

Additional TANF MOE

(FY2021 Appropriation Act - Public Act 166 of 2020)

February 15, 2021

Sec. 274. (1) *The department, in collaboration with the state budget office, shall submit to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices 1 week after the day the governor submits to the legislature the budget for the ensuing fiscal year a report on spending and revenue projections for each of the capped federal funds listed below. The report shall contain actual spending and revenue in the previous fiscal year, spending and revenue projections for the current fiscal year as enacted, and spending and revenue projections within the executive budget proposal for the fiscal year beginning October 1, 2021 for each individual line item for the department budget. The report shall also include federal funds transferred to other departments. The capped federal funds shall include, but not be limited to, all of the following:*

- (a) TANF.
- (b) Title XX social services block grant.
- (c) Title IV-B part I child welfare services block grant.
- (d) Title IV-B part II promoting safe and stable families funds.
- (e) Low-income home energy assistance program.

(2) *It is the intent of the legislature that the department, in collaboration with the state budget office, not utilize capped federal funding for economics adjustments for FTEs or other economics costs that are included as part of the budget submitted to the legislature by the governor for the ensuing fiscal year, unless there is a reasonable expectation for increased federal funding to be available to the department from that capped revenue source in the ensuing fiscal year.*

(3) By February 15 of the current fiscal year, the department shall prepare an annual report of its efforts to identify additional TANF maintenance of effort sources and rationale for any increases or decreases from all of the following, but not limited to:

- (a) **Other departments.**
- (b) **Local units of government.**
- (c) **Private sources.**



Identification of Additional Temporary Assistance for Needy Families Maintenance of Effort Sources (FY2021 Appropriations Act – Public Act 166 of 2020)

In Fiscal Year 2020, statewide Temporary Assistance for Needy Families (TANF) Maintenance of Effort (MOE) countable expenditures increased by \$57.8 million, from \$505.0 million in Fiscal Year 2019 to \$562.2 million in Fiscal Year 2020. Total TANF MOE countable expenditures comfortably exceeded the \$468.5 million TANF MOE requirement by \$93.7 million.

The Department of Health and Human Services' TANF MOE expenditures represented about 8% of total TANF MOE countable expenditures in FY 2020. The majority of TANF MOE spending occurs in other state departments.

Actual TANF MOE spending from other state departments totaled \$511 million, up from \$491.5 in FY 2019, a \$19.5 million (4%) increase.

Some spending categories decreased while others increased.

- Michigan Works! spending for the TANF eligible population decreased by \$5.3 million (52%) because there was a temporary suspension on the requirements that families on the Family Independence Program leave home to participate in employment activities due to COVID-19.
- At-Risk Program (Section 31a of the School Aid Act) spending increased by \$16.9 million related to a slight bump in the percentage of at-risk pupils eligible for free or reduced price meals and an increase in carry forward funding at the school district level.