

## Temporary Assistance for Needy Families (TANF) Program Services Framework for SFY 2020-21

### Overview

The U.S. Department of Health and Human Services awards Ohio \$725.6 million each year for its TANF Block Grant. Federal law requires states to contribute non-federal resources for programs for low-income families, as well. This is called maintenance of effort (MOE). Ohio is required to contribute \$416.9 million in MOE each federal fiscal year. Ohio consistently meets its MOE requirement.

If a state does not meet its MOE requirement, the federal government can impose penalties, including a dollar-for-dollar reduction of the following year's block grant. A state would then be required to use non-federal resources to replace the block grant reduction.

TANF and MOE resources can be used only to serve individuals and families with incomes under 200 percent of the federal poverty level and only to meet any of the following four purposes:

- 1) Provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;
- 2) End the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
- 3) Prevent and reduce the incidence of out of wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and
- 4) Encourage the formation and maintenance of two parent families.

### Revenue

Ohio's TANF Services Framework revenue is comprised of three main resources: (1) the federal TANF Block Grant, (2) the TANF Sustainability Fund and (3) MOE resources.

#### **TANF - Federal Block Grant**

Ohio's federal TANF Block Grant is \$725.6 million each year.

#### **TANF Sustainability Fund**

Ohio's TANF Sustainability Fund includes prior-year TANF Block Grant funds. The SFY 2020-2021 Executive Budget allocates the TANF Block Grant and TANF Sustainability Funding.

#### **Maintenance of Effort (MOE) Resources**

Ohio meets its annual MOE requirement with both state and local funding streams. Most of the MOE requirement is met with funding from the ODJFS operating budget.

## **Expenses**

Most of Ohio's TANF Services Framework expenses fall into one of three categories: (1) payments to Publicly Funded Child Care providers, (2) funding to county departments of job and family services and other local partners, and (3) monthly Ohio Works First cash assistance payments for approximately 10,000 adults and 83,000 children.

### **Publicly Funded Child Care**

Publicly Funded Child Care is supported by several funding sources, including TANF Services Framework funding, a \$300 million annual Child Care Development Fund (CCDF) Block Grant from the U.S. Department of Health and Human Services, General Revenue Funding (some of which supports the CCDF MOE and matching federal requirements), and additional dedicated resources earmarked for early learning and development programs. First, ODJFS ensures all available CCDF and non-federal CCDF resources are fully budgeted. Then, it utilizes resources in the TANF Services Framework to fund child care obligations.

For the upcoming biennium, the TANF Services Framework funding for Publicly Funded Child Care exceeds Ohio's CCDF block grant award. Cost drivers include the federal requirement to pay at least the 25th percentile of the Market Rate Survey; future child care eligibility expansion; and enhanced payments to providers as they move up the Step Up To Quality rating scale. SB 316 of the 129<sup>th</sup> General Assembly mandated that all child care programs that receive state funding must participate in Step Up To Quality by July 1, 2020. HB 64 of the 131<sup>st</sup> General Assembly mandated that all child care centers and large in-home providers that receive state funding must be highly rated by July 1, 2025. Step Up To Quality awards enhanced payments to child care providers based on their ratings.

### **Local Administration and Program Funding**

Ohio's human services programs are state-supervised and locally administered. The three largest TANF Framework funded allocations include:

- 1) **TANF Regular:** This allocation provides funding to Ohio's county departments of job and family services to support activities and services for the Ohio Works First (OWF) and Prevention, Retention, and Contingency (PRC) programs. Allowable activities include case management; screening and assessments; diversion benefits and service provisions; client program information provisions; and work activities, work supports, and post-employment services and development.
- 2) **TANF Administration:** This allocation is distributed to Ohio's county departments of job and family services for administrative costs incurred providing program activities and services for the OWF and PRC programs. Allowable uses include salaries and benefits for administrative staff; cost associated with eligibility determination; fraud and abuse units; and preparation of program plans, budgets and reports.
- 3) **Comprehensive Case Management & Employment Program:** Most workforce services for young people in Ohio are provided through the Comprehensive Case Management and Employment Program (CCMEP), which integrates both TANF and federal workforce funding to help 14- to 24-year-olds build career paths, find employment and break the cycle of poverty. Key target populations include current and former foster youth, individuals who are homeless or runaways, high school dropouts, individuals who are parenting or pregnant, and individuals with disabilities.

### **Ohio Works First Cash Assistance**

The Ohio Works First (OWF) program is the financial assistance component of the TANF Services Framework. OWF provides a monthly cash grant to eligible families whose income is less than 50 percent

of the federal poverty level. This funding helps meet families' immediate needs while parents work toward self-sufficiency and economic independence.

**Ohio Association of Food Banks**

The Ohio Association of Food Banks, comprised of Ohio's 12 Feeding America foodbanks, utilizes TANF funds to purchase and distribute food products to low-income Ohioans.

**Kinship Care Services**

Starting in SFY 2018, the Kinship Child Care Program supported eligible kinship caregivers by paying for child care services. This program was modified in statute in SFY 2019 to more generally support kinship caregivers.

**JFS Administration**

State-level TANF administrative costs include TANF-related payroll, vendor contracts and significant investments in information technology projects, mainly for the continued development and maintenance of the Ohio Benefits eligibility system.

**Children Services Initiatives**

Ohio's TANF Services Framework supports two children services programs:

- 1) The Kinship Permanency Incentive Program, which supports eligible kinship caregivers who commit to permanently caring for children.
- 2) The Independent Living program, which includes life skills training and work supports for older children in foster care and those who have recently aged out of foster care.

**Legislative Earmarks**

During the SFY 2018-2019 budget bill development, TANF earmarks were added through the legislative process to commit TANF Services Framework resources for specific services and/or organizations. Per longstanding agency policy, these have been removed in the current budget proposal.

**Non-JFS MOE Claim**

This allocation represents TANF Maintenance of Effort resources contributed by entities other than ODJFS, such as the Ohio Association of Food Banks and the Ohio Department of Education.

**Title XX Transfer**

States may transfer up to 10 percent of their annual TANF Block Grant to the Social Services Block Grant. ODJFS transfers this funding to Ohio's county departments of job and family services to support programs and services to children, individuals and/or families whose income is less than 200 percent of the federal poverty level.

**Governor's Office / Fatherhood Commission**

The TANF Services Framework supports two external entities: (1) The Governor's Office of Faith Based and Community Initiatives (GOFBCI), which provides financial support to community organizations, and (2) the Fatherhood Commission, which is housed within ODJFS and funds community-based, nonprofit programs that provide opportunities for fathers to become better parents, partners and providers.

**The TANF Services Framework**

	SFY18 Actual	SFY19 Budget	SFY20 Estimates	SFY21 Estimates	SFY22 Estimates	SFY23 Estimates	SFY24 Estimates	SFY25 Estimates
<b>Revenue:</b>								
TANF - Federal Block Grant	\$ 725,565,965	\$ 725,565,965	\$ 725,565,965	\$ 725,565,965	\$ 725,565,965	\$ 725,565,965	\$ 725,565,965	\$ 725,565,965
TANF Sustainability Fund Balance	\$ 544,039,450	\$ 595,954,959	\$ 545,472,903	\$ 385,141,729	\$ 184,773,678	\$ -	\$ -	\$ -
MOE Resources	\$ 459,920,568	\$ 460,587,269	\$ 459,771,769	\$ 458,271,769	\$ 458,271,769	\$ 458,271,769	\$ 458,271,769	\$ 458,271,769
<b>Total Revenue</b>	<b>\$ 1,729,525,983</b>	<b>\$ 1,782,108,193</b>	<b>\$ 1,730,810,637</b>	<b>\$ 1,568,979,463</b>	<b>\$ 1,368,611,412</b>	<b>\$ 1,183,837,734</b>	<b>\$ 1,183,837,734</b>	<b>\$ 1,183,837,734</b>
<b>Expenses:</b>								
Publicly Funded Child Care - TANF	\$ 242,081,695	\$ 201,684,160	\$ 339,229,950	\$ 378,062,207	\$ 362,273,943	\$ 177,304,593	\$ 177,107,122	\$ 176,907,829
Publicly Funded Child Care - MOE	\$ 177,349,783	\$ 177,089,184	\$ 175,589,184	\$ 174,089,184	\$ 174,089,184	\$ 174,089,184	\$ 174,089,184	\$ 174,089,184
Local Admin & Program Funding	\$ 261,179,570	\$ 326,797,112	\$ 319,797,112	\$ 319,797,112	\$ 319,797,112	\$ 319,797,112	\$ 319,797,112	\$ 319,797,112
Ohio Works First Cash Assistance	\$ 236,023,882	\$ 251,035,922	\$ 243,100,893	\$ 243,100,893	\$ 243,100,893	\$ 243,100,893	\$ 243,100,893	\$ 243,100,893
Ohio Association of Food Banks	\$ 17,049,002	\$ 17,050,000	\$ 17,050,000	\$ 17,050,000	\$ 17,050,000	\$ 17,050,000	\$ 17,050,000	\$ 17,050,000
Kinship Care Services	\$ 12,474	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000
JFS Administration	\$ 24,961,723	\$ 66,356,157	\$ 55,844,914	\$ 57,049,534	\$ 57,243,425	\$ 57,439,097	\$ 57,636,568	\$ 57,835,861
Child Welfare Initiatives	\$ 8,045,338	\$ 6,250,000	\$ 6,250,000	\$ 6,250,000	\$ 6,250,000	\$ 6,250,000	\$ 6,250,000	\$ 6,250,000
Earmarks	\$ 1,789,053	\$ 8,200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-JFS MOE Claim	\$ 101,251,157	\$ 93,015,259	\$ 93,015,259	\$ 93,015,259	\$ 93,015,259	\$ 93,015,259	\$ 93,015,259	\$ 93,015,259
Title XX Transfer	\$ 58,488,404	\$ 66,556,596	\$ 66,556,596	\$ 66,556,596	\$ 66,556,596	\$ 66,556,596	\$ 66,556,596	\$ 66,556,596
GOFBCI / Fatherhood Commission	\$ 5,338,943	\$ 7,600,900	\$ 14,235,000	\$ 14,235,000	\$ 14,235,000	\$ 14,235,000	\$ 14,235,000	\$ 14,235,000
<b>Total Expenses:</b>	<b>\$ 1,133,571,024</b>	<b>\$ 1,236,635,290</b>	<b>\$ 1,345,668,908</b>	<b>\$ 1,384,205,785</b>	<b>\$ 1,368,611,412</b>	<b>\$ 1,183,837,734</b>	<b>\$ 1,183,837,734</b>	<b>\$ 1,183,837,734</b>
TANF Sustainability Fund Balance:	\$ 595,954,959	\$ 545,472,903	\$ 385,141,729	\$ 184,773,678	\$ -	\$ -	\$ -	\$ -

**Framework Notes:**

The TANF Services Framework assumes full spend each fiscal year.

The TANF Sustainability Fund Balance is estimated to be depleted by the end of SFY 2022. This will result in a reduction of TANF federally funded Publicly Funded Child Care in SFY 2023.

Any annual TANF program underspend will modify the amount of the TANF Sustainability Fund Balance.