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## Georgia's Decreasing TANF Funds

### *An Overview of the FY 2012 Allocation of TANF Funds in Georgia*

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#### Summary

Georgia has less available federal and state Maintenance of Effort (MOE) funds for Temporary Assistance for Needy Families (TANF) due to:

- a decreasing federal unobligated balance;
- cuts to the federal TANF Supplemental Grant; and,
- an increased reliance on private funds for TANF MOE.

Georgia has 1.8 percent less available federal TANF funds for the state fiscal year (FY) 2012, which runs July 1, 2011 through June 30, 2012, compared to the current year's enacted budget. However, compared to FY 2009, the last budget year prior to the Great Recession, Georgia has 15.2 percent less federal TANF funds due to a shrinking federal unobligated balance.

In addition, for the federal fiscal year 2011 (FFY), which runs October 1, 2010 through September 30, 2011, Georgia will receive an estimated \$12.7 million less in federal TANF Supplemental Grant funds. Although not specified in the state budget, the Georgia Department of Human Services plans to address this shortfall with the federal unobligated balance.

Georgia is decreasing the state funds it invests for TANF MOE. For FFY 2011, nearly half of Georgia's TANF MOE will come from private, third party funds, an increase of 20.7 percent from FFY 2010. These third-party funds do not replace the cut state-funded services and supports and may count existing services, resulting in an overall net cut to services for low-income Georgians.

Even with less available federal TANF funds, Georgia policymakers continue to use federal TANF funds to replace state funds without regard to prioritizing state programs that directly promote family self-sufficiency (e.g., work assistance). For FY 2012, lawmakers allocated 56 percent to child welfare-related services and only 44 percent of programs that satisfy TANF's direct purposes. Georgia is experiencing 9.8 percent unemployment, which is above the national average (9.1 percent), and one out of every five children in Georgia is living below the federal poverty line. Policymakers should prioritize using federal TANF and MOE spending on programs that help Georgians secure and maintain employment, while identifying revenue solutions that renew investment of state funds for child welfare-related services.

#### TANF FUNDS ARE DOWN

Georgia has \$69.4 million less federal TANF funds compared to FY 2009.

THOUGHTFUL ANALYSIS...RESPONSIBLE POLICY

## FY 2012 TANF Allocation in Georgia

The Georgia General Assembly appropriated \$386.3 million in available federal TANF funds for FY 2012 within House Bill 78.<sup>1</sup> The following analysis compares Georgia's allocation of federal TANF funds in FY 2012 with the allocation for FY 2011 and for FY 2009.<sup>2</sup> The FY 2009 funds are used for a pre-recession comparison.

Table 1 **Total Available Federal TANF Funds Decrease from FY 2009 to FY 2012**

	FY 2009	FY 2011	FY 2012	FY 2011 – FY 2012 Change (\$)	FY 2011 – FY 2012 Change (%)	FY 2009 – FY 2012 Change (%)
<b>TANF Federal Allocation</b>	\$368,024,967	\$368,024,957	\$368,024,957	\$0	0%	0%
<b>Federal Unobligated Balance</b>	\$87,618,821	\$25,201,084	\$18,257,539	-\$6,943,545	-27.6%	-79.2%
<b>Total Available TANF Funds</b>	<b>\$455,643,788</b>	<b>\$393,226,041</b>	<b>\$386,282,496</b>	<b>-\$6,943,545</b>	<b>-1.8%</b>	<b>-15.2%</b>

Source: FY 2009 HB 990, FY 2011 HB 948, and FY 2012 HB 78.

### TANF Federal Funds Allocated to States Each Year

States receive federal TANF funds in a block grant in order to address four broad purposes outlined in federal law.<sup>3</sup>

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

The TANF Federal Allocation, which each state receives each federal fiscal year, has several components. For Georgia the relevant components are the TANF Federal Block Grant and the TANF Supplemental Grant. Congress created the TANF Supplemental Grant to provide additional funds to states that might have been disadvantaged by the block grant formula, either due to high population growth or because the state provided relatively small cash grants. Georgia receives a TANF Supplemental Grant along with 16 other states. The TANF Supplemental Grant amount each state received was consistent until FFY 2011, when TANF Supplemental Grants were no longer fully funded.<sup>4</sup>

Table 2 **Estimated Cut to Georgia's TANF Supplemental Grant**

	FFY 2010	FFY 2011	Change (\$)
<b>TANF Block Grant</b>	\$330.7 million	\$330.7 million	\$0
<b>TANF Supplemental Grant</b>	\$37.3 million	\$24.6 million (estimate)	-\$12.7 million
<b>Total federal TANF Allocation</b>	<b>\$368 million</b>	<b>\$355.3 million</b>	<b>-\$12.7 million</b>

Source: Center on Budget and Policy Priorities<sup>5</sup>

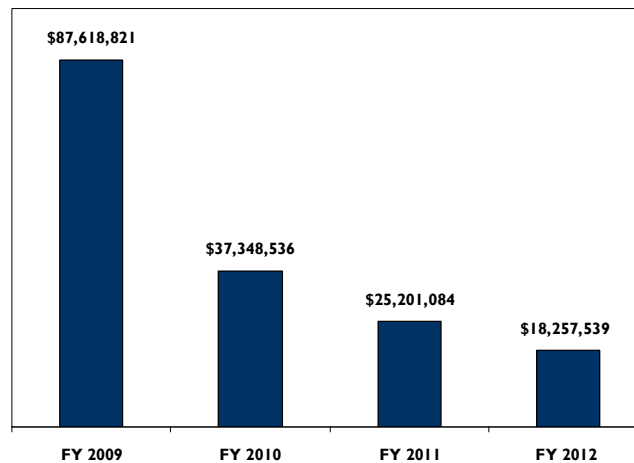
Historically, Georgia has received \$37.3 million as its TANF Supplemental Grant (table 2). For FFY 2011, Georgia will receive an estimated \$24.6 million, for a loss of \$12.7 million. This cut to Georgia's TANF Supplemental Grant was not accounted for in the state appropriations for state fiscal year 2012; however, DHS Chief Financial Officer Lynn Vellinga stated,<sup>6</sup>

*"At this time, it looks like we should be able to manage the TANF budget with prior year unobligated balances. We have some flexibility because of overlapping federal and state fiscal years... The prospect of reduced TANF funds may be a factor in arguing for more state funds at some point, which in turn would help MOE. TANF is up for reauthorization in FFY12, so watching what unfolds out of that process will be important."*

### **Federal Unobligated Balance**

TANF funds that are not spent (or otherwise obligated) by the end of a fiscal year are moved into what is called the federal unobligated balance, which states then can use in the later years. In state FY 2002, Georgia's federal unobligated balance was \$219.6 million.<sup>7</sup> The balance has decreased steadily and for FY 2012 is \$18.3 million, a 92 percent decrease.

*Figure 1* **Georgia's Shrinking TANF Balance**



Georgia's federal unobligated balance is decreasing primarily for two reasons:

1. Georgia spends it down to replace state investments. For example, Georgia increased TANF spending in child welfare-related services from \$60.1 million in 2002 to \$207.6 million in 2012, a 245 percent increase.<sup>8</sup>
2. The annual federal TANF allocation is not adjusted for inflation and Georgia uses part of the balance to pay for increased expenses for the same level of services.

Georgia historically has used TANF funds to replace state investments in program areas such as child welfare-related services. This is increasingly becoming a difficult strategy as the federal unobligated balance decreases and the TANF Supplemental Grant decreases as well.

This will leave less TANF funds for lawmakers to allocate among the programs described later in this report that serve TANF's more direct purpose of increasing family self-sufficiency. Unless Georgia invests state funds in proven programs, like subsidized child care, more cuts are likely in the budget years to come.

### TANF Maintenance of Effort

TANF includes an annual cost-sharing requirement, referred to as maintenance of effort (MOE). Each state must spend an amount equal to at least 80 percent (75 percent if the state meets work participation requirements) of what the state spent on Aid to Families with Dependent Children and related programs in 1994. Georgia's minimum amount is \$173.4 million (at the 75 percent level).<sup>9</sup>

A state can meet its TANF MOE with state funds or third-party funds each year in order to receive the federal funds and to avoid financial penalties. In general, a state must spend TANF MOE on activities that serve eligible low-income families with children and satisfy one of the four broad purposes of TANF. A state may also include administrative costs for allowable purposes (not to exceed 15 percent).

Table 3 Allocation of TANF MOE FUNDS by Funding Source

	Actual FFY 2010	Projected FFY 2011 MOE <sup>10</sup>	Change (%)
<b>STATE GENERAL FUNDS</b>			
DHS Administration	\$4,281,148	\$1,005,148	-76.5%
<b>DHS Child Welfare Related Services</b>			
Child Welfare Services	\$30,255,670	\$30,255,670	0%
Family Violence Services	\$1,690,205	\$0	-100%
Out of Home Care	\$32,256,973	\$27,805,511	-13.8%
<b>DHS Low Income Supports</b>			
Child Care Services	\$22,182,651	\$22,182,651	0%
Federal Eligibility Benefit Services	\$262,743 <sup>11</sup>	\$262,743	0%
Support for Needy Families-Work Asst	\$3,380,641	\$0	-100%
<b>Technical College System of Georgia</b>			
Technical Education	\$1,358,025	\$1,358,025	0%
Hope Scholars	\$188,152	\$188,152	0%
<b>Subtotal STATE FUNDS</b>	<b>\$95,856,208</b>	<b>\$83,057,900</b>	<b>-13.4%</b>
<b>LOTTERY FUNDS</b>			
DECAL – Pre-K School Readiness	\$6,418,325	\$3,209,163	-50%
DECAL – Pre-K School Transportation	\$1,036,757	\$518,379	-50%
<b>Subtotal LOTTERY FUNDS</b>	<b>\$7,455,082</b>	<b>\$3,727,542</b>	<b>-50%</b>
<b>PRIVATE THIRD PARTY FUNDS</b>			
Afterschool Services	\$28,780,994	\$32,500,000	12.9%
Atlanta Community Food Bank	\$32,023,032	\$32,023,032	0%
Child Support	\$2,253,211	\$2,253,211	0%
Room Board & Watchful Oversight Donations	\$7,000,000	\$8,500,000	21.4%

<b>Community Partner Investment</b>			
Atlanta Legal Aid Society		\$726,561	New for FFY2011
Carrie Steele Pitts Home, Inc (NON-RBWO)		\$259,122	New for FFY2011
Gate City Day Nursery Association		\$697,237	New for FFY2011
Girls Incorporated		\$398,128	New for FFY2011
Goodwill of North Georgia		\$683,932	New for FFY2011
Nicholas House, Inc.		\$374,308	New for FFY2011
Partnership Against Domestic Violence		\$98,118	New for FFY2011
Premier Academy		\$546,249	New for FFY2011
Sheltering Arms Early Education and Family Centers		\$944,551	New for FFY2011
The Center Family Resources		\$135,354	New for FFY2011
Travelers Aid of Metro Atlanta		\$205,155	New for FFY2011
YWCA of Northwest Georgia Inc		\$175,401	New for FFY2011
YMCA of Metro Atlanta		\$2,999,850	New for FFY2011
Georgia Justice Project		\$122,479	New for FFY2011
Gateway Center		\$374,981	New for FFY2011
Community Concerns		\$249,988	New for FFY2011
Forever Family		\$312,032	New for FFY2011
<b>Subtotal PRIVATE THIRD PARTY FUNDS</b>	\$70,057,237	\$84,579,689	20.7%
<b>DHS Subtotal</b>	<b>\$173,368,527</b>	<b>\$171,365,131</b>	<b>\$2 million to be identified</b>

Source: DHS Chief Financial Officer May, 2011 and TCSG Budget Director June, 2011.

**Nearly half of Georgia's TANF MOE (\$84.6 million) is from third party funds, an increase of 20.7 percent from FFY 2010.** Policymakers replaced state fund investment for TANF MOE with private, third-party funds. However, these third-party funds do not replace the cut state-funded services and supports and may count existing services that are already offered by private organizations throughout the state. Counting private funds for existing services in the community while cutting state funds to TANF, is an overall net cut to services for low-income Georgians.

As shown in Table 3, Georgia third-party private TANF MOE for FFY 2011 includes:

- After school services - Providers receive \$15.5 million in federal TANF funding and in exchange demonstrate a \$32.5 million match in private funds counted as TANF MOE.
- Atlanta Community Food Bank, which receives \$6 million in federal TANF funds and in exchange demonstrates a \$32 million match that is counted as TANF MOE. The Atlanta Community Food Bank uses the funding to purchase and distribute nutritious foods for current TANF clients, to clients who are in the 12-month transitional stage of TANF and to Georgia families who are at risk of becoming TANF eligible.<sup>12</sup>
- Child support gap payments received by TANF clients. For example, if the Division of Child Support Services collects \$300 from a non-custodial parent, and if those payments relate to a custodial parent receiving TANF cash assistance in the amount of \$280, the gap payment is \$20. The custodial parent receives the gap payment but it is counted as TANF MOE.<sup>13</sup>

- The new DHS Community Partner Investment program provides federal TANF funds to private organizations that guarantee a 6:1 ratio of TANF MOE match to federal TANF grant.

## Federal TANF Allocation by Georgia Departments and Programs

The FY 2012 budget reflects Georgia's TANF funding priorities, continuing lawmakers' practice of funding more indirect purposes (e.g., child welfare services) while shifting funds away from direct TANF purposes (e.g., access to public benefits like TANF, Medicaid and Food Stamps), despite the drop in the federal unobligated balance and the high number of Georgia families still struggling to recover from the recession. The following is a summary of key shifts in TANF funding from FY 2009 to FY 2012. The FY 2009 TANF allocations are used as a reference point because this was the last state fiscal year prior to the Great Recession (table 4).

### Department of Human Services

Table 4 Allocation of Federal TANF Funds in DHS from FY 2009 to FY 2012

	FY 2009	FY 2011	FY 2012	FY 2011 – FY 2012 Change (\$)	FY 2011 – FY 2012 Change (%)	FY 2009 – FY 2012 Change (%)
Administration	\$15,000,000	\$10,183,572	\$8,095,249	-\$2,088,323	-20.5%	-46%
Adoption Services	\$12,000,000	\$12,000,000	\$15,000,000	\$3,000,000	25%	25%
After School Care	\$14,000,000	\$14,000,000	\$15,500,000	\$1,500,000	10.7%	10.7%
Child Care Services	\$10,280,143	\$600,000	\$600,000	\$0	0%	-94.2%
Child Care Licensing	\$0	\$1,368,094	\$2,193,862	\$825,768	60.4%	Not funded in 2009
Child Welfare Services	\$77,263,725	\$62,995,915	\$62,995,915	\$0	0%	-18.5%
Child Welfare Services –Social Services Block Grant Transfer	\$25,800,000	\$25,800,000	\$25,800,000	\$0	0%	0%
Child Welfare Services – Special Project	\$0	\$250,000 <sup>14</sup>	\$250,000	\$0	0%	Not funded in 2009
Family Violence Services	\$5,565,244	\$5,565,244	\$10,048,415	\$4,483,171	80.6%	80.6%
Federal Eligibility Benefit Services	\$30,026,128	\$29,440,706	\$19,628,860	-\$9,811,846	-33.3%	-34.6%
Out of Home Care	\$90,814,092	\$118,205,301	\$101,381,099	-\$16,824,202	-14.2%	11.6%
Support for Needy Families-Basic Asst	\$65,652,812	\$54,225,681	\$52,400,415	-\$1,825,266	-3.4%	-20.2%
Support for Needy Families-Work Asst	\$39,116,253	\$17,825,011	\$21,396,310	\$3,571,299	20%	-45.3%
Family Connection	\$1,200,000	\$1,200,000	\$1,200,000	\$0	0%	0%
<b>DHS Subtotal</b>	<b>\$386,718,397</b>	<b>\$353,659,524</b>	<b>\$336,490,125</b>	<b>-\$17,169,399</b>	<b>-4.9%</b>	<b>-13%</b>

Source: FY 2009 HB 990, FY 2011 HB 948, and FY 2012 HB 78. Notes:

1. In FY 2011, Eligibility, Support for Needy Families-Family Assistance, and Food Stamp Eligibility were combined into one program, Federal Eligibility Benefit Services. For FY 2009, Federal Eligibility Benefit Services includes TANF allocations for SNF-Family Assistance and Eligibility, not Food Stamp Eligibility.

2. Family Connection Partnership is a nonprofit agency attached to DHS.

### Child Welfare-Related Services

TANF funding for child welfare-related services — Adoption Assistance, Child Care Licensing, Child Welfare Services, and Out of Home Care — dropped to \$207.6 million in FY 2012, from \$220.6 million in FY 2011. However, child welfare-related services accounts for 56 percent of Georgia's annual TANF award (\$368 million), which means only 44 percent of TANF federal funds were available for programs that help Georgians secure and maintain employment.

Out of Home Care was cut \$16.8 million in federal TANF funds in addition to a \$6 million cut in state funds. From FY 2009 to FY 2010 the number of children in foster care dropped nearly 9 percent (47 percent from FY 2004 to FY 2010).

Child Care Licensing is an example of how TANF funds are used to back fill state funds. In FY 2009, Child Care Licensing was funded by \$8.8 million in state funds and no federal TANF funds. In FY 2012, the program will be funded exclusively by \$2.2 million in federal TANF funds.

### Family Violence Services

Federal TANF funds replaced \$2.8 million in state funds in Family Violence Services. Domestic violence is an important government function, but it is far from the direct purposes of TANF (e.g., family self-sufficiency). This shift of TANF funds came at the same time cuts were made to a program that helps eligible Georgians access TANF.

### Federal Eligibility Benefit Services

The recession caused increasing numbers of Georgians to seek critical safety net supports. However, the number of eligibility workers who help qualified families access food stamps, Medicaid, and TANF decreased over the past five years from 2,805 workers in FY 2006 to 2,291 in FY 2010. In FY 2011, DHS was expected to cut 284 eligibility workers.<sup>15</sup>

Whereas the caseload ratio was 379 cases per worker in 2004, the ratio was 667 per worker in 2010.<sup>16</sup> Despite the increased demand for services, federal TANF funds for Federal Eligibility Benefits Services were cut by one-third (\$9.8 million) in FY 2012. This will likely reduce the number of eligibility workers down further and increase the number of cases per worker.

### Support for Needy Families – Basic Assistance

Lawmakers cut \$1.8 million in federal TANF funds from Support for Needy Families – Basic Assistance, a \$13.3 million cumulative drop since FY 2009. The average annual TANF adult cases in FY 2009 were 2,938.<sup>17</sup> Despite record high unemployment and increasing poverty, adult TANF recipients only rose to an annual average of 3,412 adults in FY 2010, while other poverty indicators revealed a greater need.<sup>18</sup> As shown in table 5, TANF cases did not keep pace.

Table 5 TANF Basic Assistance Not Keeping Pace with other Poverty Indicators

	2009	2010
<b>TANF Adults</b>	2,938	3,412
<b>Unemployed Persons</b>	480,300 <sup>19</sup>	473,800 <sup>20</sup>
<b>Persons Below Poverty</b>	1,574,649 <sup>21</sup>	Not available
<b>Food Stamp Recipients</b>	1,455,171 <sup>22</sup>	1,582,642 <sup>23</sup>

Source: Georgia DHS, U.S. Department of Labor, U.S. Census Bureau, U.S. Department of Agriculture

### Support for Needy Families – Work Assistance

In the FY 2012 appropriations, lawmakers increased the TANF investment in Work Assistance by \$3.6 million to replace state funds while the overall program budget was cut by \$2 million. The program has \$17.7 million less federal TANF funds than FY 2009.

Among other supports, Work Assistance includes the Work Support Program that helps former TANF recipients who leave the system maintain employment through short-term payments and job coaching. This hits after Recovery Act funds expired in September 30, 2010 for the adult subsidized employment program that placed 2,300 unemployed Georgians in jobs.

### Subsidized Child Care

Georgia’s subsidized child care program, known as Child and Parent Services (CAPS), is primarily funded by the federal Child Care and Development Fund (CCDF) and required state matching funds. TANF funds historically have been a minor but important source of funding for CAPS, reaching a high of \$29.7 million in FY 2007. Even at its highest level of TANF investment, in 2007, Georgia ranked among the bottom 11 states in percentage of TANF funds used for child care and had a large waiting list of approximately 21,000 families.

For FY 2010 and FY 2011, Georgia received a total of \$36 million in targeted federal Recovery Act funds, allowing the state to drop federal TANF funds to \$600,000 while increasing services. These Recovery Act funds enabled CAPS to eliminate the waiting list and serve approximately 10,000 additional children in FY 2010.

In FY 2012, with the expiration of Recovery Act funds and a proposed federal TANF fund investment of \$600,000, total program funding for Child Care and Parent Services program (CAPS) is back down to \$226 million, almost equivalent to the total program funding for FY 2006 to FY 2009. In FY 2009, a similar CAPS budget served an average of about 54,000 children per month with 4,000 families on the waiting list.<sup>24</sup>



## Department of Behavioral Health and Developmental Disabilities

Lawmakers maintained level TANF funding for the Department of Behavioral Health and Developmental Disabilities (DBHDD) compared to FY 2011.

Table 6 **Allocation of Federal TANF Funds in DBHDD from FY 2009 to FY 2012**

	FY 2009	FY 2011	FY 2012	FY 2011 – FY 2012 Change (\$)	FY 2011 – FY 2012 Change (%)	FY 2009 – FY 2012 Change (%)
Adult Addictive Diseases	\$21,873,683	\$20,130,488	\$20,130,488	\$0	0%	-8%
Adult Developmental Disabilities	\$411,234	\$411,234	\$411,234	\$0	0%	0%
Adult Mental Health Services	\$1,219,465	\$0	\$0	\$0	0%	-100%
<b>DBHDD Subtotal</b>	<b>\$23,504,382</b>	<b>\$20,541,722</b>	<b>\$20,541,722</b>	<b>\$0</b>	<b>0%</b>	<b>-12.6%</b>

Source: FY 2009 HB 990, FY 2011 HB 948, and FY 2012 HB 78.

## Department of Public Health

With public health programs from the Department of Community Health, lawmakers created a new Department of Public Health (DPH), effective July 1, 2012. For FY 2012, TANF funds for public health programs increased by \$1.5 million compared to FY 2011 (table 7).

Table 7 **Allocation of Federal TANF Funds in DPH from FY 2009 to FY 2012**

	FY 2009	FY 2011	FY 2012	FY 2011 – FY 2012 Change (\$)	FY 2011 – FY 2012 Change (%)	FY 2009 – FY 2012 Change (%)
Adolescent and Adult Health Promotion	\$23,200,000	\$15,210,445	\$13,930,360	-\$1,280,085	-8.4%	-40%
Infant and Child Health Promotion	\$0	\$0	\$2,800,000	\$2,800,000	New	New
<b>DPH Subtotal</b>	<b>\$23,200,000</b>	<b>\$15,210,445</b>	<b>\$16,730,360</b>	<b>\$1,519,915</b>	<b>10%</b>	<b>-34.4%</b>

Source: FY 2009 HB 990, FY 2011 HB 948, and FY 2012 HB 78.

Adolescent and Adult Health Promotion, which impacts family planning and youth development, experienced federal TANF fund cuts of 40 percent since FY 2009. During this same time period, state funds for this program were cut by 30 percent (approximately \$4 million).

Infant and Child Health Promotion received \$2.8 million in federal TANF funds for Children's 1st to offset a \$2.9 million cut in state funds. Once again, TANF funds are used to backfill state funds.

## Other Agencies that Receive TANF Funds

TANF funding for the Governor’s Office of Children and Families (GOCF) remained level in FY 2012, after a \$3.8 million increase in FY 2011, from which \$2.8 million in federal TANF funds for youth programs (e.g., those that seek to reduce out-of-wedlock pregnancies) replaced state funds.

Table 8 **Allocation of Federal TANF Funds in Governor’s Office and Department of Community Affairs from FY 2009 to FY 2012**

	FY 2009	FY 2011	FY 2012	FY 2011 – FY 2012 Change (\$)	FY 2010 – FY 2011 Change (%)	FY 2009 – FY 2011 Change (%)
Gov Office of Children and Families	\$250,000	\$3,814,350	\$3,814,350	\$0	0%	1,425.7%
Dept of Comm. Affairs Housing Initiative	\$100,000	\$0	\$0	\$0	0%	-100%
<b>Other Subtotal</b>	<b>\$350,000</b>	<b>\$3,814,350</b>	<b>\$3,814,350</b>	<b>\$0</b>	<b>207.2%</b>	<b>989.8%</b>

Source: FY 2009 HB 990, FY 2011 HB 948, and HB 78.

## Policy Considerations

1. Should child welfare-related services continue to consume the majority of Georgia’s annual TANF award? In FY 2012, total available TANF funds decreased \$6.9 million (not including the TANF Supplemental Grant cut), while child welfare-related services continued to consume the majority of federal TANF funds (56 percent). This leaves only 44 percent to spend on programs directly related to TANF purposes, such as basic assistance, work assistance, and subsidized child care. Child welfare-related services are a vital government function and lawmakers should identify additional state revenues for these services in order to free up TANF funds for work-related services.
2. Should TANF MOE be increasingly funded by private, third-party organizations? Are private funds for existing services being used to replace state funds, resulting in a cut to services at a time of increased demand? Nearly half of Georgia’s TANF MOE obligation is provided by private, third-party funds in FY 2012. A practice that DHS CFO called “risky” because if a third-party could not meet its MOE match obligation, Georgia’s federal TANF funding would be at risk. (For further background information on the consequences of not meeting TANF MOE, download GBPI’s recent brief, *New Proposed State Fund Cuts Could Cost Georgia Millions in Federal Funds*, at GBPI.org.)
3. Should lawmakers continue to direct federal TANF funds away from the safety net and work supports at a time of high unemployment and increasing child poverty? For example, Federal Eligibility Benefit Services, which helps qualified families access TANF, was cut by \$9.8 million federal TANF funds.

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## Endnotes

<sup>1</sup>House Bill 78 is available at <http://www.senate.ga.gov/sbeo/en-US/AppropriationsDocuments.aspx>.

<sup>2</sup> FY 2011 House Bill 948 is available at

[http://www.l.legis.ga.gov/legis/2009\\_10/house/budget/reports/FY\\_2011\\_Bill\\_Final\\_Conf\\_Cmte.pdf](http://www.l.legis.ga.gov/legis/2009_10/house/budget/reports/FY_2011_Bill_Final_Conf_Cmte.pdf) FY 2009 House Bill 990 is available at [www.legis.ga.gov/legis/2007\\_08/senate/sbo/HB990\\_CC\\_SBEO\\_Version.pdf](http://www.legis.ga.gov/legis/2007_08/senate/sbo/HB990_CC_SBEO_Version.pdf).

<sup>3</sup> The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 replaced Aid to Families with Dependent Children (AFDC), JOBS, and Emergency Assistance with the TANF block grant.

<sup>4</sup> “Georgia – TANF Spending Factsheet”, Center on Budget and Policy Priorities. <http://www.cbpp.org/files/12-16-10tanf.pdf> and On December 8, 2010, the president signed the Claims Resolution Act of 2010 (P.L. 111-291), which included an extension of the Temporary Assistance for Needy Families (TANF) block grant and related programs through federal fiscal year (FY) 2011. Unlike most programs covered by the extension, TANF supplemental funds were not funded at FY 2010 levels and were extended only until June 30, 2011, instead of September 30, 2011. Specifically, P.L. 111-291 limited funding for TANF supplemental grants to \$490 million minus the amount obligated for the TANF Contingency Fund from October 1, 2010 to December 8, 2010. The Administration for Children and Families (ACF) obligated \$334 million for the TANF Contingency Fund during that period, leaving a FY 2011 shortfall for TANF supplemental grants compared to previous years. <http://www.ffis.org/node/2357>

<sup>5</sup> Liz Schott and LaDonna Pavetti, Ph.D, “Federal TANF Funding Shrinking While Need Remains High” Center on Budget and Policy Priorities. December 16, 2010. Available at <http://www.cbpp.org/files/12-16-10tanf.pdf>

<sup>6</sup> E-mail correspondence with DHS Chief Financial Officer on May 2, 2011 and May 10, 2011.

<sup>7</sup> Robert Welsh, “TANF Budget 2002-2007: The Shifting Priorities,” Georgia Budget & Policy Institute, June 2007, [www.gbpi.org/pubs/gabudget/20070612.pdf](http://www.gbpi.org/pubs/gabudget/20070612.pdf). 2002 TANF federal funds for child welfare-related services from author calculation based on 2002 TANF data provided by Georgia DHR. Note, this data and analysis pre-date program based budgeting.

<sup>8</sup> Ibid.

<sup>9</sup> Ibid.

<sup>10</sup> Includes additional TANF MOE contracted for FFY 2011.

<sup>11</sup> In FFY 2010, these TANF MOE funds were counted under Support for Needy Families – Family Assistance which later became Federal Eligibility Benefits Services.

<sup>12</sup> E-mail from Atlanta Community Food Bank on November 22, 2010 and May 16, 2011.

<sup>13</sup> E-mail from DHS Budget Office on November 18, 2010.

<sup>14</sup> In FY 2011, legislators added a Child Welfare Services – Special Project to ensure that DHS directed \$250,000 in TANF funds to Child Advocacy Centers. These centers are nonprofit agencies located across Georgia that primarily are responsible for multi-disciplinary forensic interviewing of children who are victims of sexual abuse. The centers also evaluate and treat child victims.

<sup>15</sup> Author calculation assuming \$3.2 million cut eliminated 137 eligibility workers.

<sup>16</sup> DHS Commissioner Clyde L. Reese, III presentation to the Joint Appropriations Committee, January 20, 2011.

<sup>17</sup> DHS Commissioner B.J. Walker presentation to DHS Board,” October 20, 2010.

<sup>18</sup> Ibid.

<sup>19</sup> U.S. Department of Labor – Bureau of Labor Statistics, “Regional and State Employment and Unemployment,” November 2009.

<sup>20</sup> U.S. Department of Labor – Bureau of Labor Statistics, Table 3 Civilian Labor Force and Unemployment by State and Selected Area, Seasonally Adjusted, April 2010.

<sup>21</sup> U.S. Census Bureau, “American Community Survey 2009,” Table C17001; [www.census.gov/acs/www/index.html](http://www.census.gov/acs/www/index.html)

<sup>22</sup> U.S. Department of Agriculture [www.fns.usda.gov/pd/29SNAPcurrPP.htm](http://www.fns.usda.gov/pd/29SNAPcurrPP.htm), retrieved December, 2009.

<sup>23</sup> Data is for March, 2010. U.S. Department of Agriculture [www.fns.usda.gov/pd/29SNAPcurrPP.htm](http://www.fns.usda.gov/pd/29SNAPcurrPP.htm), retrieved June, 2011.

<sup>24</sup> “Number of Families: Childcare Inquiry Waiting List SFY 2003- SFY 2009,” Georgia DHS, February 17, 2009.