

The Forum for America's Ideas

UTAH SOCIAL SERVICES APPROPRIATIONS
SUBCOMMITTEE
OCTOBER 20, 2016

STATE TANF SPENDING TRENDS

Rochelle Finzel
National Conference of State Legislatures
(NCSL)



NATIONAL CONFERENCE *of* STATE LEGISLATURES

Outline

- National spending trends
- Utah spending
- Spending options



TANF Purposes

- Funds must be spent on these four purposes
 1. Provide assistance to needy families so that children can be cared for in their own homes
 2. Reduce dependency by promoting job preparation, work and marriage
 3. Prevent and reduce the incidence of out-of-wedlock pregnancies
 4. Encourage the formation and maintenance of two-parent families



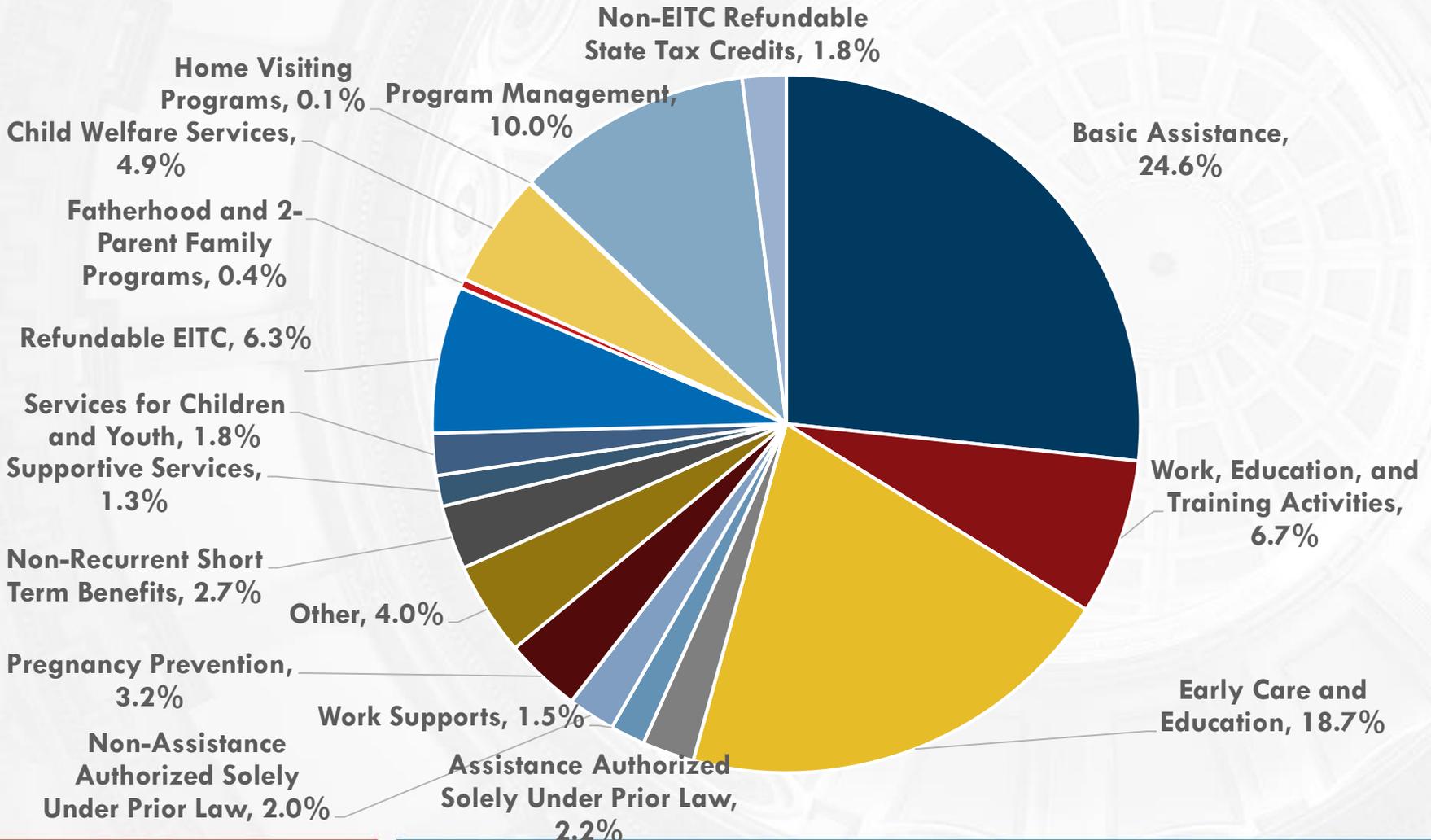
Transfers and Balances FY 2015

\$16B Federal + \$15B State = \$31B TOTAL

- 28 states transfer funds to child care (UT)
- 38 states transfer funds to SSBG (UT)
- 39 states have reserves
 - 9 with more than 100% of federal allocation
(Alaska, Hawaii, Maine, Montana, Nebraska, New Hampshire, Tennessee, Utah, Wyoming)



U.S. 2015 Spending by Category



Top Spending by Category Nationally

2015

1. Basic assistance (25%)
2. Child care (13%)
3. Program management (10%)
4. Work, education and training (7%)
5. Refundable EITCs (6%)
6. Pre-K and Head Start (6%)
7. Child welfare services (5%)



Current National Spending Trends

- One-fourth of funds on cash assistance
- More on other services to low-income families
 - ▣ Early childhood, including pre-k
 - ▣ Child welfare
- Child care remains a strong component
- Less than “expected” on work-related activities
- Increased spending on pregnancy prevention and family formation

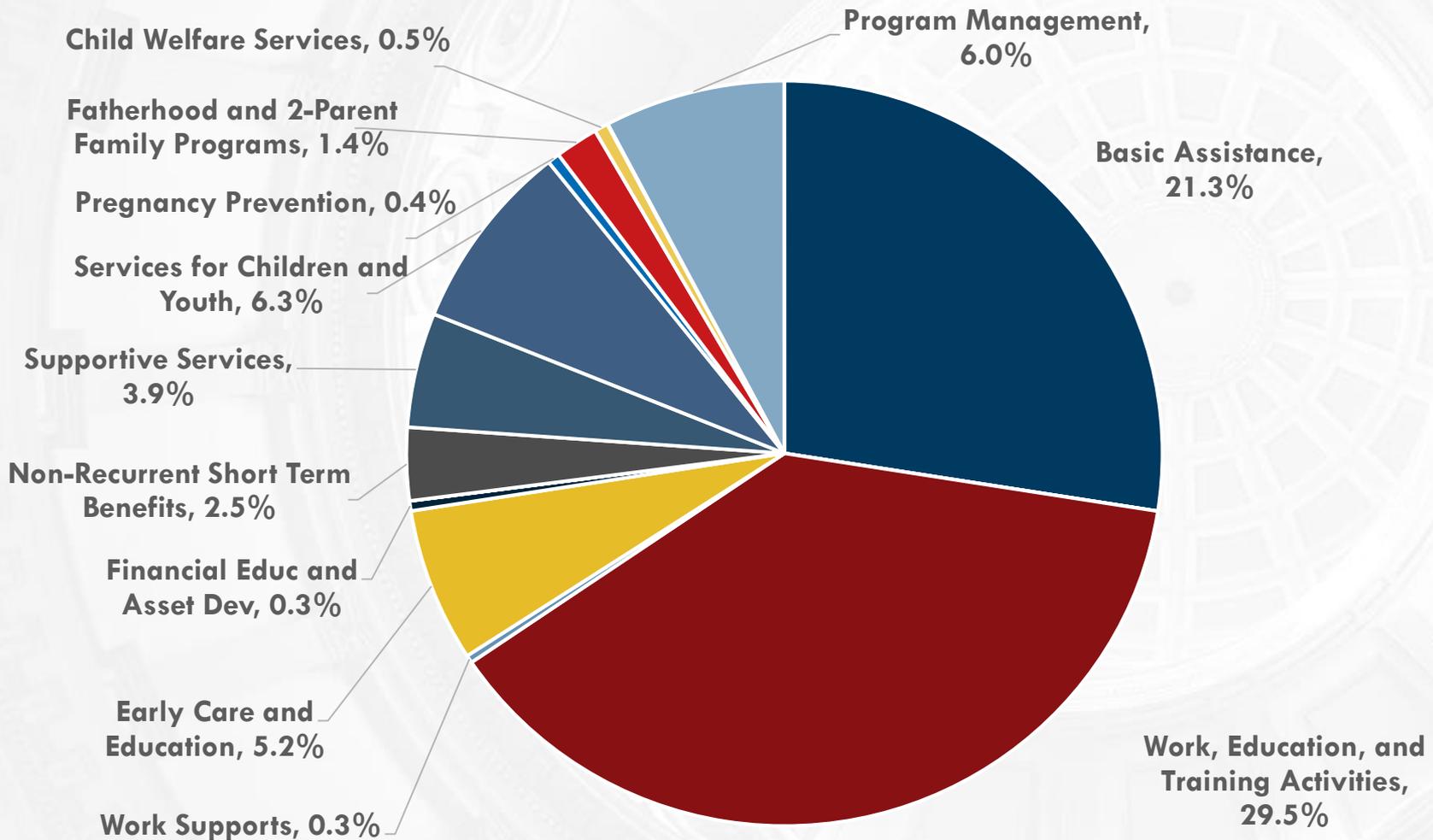


Diverse Uses of TANF

- Majority of states spend on these services – including UT
 - Child care (46 states)
 - Education and training (43 states)
 - Work supports (41 states)
 - Non-recurrent short-term benefits (38 states)
 - Supportive services (34 states)
 - Prevention of out-of-wedlock pregnancies (34 states)
 - Subsidized employment (27 states)
 - Two-parent family formation/maintenance (27 states)
 - Family support/family preservation/reunification services (26 states)



Utah FY 2015 Spending by Category



Top Spending by Category, FY 2015

| National | Utah |
|---------------------------------|--------------------------------------|
| 1. Basic Assistance | 1. Work, Education and Training |
| 2. Child Care | 2. Basic Assistance |
| 3. Program Management | 3. Children and Youth Services |
| 4. Work, Education and Training | 4. Program Management |
| 5. Refundable EITCs | 5. Child Care |
| 6. Pre-K and Head Start | 6. Supportive Services |
| 7. Child Welfare Services | 7. Non-Recurrent Short Term Benefits |



Utah Spending, FY 2015

| Spending Category | Utah (millions) | % of Total | National % |
|------------------------------------------|--------------------|---------------|---------------|
| Basic Assistance | \$21.6 | 21.3% | 24.6% |
| Work, Education, and Training Activities | \$29.9 | 29.5% | 6.7% |
| Work Supports | \$0.3 | 0.3% | 1.5% |
| Early Care and Education | \$5.2 | 5.2% | 18.7% |
| Financial Education/Asset Development | \$0.3 | 0.3% | 0.0% |
| Refundable Tax Credits | \$0 | 0.0% | 8.1% |
| Non-Recurrent Short Term Benefits | \$2.5 | 2.5% | 2.7% |
| Supportive Services | \$3.9 | 3.9% | 1.3% |
| Services for Children and Youth | \$6.4 | 6.3% | 1.8% |
| Prevention of Out-of-Wedlock Pregnancies | \$0.4 | 0.4% | 3.2% |
| Fatherhood/2-Parent Family Programs | \$1.5 | 1.4% | 0.4% |
| Child Welfare Services | \$0.5 | 0.5% | 4.9% |
| Home Visiting Programs | \$0.02 | 0.0% | 0.1% |
| Program Management | \$6.1 | 6.0% | 10.0% |
| Other | \$0.0 | 0.0% | 4.0% |



Utah Spending Compared to U.S., FY 2015

- ❑ Much larger portion on work, education and training activities
- ❑ More on children and youth services
- ❑ Less on child care and early education
- ❑ Less on child welfare
- ❑ Higher transfers - transfer the full amount to CCDF and SSBG



State Spending Options

□ Child Care

- ▣ Direct spending - not transferred to CCDF (15 states)
- ▣ CCDBG Reauthorization – new requirements for parent education; access to quality for vulnerable populations; subsidy rates; 12-month eligibility

* Categories with \$0 or little spending



State Spending Options

□ Child Welfare

- Family support/family preservation services (28 states)
- Basic assistance – relative foster care (14 states)
 - provided on behalf of a child/ren for whom the child welfare agency has legal responsibility and is living with a caretaker relative or legal guardians. Includes ongoing adoption subsidies. Child not eligible for IV-E
- Adoption services (5 states)



State Spending Options

- State Earned Income Tax Credit – (16 states)
- Other refundable tax credits (8 states)
 - ▣ Child care tax credits



State Spending Options

- Home Visiting (16 states)
- Subsidized Employment (27 states)
 - ReHIRE Colorado ([HB 13-1004](#))
- Career Pathways
 - Arkansas Career Pathways Initiative ([Act 1705 of 2005](#))



State Spending Options

- Pregnancy prevention programs (34 states, UT)
- Two-parent family formation and maintenance programs (27 states, UT)
- Multi-generational approach and alignment across child care, early learning, child welfare and child support, and adult workforce services



Questions?

Rochelle Finzel

National Conference of State Legislatures

303.856.1552

Rochelle.Finzel@ncsl.org



NATIONAL CONFERENCE *of* STATE LEGISLATURES