



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF HUMAN SERVICES  
LANSING



MAURA D. CORRIGAN  
DIRECTOR

August 24, 2011

The Honorable Bruce Caswell, Chair  
Senate Appropriations Subcommittee on DHS  
Michigan State Senate  
720 Farnum Building  
Lansing, Michigan 48933

The Honorable David Agema, Chair  
House Appropriations Subcommittee on DHS  
Michigan House of Representatives  
N1093 House Office Building  
Lansing, Michigan 48933

Dear Senator Caswell and Representative Agema:

Section 218(1) of 2010 Public Act No. 190 requires the Department of Human Services to prepare an annual report on the status of the Temporary Assistance for Needy Families (TANF) federal block grant. The attached report addresses this requirement.

The report shows Michigan's projected TANF utilization and state spending countable against the TANF maintenance of effort requirements. While DHS is the single state agency responsible for this federal block grant, TANF revenues are budgeted in other state agencies as well. For fiscal year 2011 TANF revenues were appropriated to the Department of Licensing and Regulatory Affairs, the Department of Community Health, and the Department of Treasury. Interagency Agreements relating to the use of TANF funds have been executed between DHS and these three other state departments.

If you have any questions regarding this information, please contact Amanda Bright McClanahan, acting director of the DHS Budget Division, at (517) 241-9056.

Sincerely,

Susan Kangas,  
Chief Financial Officer

Attachments

C: Senate and House Appropriations Subcommittee on DHS  
Senate and House Fiscal Agencies  
Senate and House Policy Offices  
State Budget Office

DEPARTMENT OF HUMAN SERVICES  
FISCAL YEAR 2011

SUMMARY OF PROJECTED TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF) BLOCK GRANT UTILIZATION AND  
STATE SPENDING COUNTABLE AGAINST THE MAINTENANCE OF EFFORT (MOE) REQUIREMENT

	Projected TANF Utilization		Projected State Spending Countable Toward TANF MOE
	Direct TANF Draws	TANF Transfer to Title XX /1/	
DEPARTMENT OF HUMAN SERVICES:			
Executive Operations	\$8,727,600	\$5,941,500	\$954,200
Adult and Family Services	\$5,678,600	\$462,400	\$0
Children's Services	\$44,380,600	\$2,027,900	\$227,000
Juvenile Justice Services	\$2,300	\$600	\$1,000
Local Office Staff & Operations	\$60,228,800	\$16,107,200	\$3,642,000
Disability Determination Services	\$0	\$0	\$0
Central Support Accounts	\$62,973,300	\$21,027,100	\$4,032,200
Public Assistance	\$100,014,200	\$2,532,000	\$94,860,300
Child Support Enforcement	\$0	\$0	\$0
Community Action and Economic Opportunity	\$20,200	\$0	\$0
Information Technology	\$12,036,000	\$2,827,500	\$0
Children's Rights Settlement	\$167,441,100	\$26,609,100	\$19,395,900
Budgetary Savings	\$0	\$0	\$0
Prior Year Work Projects	\$0	\$0	\$0
<b>SUBTOTALS, DEPARTMENT OF HUMAN SERVICES</b>	<b>\$461,502,700</b>	<b>\$77,535,300</b>	<b>\$123,112,600</b>
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS /2/	\$64,780,300	\$0	\$53,294,800
DEPARTMENT OF COMMUNITY HEALTH /3/	\$19,645,500	\$0	\$0
DEPARTMENT OF COMMUNITY HEALTH	\$0	\$0	\$920,700
DEPARTMENT OF TREASURY - SCHOLARSHIP SWAPS /4/	\$87,426,400	\$0	\$0
DEPARTMENT OF TREASURY - EARNED INCOME TAX CREDIT (EITC) at 20% /5/	\$0	\$0	\$212,450,000
DEPARTMENT OF EDUCATION /6/	\$0	\$0	\$205,389,900
PCG IDENTIFIED TANF AND MOE SPENDING AT OTHER AGENCIES /7/	\$0	\$0	\$31,460,700
STATEWIDE COST ALLOCATION PLAN	\$3,250,000	\$0	\$0
<b>SUBTOTAL - DEPARTMENT SPENDING</b>	<b>\$636,604,900</b>	<b>\$77,535,300</b>	<b>\$626,628,700</b>
PROJECTED TOTAL TANF TRANSFER TO TITLE XX /1/	\$77,535,300		
COST ALLOCATION AND OTHER MISCELLANEOUS ADJUSTMENTS	(\$2,700,000)		
<b>PROJECTED TOTAL TANF UTILIZATION</b>	<b>\$711,440,200</b>		
<b>COMPARISON OF PROJECTED TANF UTILIZATION TO TOTAL BLOCK GRANT AMOUNT</b>			
TOTAL TANF BLOCK GRANT AMOUNT FY 2011 (assume continuation)	\$775,352,900		
PLUS ACTUAL FY 2010 TANF CARRYFORWARD	\$77,649,162		
PLUS FY 2011 TANF Contingency Funds	\$38,767,644		
FY 2011 Carryforward recognized in FY 2012 budget	(\$85,134,862)		
<b>BLOCK GRANT AVAILABLE IN FY 2010-11</b>	<b>\$806,634,844</b>		
LESS PROJECTED TOTAL TANF UTILIZATION	\$711,440,200		
<b>EQUALS BALANCE OF BLOCK GRANT AVAILABLE</b>	<b>\$95,194,644</b>		
<b>MAINTENANCE OF EFFORT SUMMARY</b>			
PROJECTED STATE SPENDING COUNTABLE TOWARD THE T.A.N.F. MAINTENANCE OF EFFORT			<b>\$626,628,700</b>
<b>REQUIRED STATE MAINTENANCE OF EFFORT</b>			<b>\$626,628,700</b>
<b>EQUALS PROJECTED MOE SURPLUS/(SHORTFALL)</b>			<b>\$0</b>

Notes:

The above estimates are based on the most recent projections from the Department of Human Services and the 2011 enacted budgets for other state agencies. The projected TANF utilization for the Department of Human Services will likely change prior to year end based on total department spending and eligible TANF claims.

THE DIRECT TANF DRAWS COLUMN INCLUDES EMERGENCY TANF CONTINGENCY FUNDS.

- /1/ TANF funds of up to 10% of the available TANF block grant of \$775.3 million, or \$77.5 million, may be transferred to the Title XX Social Services Block Grant pursuant to Sec. 404(d)(1)(a), Title I of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.
- /2/ TANF funding in the Department of Licensing and Regulator Affairs (DLARA) currently supports various work-related activities administered by that department. The Direct TANF Draws column reflects the enacted FY 2011 budget. The MOE column estimate reflects Public Service Commission Low Income & Energy Efficiency Funds appropriated in the DLARA budget.
- /3/ The Direct TANF Draws column reflects TANF funds appropriated in FY 2011 to DCH support the Family Support Subsidy Program, which provides assistance to families with impaired children. The MOE column estimate represents the state subsidy for the cost of Transitional Medical Assistance Program premiums that are shared by families and the state and reflects only one fiscal quarter of spending as this has been eliminated after the first quarter of FY 2011.
- /4/ The FY 2011 enacted budget figures for scholarship funds in the Department of Treasury (\$87,426,400) are reflected under Public Assistance to reflect the fund swap in PA 50 of 2011. Treasury will utilize TANF Federal funds and DHS will utilize TANF MOE-countable General Fund (\$57.3M) and Michigan Merit Award funding (\$30.1M).
- /5/ The estimated MOE-claimable portion of the Earned Income Tax Credit (at 20%).
- /6/ State spending in the Department of Education and in the School Aid Act for the Great Start Readiness Program, Great Parents/Great Start, ECOC and At Risk is reflected, based on the enacted FY 2011 budget and includes the TANF and dual-countable \$4.8 million in TANF/CCDF MOE countable spending in Public Assistance (Day care).
- /7/ "Other" MOE-countable expenditures are obtained from: County of Wayne; various United Way organizations; Skilman, Mott and Kellogg Foundations, Michigan 2-1-1, and other community partners. The department has contracted with a private firm, Public Consulting Group, to identify MOE sources of spending outside of the department.