

Updated May 27, 2010

WHAT'S IN THE FY 2010 BUDGET FOR TANF?

The District's Temporary Assistance for Needy Families (TANF) program provides cash assistance and employment resources to help families with children transition from welfare to work. The program is funded with a mix of federal and local funds. DC receives \$92 million in federal TANF block grant funds, and in return must spend about \$75 million in local funds. The local funds expenditure is known as the "maintenance of effort" (MOE) requirement.

Summary of Mayor's Proposed Funding Level

The FY 2011 proposed budget does not include any major changes to TANF benefit levels or services. It also does not include any cost of living adjustment or other increase to the TANF cash assistance amount. Other highlights include a reduction of 16 eligibility determination staff, following a reduction of 99 eligibility determination services positions in FY 2009 and FY 2010.

The FY 2011 proposed budget would maintain funding for TANF by using \$45 million in anticipated federal TANF stimulus funds, spending the entire FY 2011 federal block grant amount.

Council Committee Mark-Up

The Committee on Human Services voted on the proposed FY 2011 TANF budget on May 13. The committee did not make any changes to the TANF budget.

Final Vote

The Committee of the Whole voted on the entire FY 2011 budget request on May 26, 2010. There were no changes made to the TANF budget.

KEY FINDINGS

MAYOR'S BUDGET PROPOSAL

- The FY 2011 proposed budget for the Department of Human Services Budget maintains funding for TANF benefits and services.
- TANF cash assistance benefit remains at FY 2010 levels (\$428 a month for a family of three).
- The budget includes a reduction of 16 Eligibility Determination Services positions.
- The agency expects to receive \$45 in TANF stimulus funds and proposes to use these funds to support homeless services, TANF job training programs, and other TANF services.

COUNCIL MARK-UP, MAY 13

- No changes were made to the FY 2011 proposed budget for TANF.

FINAL BUDGET VOTE, MAY 26

- No changes were made to the FY 2011 proposed budget for TANF.

Analysis

The Mayor's proposed FY 2011 budget does not include major changes to benefits or services provided by the District's TANF program. While the TANF line item in the DHS budget shows an \$84 million decrease for FY 2011, this is due to a new budget format that includes additional line items for TANF activities. Unfortunately, the new format does not include comparable numbers for prior years, so it is unclear whether funding for specific services, such as job training, have changed from FY 2010 to FY 2011.

The FY 2011 budget includes a reduction of 16 positions in the eligibility determination services line, while also stating in the narrative that there are not reductions to direct client-serving staff. This marks the third year that staff reductions in social service centers have been proposed. In FY 2009 and FY 2010, 99 eligibility determination services positions were eliminated and two service centers were closed, at the same time that DC's TANF caseload was increasing by 11 percent. The reduction in staff and service centers has resulted in clients having to wait days to submit paperwork or have their applications processed.

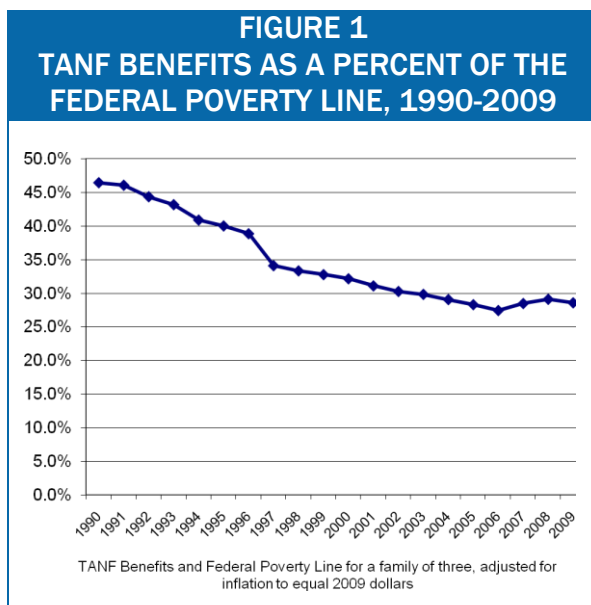
The Income Maintenance Administration is in the process of developing a new contract for its job training providers and implementing a new assessment and orientation process. It is not clear from the budget how the costs for providing these additional services will be supported.

In addition to providing job training and supportive services, the District's TANF program provides a monthly cash assistance benefit to families to support them while they are searching for jobs, receiving services for a health or other issue, or caring for a disabled child. The value of DC's TANF benefits has declined sharply since 1991, when automatic cost-of-living adjustments were eliminated.

Despite some increases in recent years, the current cash assistance amount is \$428 a month for a family of three, just 28 percent of the federal poverty line.¹ TANF benefits have lost value significantly since 1990 (Figure 1).

The FY 2009 budget included a \$1.3 million increase to TANF cash assistance, which would have added about \$9 a month for a family of three. The Council rescinded the increase in November 2008, however, as part of their proposal to address a revenue shortfall. No increases have been proposed for FY 2010 or FY 2011.

At its current level, the TANF benefit does not provide enough income for families to meet their basic needs, even when combined with other benefits. Given that only one-third of TANF families receive housing assistance, most TANF families experience an even greater struggle to meet basic



¹ The 2010 federal poverty line for a family of three is \$18,310.

costs. When families are not able to meet their basic needs, it makes it even more difficult to participate in job training and other services.

Other jurisdictions with a high cost of living have much higher TANF benefits. The maximum benefit for a family of three is \$618 in Boston, \$691 in New York City, and \$723 in Los Angeles. Maryland, which increases in its TANF benefit annually, has a maximum monthly benefit of \$574 for a family of three.

Stimulus Funding

In FY 2011, the Department of Human Services (DHS) expects to receive \$45 million in federal stimulus funds from the TANF Emergency Contingency Fund. This fund provides a reimbursement to states that have seen rising costs in basic assistance, subsidized employment, or short-term nonrecurring benefits.

DHS proposes to use these funds to support homeless services, TANF job training programs, and other TANF services. The budget does not describe how the funds will be allocated among these programs. The department has not yet received approval from the federal government for its stimulus funds application, so it also is unclear when these funds will be available.

Performance Measures

The budget for each government agency includes a number of performance measures tied to specific agency objectives. In addition, each agency develops a performance plan each year, and it completes a “performance accountability report” at the end of the year.

The performance measures are intended to provide an indication of how well the agencies are using funds to meet their goals. Unfortunately, the quality of performance measures in the District’s uneven. In many cases, performance measures are unclear or cover aspects of an agency’s functions that do not seem tied to the agency’s core functions.²

The FY 2011 budget includes four performance measures related to the TANF program: the average number of work-eligible recipients meeting work participation requirements each month, number of new or recertifying applicants who completed their preliminary assessment and orientation, the percentage of work-eligible TANF recipients who have zero work participation hours who have been sanctioned, and the monthly average number of clients receiving TANF. All four performance measures are new for FY 2011 and reflect a focus on making sure participants are complying with the requirements of the TANF program. FY 2010 performance measures focused on more positive outcomes, such as the percent of TANF recipients that move from being sanctioned into employment or a work activity and the percent of job vendor participants that have obtained employment, have been removed for FY 2011. It is unclear why the agency has decided not to include these performance measures for FY 2011.

² The issues related to DC’s performance measurement are discussed further in a DCFPI 2009 report, [*Ten Ways to Improve the Transparency of the DC Budget*](#).

Key Performance Measures Not Included in FY 2011 Budget

The Department of Human Services tracks the average wage of recipients who find a job and the number of recipients who retain a job up to six months. These are not published as part of its performance measures, however, despite the importance of helping families find stable jobs at living wages. In FY 2008, 46 percent of TANF recipients who obtained a job were still employed at six months, and the average wage of recipients who found a job was \$9 an hour. It is not clear whether DHS has set goal for employment retention or wage levels for former TANF recipients.

The performance measures for TANF also do not include any tracking of participation in education and supportive services that are offered through TANF. This is of concern because ensuring access to education and supportive services is critical to helping more recipients can transition successfully to employment, and because agency data indicate that only a small proportion of residents that need services may actually be receiving them. For example, a 2002 study of the District's TANF caseload³ indicated that 21 percent of DC TANF recipients had an experience with domestic violence in the past year. However, during any given month in FY 2008, only 2 to 13 recipients (less than one percent of the caseload) were receiving domestic violence services through the TANF provider.

³ Acs, Gregory and Pamela Loprest, "A Study of the District of Columbia's TANF Caseload," The Urban Institute, October 2003, http://www.urban.org/UploadedPDF/410863_DC_TANF.pdf.