

CCWRO Welfare News

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Fiscal Year 2010 U.S. Proposed Budget

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The Administration's budget proposal generally extends the TANF block grant (along with supplemental grants). It appears that this proposed extension is in lieu of a full scale reauthorization proposal for 2010. The budget, does, however, include several areas of additional funding and some changes in law.

A. Extension of the TANF Emergency Fund (along with increasing state max and adding funds) with some changes.

1. Extends the TANF Emergency Fund
The Administration's budget proposes to extend the fund for one year beyond its current termination date, through September 30, 2011.

2. Provides incentives to states to create subsidized jobs. States would be reimbursed for 100 percent of the costs associated with providing subsidized jobs to eligible individuals. Currently, states are reimbursed for 80 percent and some states have indicated they have had difficulty identifying state funds to cover the remainder of the costs.

3. Expands allowable uses of the fund to include increased expenses for work activities and work supports that last longer than four months. Many states are serving more families in their TANF programs than prior to the recession. This has resulted in the need for states to expand their work programs, including the work supports (such as trans-

portation assistance) families need to participate in such programs. This expansion of the TANF Emergency Fund will make it possible for states to cover any expansion in work programs that last for longer than four months. (Work activities and associated work supports lasting four months or less can already be covered as a one-time non-recurring benefit.)

4. Provides states with a new maximum allocation. All states would receive a new maximum allocation for FY 2011 equal to 50 percent of their TANF block grant. Any funds drawn down in 2009 and 2010 will not count against the new maximum allocation.

5. Provides additional money to cover the extension and expansion.

The Administration's budget includes \$2.5 billion in FY 2011 to cover the expansion and extension of the TANF Emergency Fund. (This includes any funds that are remain by the end of 2010 from the \$5 billion appropriation in ARRA.)

B. Adds funds to the regular TANF Contingency Fund

The regular TANF Contingency Fund from which 19 states received money in 2009 or 2010 ran out of funds in December 2009. The budget proposals adds \$1.8 billion to the fund. A state would be limited to 20% of the block grant amount for one year and the maximum that a state could receive under the combined Contingency Fund and Emergency Fund for 2011 would be 50% of a state's block grant.

C. Replaces the \$150 Million Healthy Marriage Promotion and Responsible Fatherhood Grants with a new \$500 Million Fatherhood, Marriage, and Families Innovation Fund

The new \$500 million fund would have two equal funding streams of competitive grants to states that are ready to conduct and evaluate comprehensive responsible fatherhood programs (including those with a marriage component) that relay on strong partnerships with community-based organizations and comprehensive demonstrations geared toward improving child outcomes by improving outcomes for custodial parents with serious barriers to self-sufficiency. The goal is to build a stronger evidence base about what service intervention models would to remove barriers to employment, increase family functioning and parenting capacity that could be replicated within TANF, Child Support Enforcement, and other state and community-based programs.

The Family Innovation portion of this fund will develop promising new approaches in areas such as:

- Identifying families that have serious barriers to employment
- Implementing strategies to address these barriers and also to prepare for employment
- Promoting child well-being in highly disadvantaged families including child-only cases
- Supporting those with barriers who find jobs to sustain employment.