

# **How States Have Spent their Federal and State Funds under TANF**

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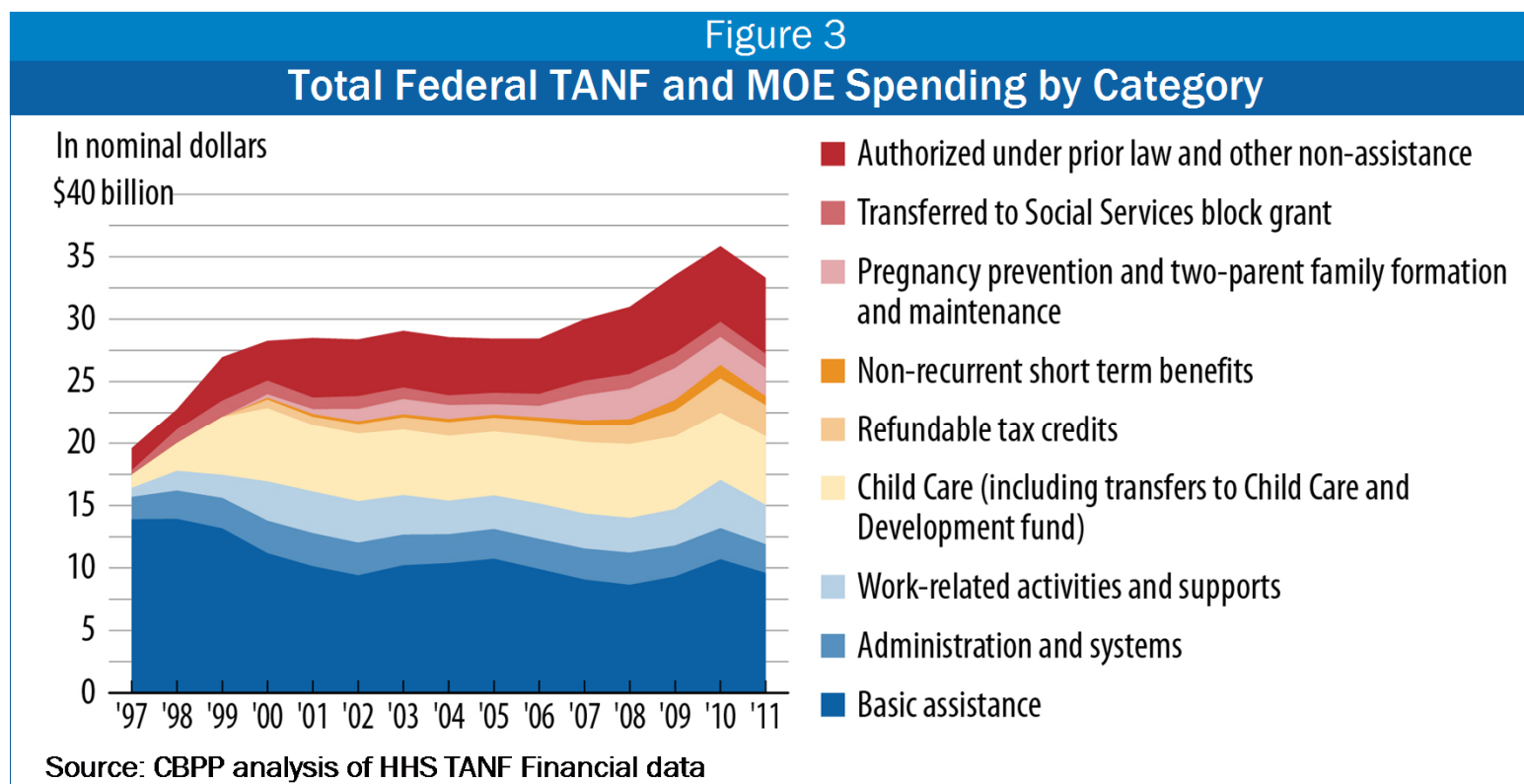
# Overview of State Spending Trends Under TANF: 1997-2011

- Recent report covers longitudinal view of federal TANF and State MOE spending
  - Trends from 1997-2011
  - Includes all federal TANF funds (except Tribal TANF)
  - Consolidated, reorganized the state data posted by HHS
- State by state fact sheets and excel data posted
- Allows one to see trends over time and make comparisons across states

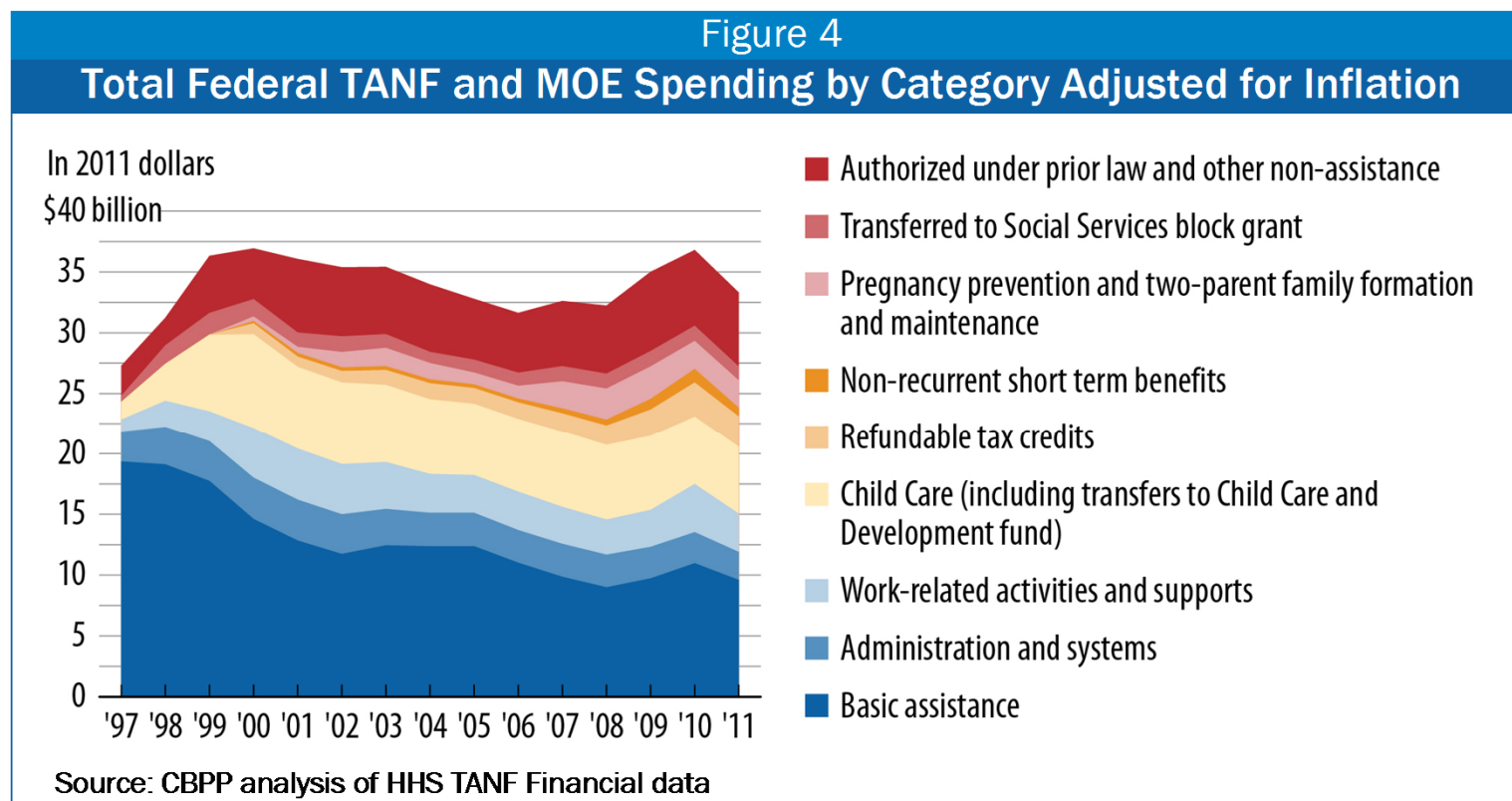
# Shifts in TANF Spending: Not Redirected to Help Support Work

- Spending on basic assistance accounts for a relatively small share of TANF and MOE expenditures
  - Shift of funding from basic assistance as caseloads declined
- States initially shifted some resources from cash assistance to work activities and child care, but that leveled off nearly a decade ago
- States are using a significant and growing share of TANF and MOE funds to support *other* state services, such as child welfare

# Total TANF and MOE Spending by All States by Category, 1997-2011

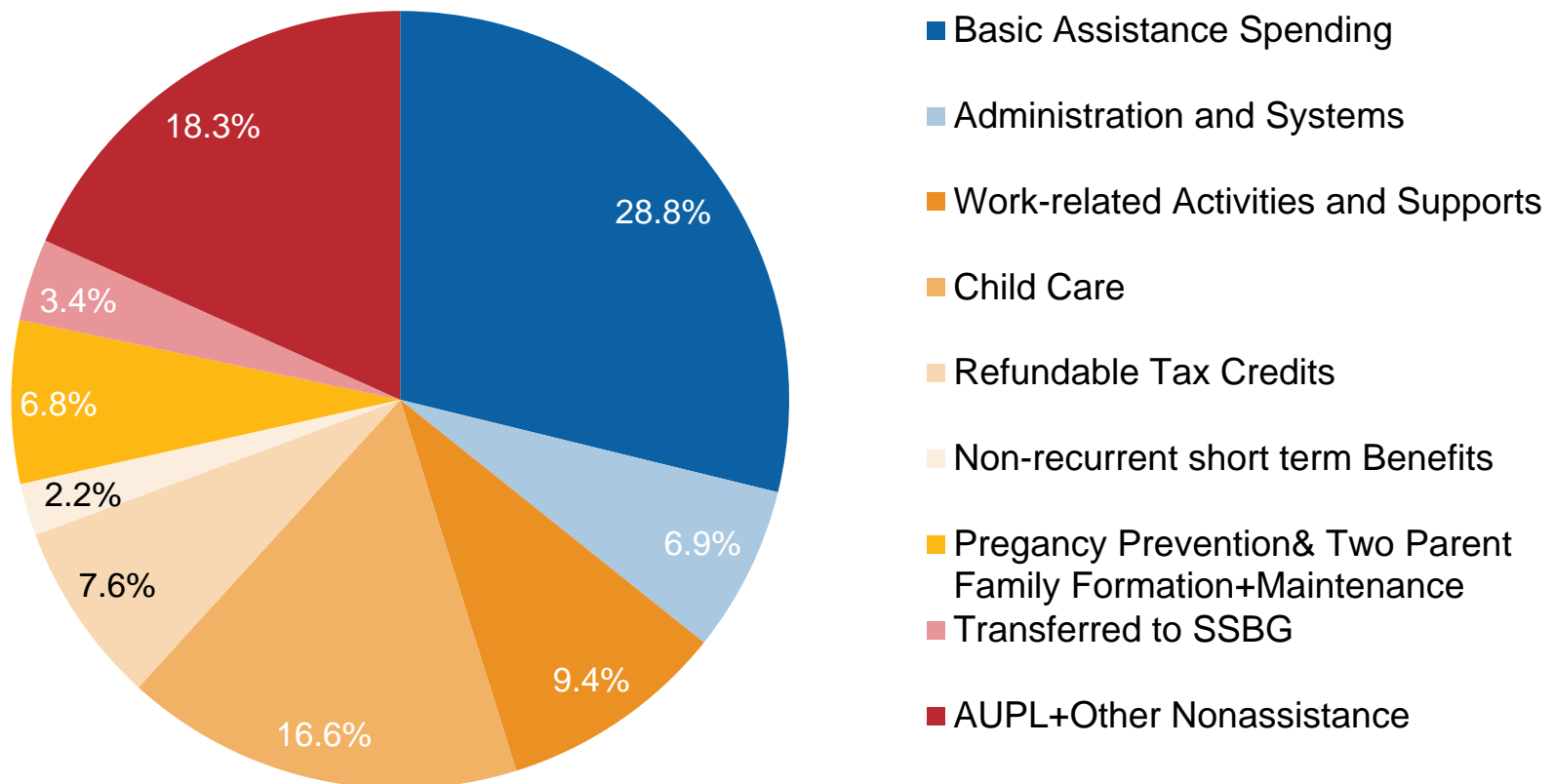


# Inflation-adjusted TANF and MOE Spending by All States by Category



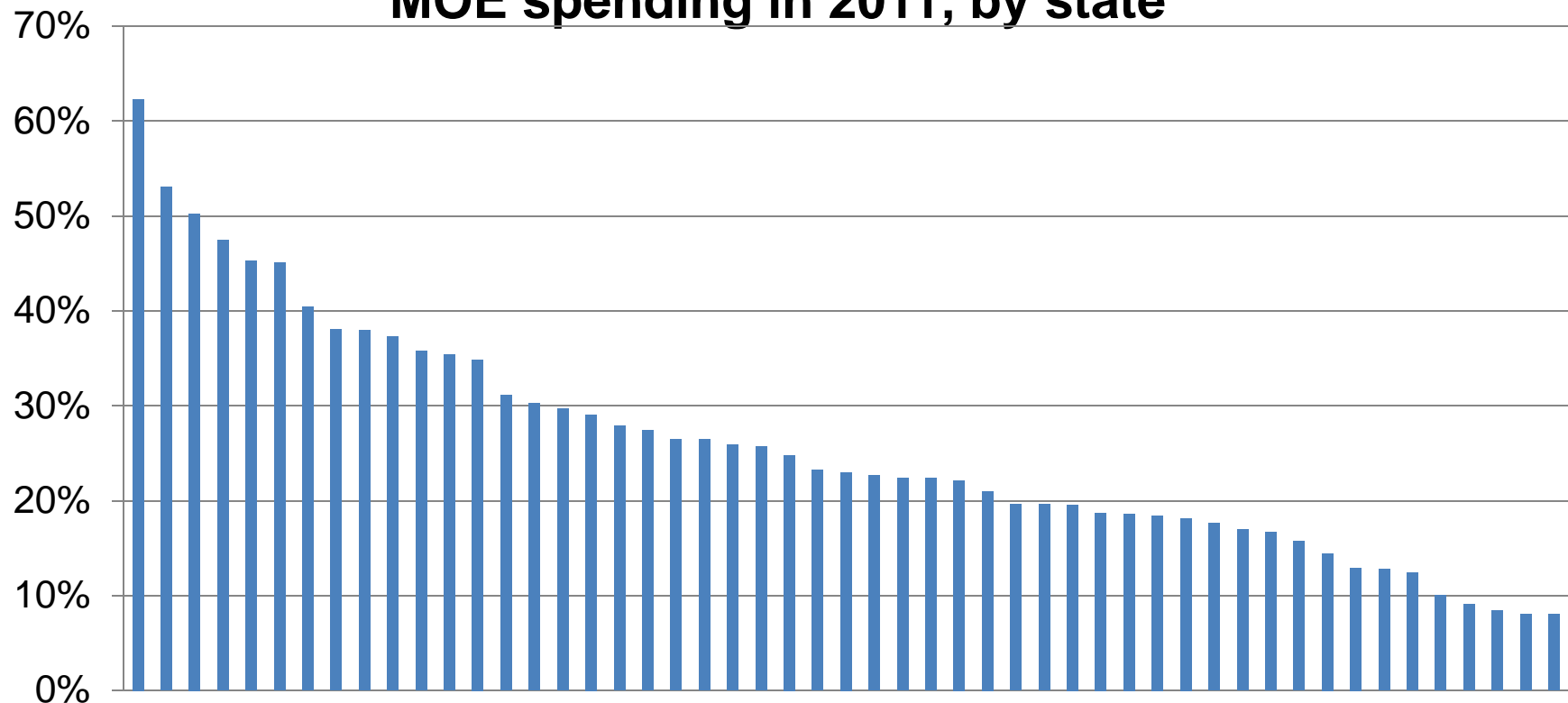
# Over 1/3 of TANF/MOE Spending is Spent Outside of Basic Assistance, Child Care, Work Activities and Administration/Systems

## US TANF/MOE Spending, for 2011

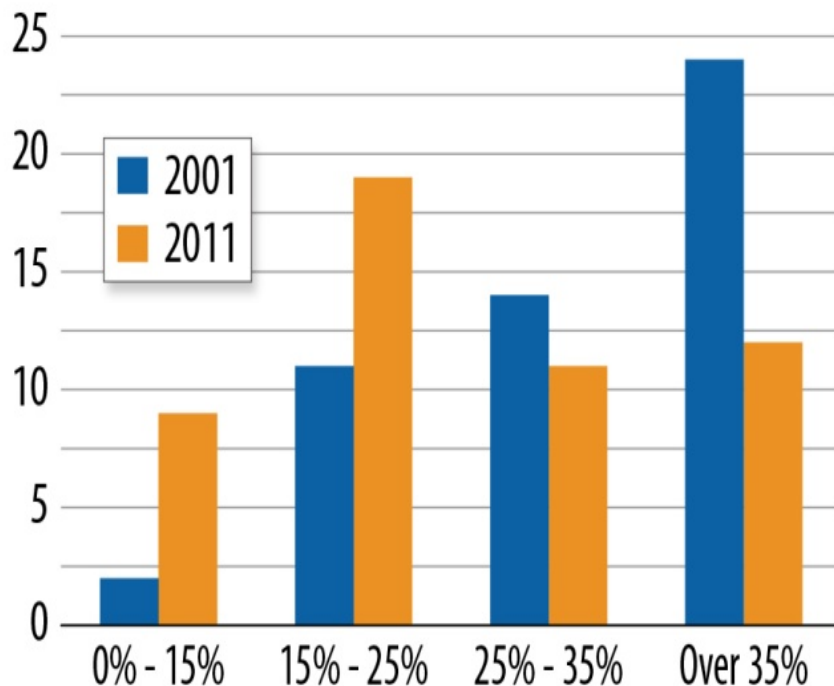


# Share of Funds Used for Basic Assistance Varies Widely by State

**Basic Assistance as a share of total TANF and MOE spending in 2011, by state**



# Number of States by Share of TANF/ MOE Funds for Basic Assistance: 2001 vs. 2011

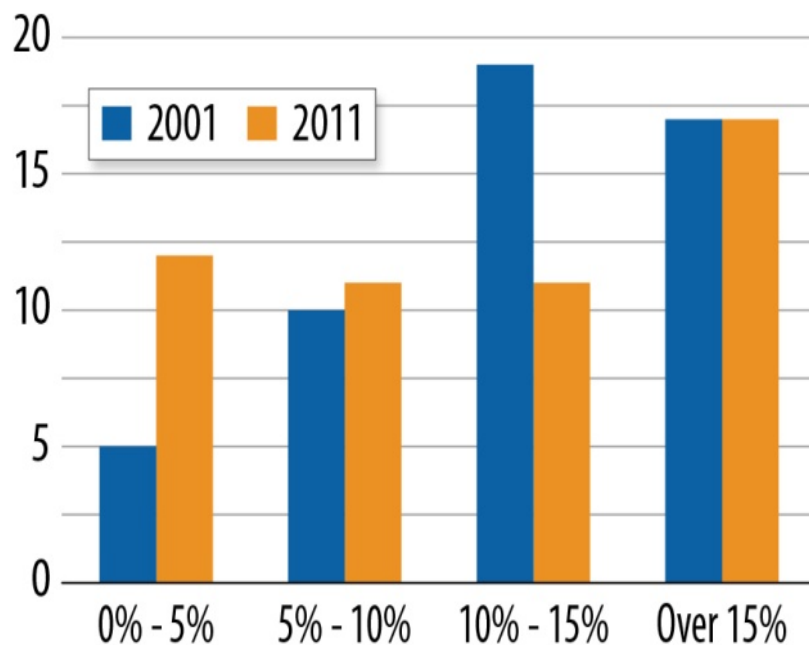


Source: CBPP analysis of HHS TANF Financial Data

- Significant drop in states using 25% or more of total funds here
- Significant increase in states using less than 25% of total funds here
- Big jump in states using less than 15%



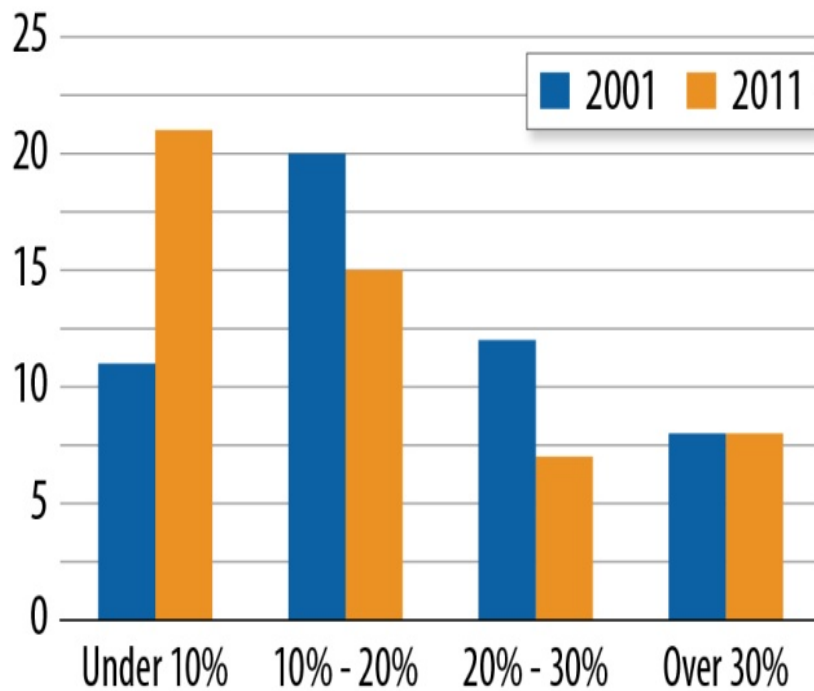
# Number of States by Share of TANF/ MOE Funds for Work Activities: 2001 vs. 2011



Source: CBPP analysis of HHS TANF Financial Data

- Some states pulling back here, shifting to lower spending share category
- Most of the increase in work activity spending happened before 2001 and has been stable or declined since then (except under ARRA)

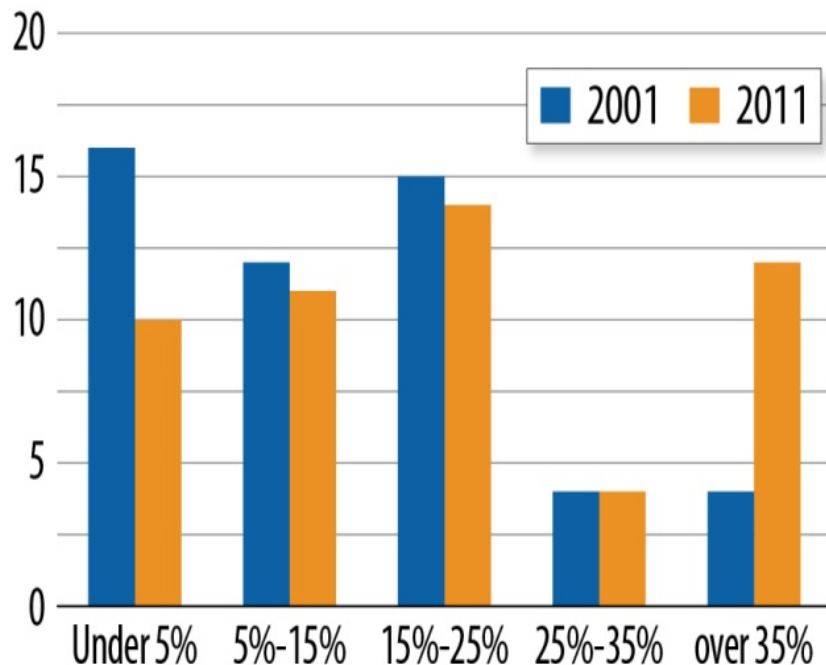
# Number of States by Share of TANF/ MOE Funds for Child Care: 2001 vs. 2011



Source: CBPP analysis of HHS TANF Financial Data

- Again, much of the initial increase was before 2001
- But jump in states spending less than 10%, moving from higher spending share category
- Some states withdrawing from early efforts here

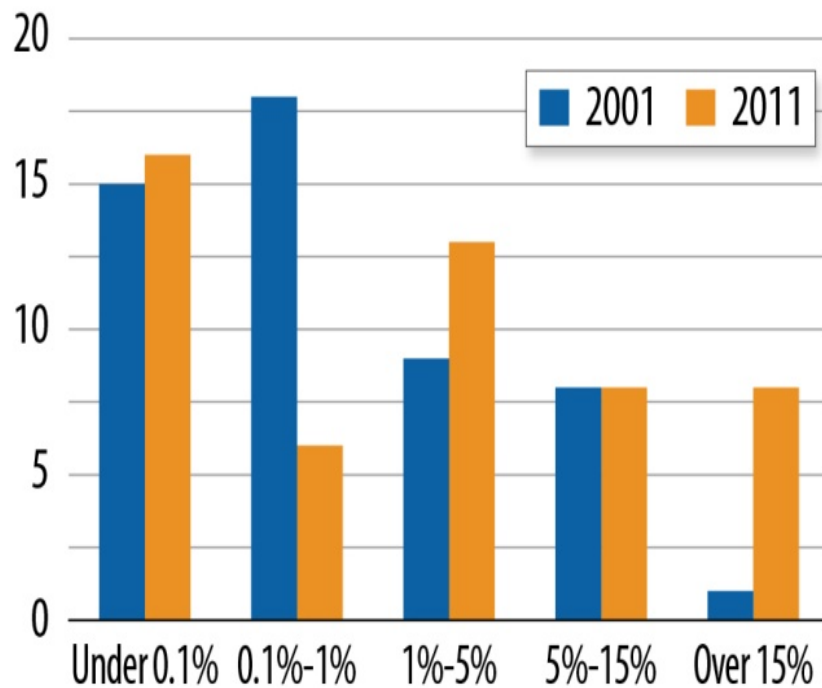
## Number of States by Share of TANF/ MOE Funds for AUPL/Other Nonassistance: 2001 vs. 2011



Source: CBPP analysis of HHS TANF Financial Data

- Big jump in number of states spending more than 35% here
- Drop in number of states spending less than 5%
- Some post-DRA change but much of the growth here is earlier

# Number of States by Share of TANF/ MOE Funds Used for Pregnancy Prevention And Two-Parent Family Formation: 2001 vs. 2011



Source: CBPP analysis of HHS TANF Financial Data

- Still a significant share of states spend little or none here
- The number of states spending more than 2001 has jumped
- The number of states over 15% here has soared, mostly (but not only) post-DRA

# Recommendations for Changes in Law or Rules on Spending

- Narrow the permissible uses of TANF or MOE funds.
  - Mandate a minimum share of funding for specified uses, e.g. work activities for TANF cash recipients
  - Prohibit spending that does not further one of the four goals of TANF – eliminate AUPL
  - Define permissible expenditures more narrowly

# Recommendations for Changes in Law or Rules on Spending (cont.)

- Eliminate third-party MOE
- Define “needy” – 200 or 250% FPL
- Get more detail on state spending:
  - On TANF spending (as now for MOE);
  - “Other Nonassistance”/AUPL details;
- Identify 3<sup>rd</sup> party MOE (if it continues)

# Considering Changes in Spending Rules from Experience of 16 years

- We made some specific recommendations based on view that core TANF functions are safety net and work-related
- What are your responses to these proposals:
  - What would impact be in your state?
  - What implementation issues arise?
- What do you think would be useful change to spending rules and why?