



MICHIGAN DEPARTMENT OF HUMAN SERVICES



Financial Services Administration

Senate Appropriations Subcommittee – Human Services

February 4, 2014

TANF Utilization – Human Services Budget

Defining TANF

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Temporary Assistance for Needy Families (TANF)

- Federal welfare program serving low-income families
- Funded by federal government and states
- Administration for Children and Families (ACF) is the oversight agency

Time limited
cash assistance

Focused on
moving
recipients off
rolls and into
work

Funds other
programs that
aim to break the
cycle of poverty

The fundamentals of TANF

Available TANF Funding

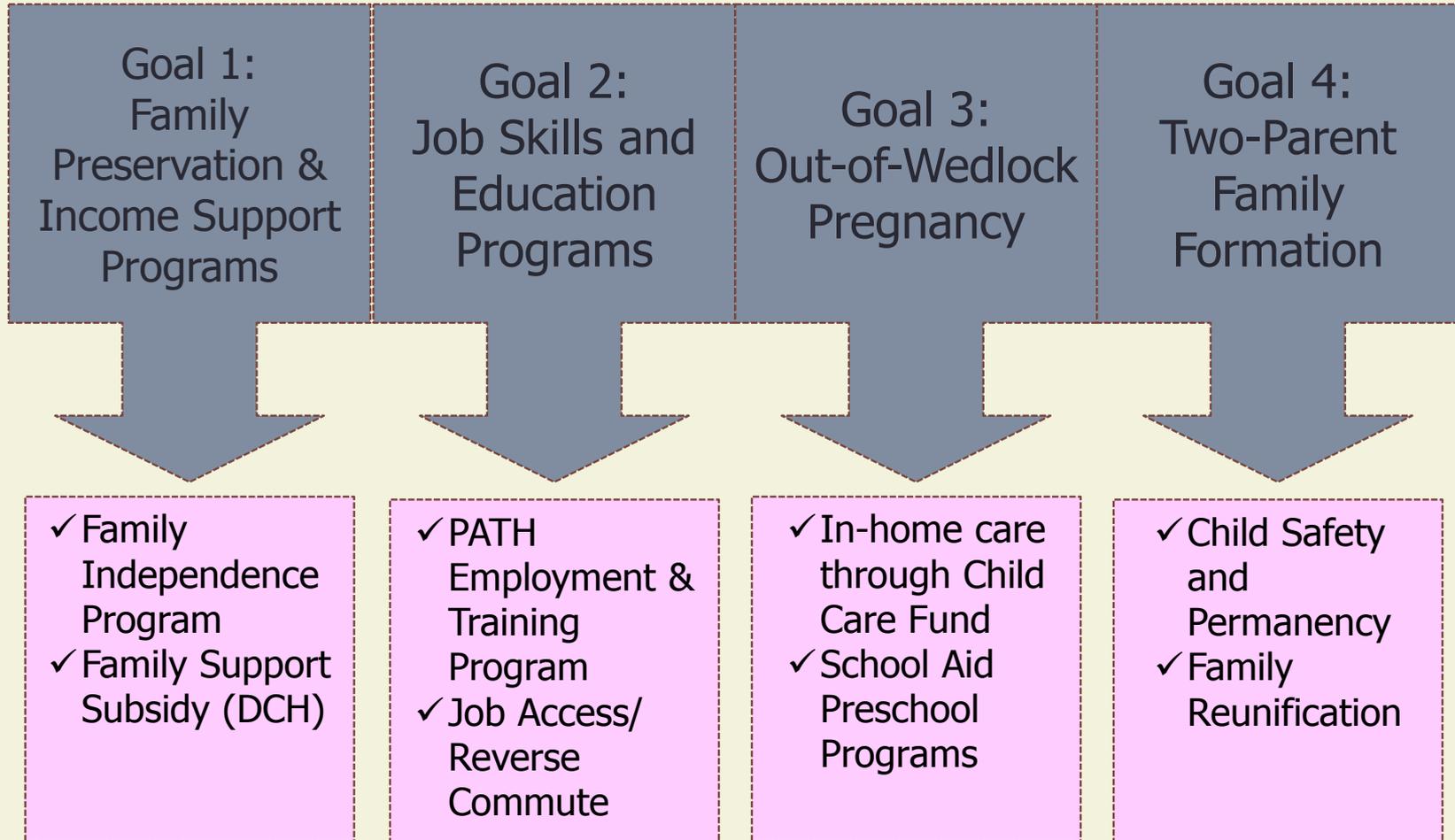
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- Michigan's Annual Block Grant - \$775.4 Million
- Annual Maintenance of Effort (MOE) Requirement
 - ✦ \$469 million - \$499 million in eligible spending
 - ✦ Required level dependent upon whether or not state meets work participation rate
- Spending must be in support of four goals of TANF
 - ✦ Help needy families stay together with their children in their own homes
 - ✦ Promote self-sufficiency through job preparation, work, and marriage
 - ✦ Prevent and reduce the incidence of out-of-wedlock pregnancies
 - ✦ Encourage the formation and maintenance of two-parent families

Allowable TANF Expenditures

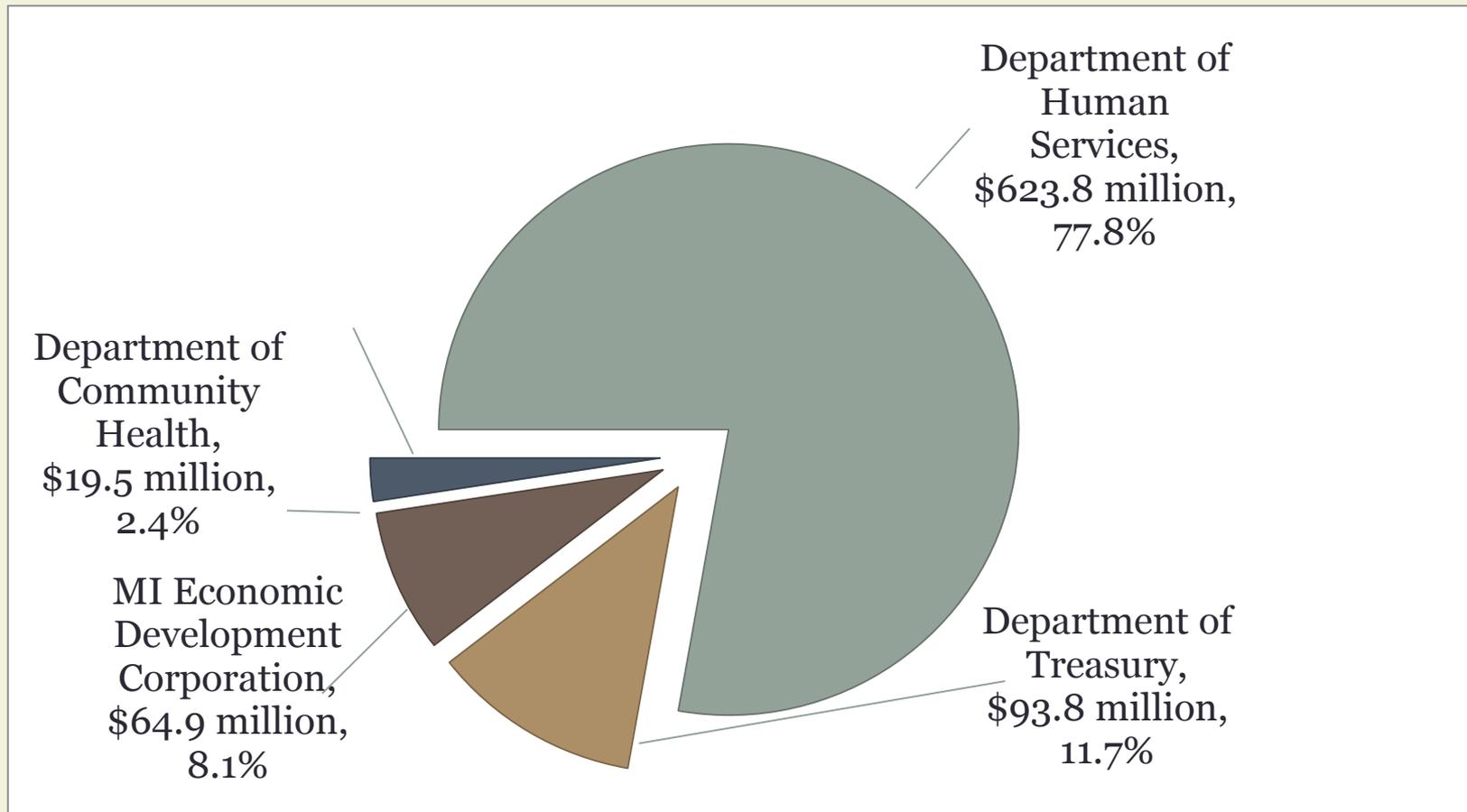
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Eligible Program Examples:



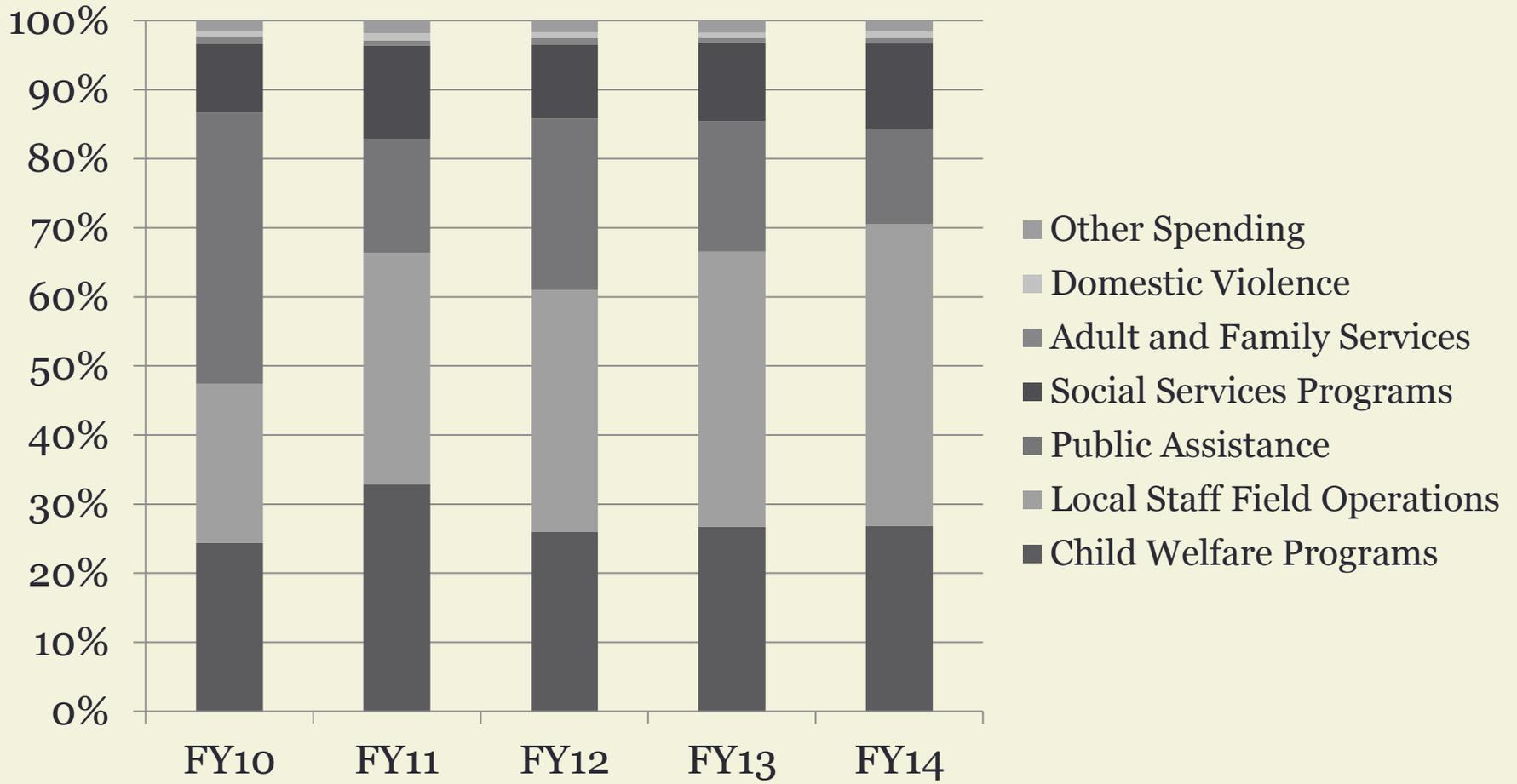
2014 Enacted Budget – TANF

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Trends in TANF Expenditures

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What Drives TANF Utilization in DHS?

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- Caseload Driven Spending
 - Family Independence Program
 - Child Care Fund
 - Foster Care
 - Adoption Subsidy
- Direct Cost Services
 - Family Preservation and Prevention
 - State Emergency Relief
 - Employment and Training Support Services

What Drives TANF Utilization in DHS?

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- Local Office Operations – Case Management and Direct Service Provision
 - Child welfare staff
 - Public assistance eligibility determination
 - Information Technology
- Administrative Costs
 - Executive Operations
 - Policy and Oversight

Public Assistance Cost Allocation Plan

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- Federally required methods of allocating allowable costs to various federal grants
- Department uses a variety of time tracking approaches to charge staff time and expenses to federal funding sources
- For field staff, the department has established random moment time studies to determine these costs quarterly

Child Welfare Staffing - RMTS

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- Random moment time study issued quarterly to a sample of services workers
- Workers asked to identify the activities being done when the request is received
- Results across the sample are accumulated and analyzed to determine how much of total staffing costs for each type of worker should be charged to various funding sources

Staffing Claim Example

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- Child Protective Services Workers
 - Time Study Indicated Following Activity Breakdown:
 - ✦ CPS Intake and Investigation
 - ✦ Case Planning and Management for Foster Care Candidates
 - ✦ Referral to Services – Family Preservation, Counseling
 - Costs Allocated to:
 - ✦ TANF
 - ✦ Title IV-E
 - ✦ Title XX
 - ✦ GF

Appropriation Limits

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- Department identifies total expenditures eligible for TANF funding by quarter
- However, eligible spending exceeds current appropriation limits
 - TANF has been designated as a separate fund source in the DHS budget, reducing funding flexibility at year-end closing
 - DHS was unable to use approximately \$12.9 million in TANF for eligible claims because of appropriation limits. GF was used instead
 - Loss of flexibility impacts not only maximization of federal TANF claims but also maximization of TANF MOE

Additional Information

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- TANF State Plan 2014
- Total TANF Spending Schedule by Appropriation Unit for five most recent fiscal years