

In addition to cash benefits, federal and state TANF funds may be used for other services benefitting eligible Montana families such as child care and child welfare.

Monthly cash assistance payments have varied as the department and legislature worked to maintain the integrity of the TANF Block Grant. Monthly payments increased in FY 2007 to \$472 via legislative approval to use at least 33% of the 2007 FPL. As noted earlier, the 2009 Legislature used ARRA funding to increase benefit eligibility standard to 30% of the 2009 FPL and the payment standard to 33% of the 2009 FPL (\$504 for a household of three). The 2013 Legislature increased the eligibility standard to 30% and the payment standard to 33% of the 2011 FPL (\$510 per month for a household of three). Families may qualify for other, non-cash, services based on income ranging from 185% to 250% of the current FPL.

CASH ASSISTANCE AND CASELOAD

Cash assistance benefits vary from year to year as the department and the legislature work to maintain the integrity of the TANF Block Grant while best serving the TANF population. The 2013 Legislature authorized increases in the monthly payments from \$504 for a household of three in using the 2009 FPL to \$510 for a household of three using the 2011 FPL.



The line chart above shows Montana's cash assistance caseload and related benefit expenditures for state fiscal years 2008 through 2016. Caseload and benefits increase between June 2008 (the historic low number of cases at 2961) and June 2010 primarily due to the nationwide recession. Benefits increase in the same timeframe due to 2009 legislative action that used American Recovery and Reinvestment Act (ARRA) funding to increase benefit levels in response to the recession. Caseloads declined by June of 2012 as the recession began to subside and both seasonal and general employment opportunities improved.

Montana TANF funds also support administrative costs, subsidized employment programs, job training, employment readiness services as well as some support for childcare for parents or working caretaker relatives, and for some child welfare needs. TANF funds may also support nutritional efforts through food banks and computerized systems for data reporting.

THE FUTURE OF TANF

As noted, states have the flexibility to use TANF funds to support a variety of programs and services to assist needy families. States can determine which families qualify as well as which services will be funded. Through the ebb and flow of TANF caseloads and associated cash assistance costs, DPHHS adjusts or discontinues funding to some programs in order to have adequate funds available to provide cash assistance benefits.

TRIBAL TANF

In accordance with the federal TANF regulations, a tribe may choose to have its members receive services through the state TANF plan or a tribe may choose to operate its own TANF plan. In Montana, four tribes, the Confederated Salish and Kootenai, the Fort Belknap Indian Community, the Blackfeet, and the Chippewa Cree at Rocky Boy, have chosen to implement a tribal TANF plan.

When a tribe implements a TANF plan the state's federal grant and maintenance of effort requirement are reduced. Section 53-4-210, MCA governs the provision of a portion of the state maintenance of effort funds to tribes operating tribal TANF plan, which is dependent on their targeted population, and provides that \$100,000 general fund from existing appropriations be transferred to new tribal TANF plans each fiscal year of the biennium following implementation of the tribal TANF plan.