



Temporary
Assistance for
Needy Families
Cuts & Threats

Georgia Budget & Policy Institute

Clare S. Richie, Senior Policy Analyst

January 4, 2012

Background

States receive federal TANF funds in a block grant to address four broad purposes:

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
4. Encourage the formation and maintenance of two-parent families



Federal TANF Funds Allocated to Georgia

	FFY 2010	FFY 2011	FFY 2012
TANF Block Grant	\$330.7 million	\$330.7 million	\$330.7 million
TANF Supplemental Grant	\$37.3 million	\$24.6 million (estimate)	\$0 (estimate)
Total federal TANF Allocation	\$368 million	\$355.3 million	\$330.7 million

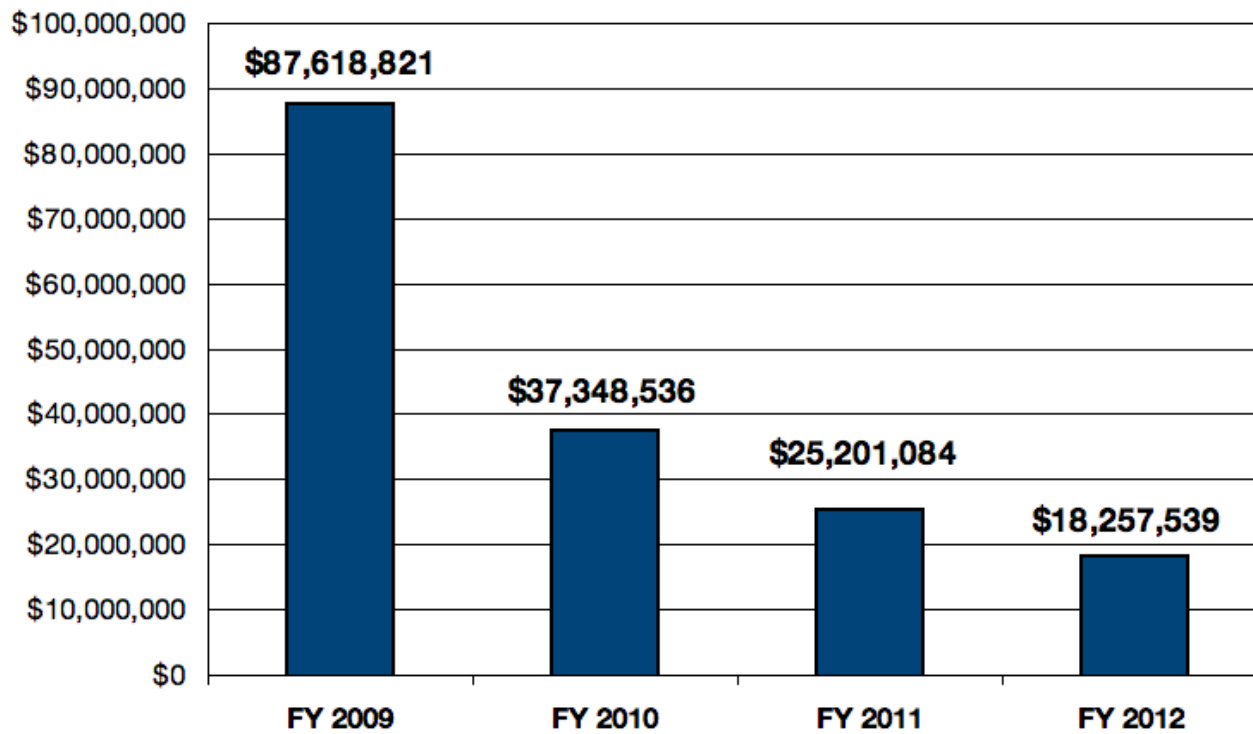


Cuts to TANF Supplemental Grant

- \$12.7 million less in FFY 2011
- Cut was NOT included in Georgia FY 2012 Budget
- Per Georgia Department of Human Services (DHS)
 - this gap was filled with the TANF federal unobligated balance funds



TANF Federal Unobligated Balance



Impact for FY 2013

- DHS' contingency plan for the \$37.3 million cut was provided to OPB
- DHS has not made this plan public
- The cuts could be reflected in the Governor's FY 2013 budget proposal released next week



Potential Cut to Adult Addictive Disease Services

- Starting July 2012, cut from \$20.5 million to \$11.6 million
 - Includes programs that reduce barriers to employment and housing and include therapeutic childcare, drug screening, parenting classes and life-skill courses to women with children
 - Potentially close outpatient facilities and cut capacity for residential facilities and transitional housing



Ironically...

- The Special Council on Criminal Justice Reform for Georgians, recently recommended that Georgia expand access to effective substance abuse treatment and programming options in communities around the state
- Proposed state drug test bills would use TANF funds to reimburse applicants for negative drug tests

Maintenance of Effort

- Accepting federal TANF funds includes an annual cost-sharing requirement (MOE) for states
- Georgia's minimum MOE is \$173.4 million
- A state can meet its TANF MOE with state funds or third-party funds



The Threat to TANF MOE

- For FFY 2011 – nearly half of Georgia’s MOE came from private, third party funds, a 20.7 percent increase since FFY 2010
- Third-party MOE does not necessarily replace cut state-funded services and supports
- Resulting in an overall net cut to services for low-income Georgians



Georgia TANF's Perfect Storm

1. Possible elimination of the TANF Supplemental Grant
2. Decreasing Federal Unobligated Balance
3. Increasing use of third party MOE

This translates into more cuts to services and supports for poor children and families in FY 2013.



LET'S KEEP IN TOUCH.

Clare S. Richie, Senior Policy Analyst
crichie@gbpi.org
404.420.1324 x100



www.facebook.com/gabudget



[@gabudget](https://twitter.com/gabudget)

About the Georgia Budget & Policy Institute

GBPI seeks to build a more prosperous Georgia. We rigorously analyze budget and tax policies and provide education to inspire informed debate and responsible decision-making, advancing our vision of a state in which economic opportunity and well-being are shared among all. GBPI is an independent, nonpartisan nonprofit founded in 2004.