

DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES

Temporary Assistance for Needy Families

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DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children and Families
Temporary Assistance for Needy Families

	<u>Amounts Available for Obligation</u>		
	<u>2003</u> <u>Enacted</u>	<u>2004¹</u> <u>Estimate</u>	<u>2005</u> <u>Estimate</u>
Appropriation			
Permanent.....	\$17,008,625,000	\$19,608,625,000	\$17,148,625,000
Unobligated balance start of year.....	400,000,000	0	2,400,000,000
Unobligated balance lapsing	0	0	0
Unobligated balance end of year.....	-400,000,000	-2,400,000,000	-2,291,000,000
Total obligations	\$17,008,625,000	\$17,208,625,000	\$17,257,625,000

¹ The 2004 estimate assumes enactment of the President's reauthorization proposal. PL 108-89 authorizes TANF through March 31, 2004.

Temporary Assistance for Needy Families

SUMMARY OF CHANGES

2004 President's Budget Request.....	\$19,608,625,000
Total estimated budget authority	\$19,608,625,000
(Obligations)	\$17,208,625,000
2005 Estimate Budget Authority	\$17,148,625,000
(Obligations).....	\$17,257,625,000
Net change budget authority.....	-\$2,460,000,000
Net change (Obligations).....	+\$49,000,000

	<u>2004</u> <u>Estimate Base</u>	<u>Change from Base</u>
Increases:		
A. <u>Program</u> :		
1. Family Formation and Healthy Marriage grants.....	\$100,000,000	+\$20,000,000
2. Research, Demonstration and Technical Assistance activities....	\$100,000,000	+\$20,000,000
Decreases:		
A. <u>Program</u> :		
1. Contingency Fund	\$2,000,000,000 ¹	-\$2,000,000,000
2. Employment Achievement Bonus	\$500,000,000 ²	-\$500,000,000
Net Change.....		-\$2,460,000,000

¹ Under the President's reauthorization proposal a \$2,000,000,000 Contingency Fund will be available for obligation for a period of five years beginning in 2004.

² The reauthorization proposes \$500,000,000 available for the Employment Achievement bonus over a five year period to be awarded to states \$100,000,000 on average annually.

Temporary Assistance for Needy Families

Budget Authority by Activity

	<u>2003</u> <u>Enacted</u>	<u>2004</u> <u>Estimate</u>	<u>2005</u> <u>Estimate</u>
State Family Assistance Grants	\$16,488,667,000	\$16,488,667,000	\$16,488,667,000
Territories – Family Assistance grants.....	77,875,000	77,875,000	77,875,000
Matching Grants to Territories	15,000,000	15,000,000	15,000,000
Bonus to Reward Decrease in Illegitimacy	100,000,000	0	0
Research, Demonstration and Technical Assistance.....	0	100,000,000	120,000,000
Family Formation and Healthy Marriage Grants...	0	100,000,000	120,000,000
Supplemental Grants for Population Increases	319,450,000	319,450,000	319,450,000
Employment Achievement Bonus (previously the High Performance Bonus)	[400,000,000]	500,000,000	[400,000,000]
Tribal Work Programs	7,633,000	7,633,000	7,633,000
Contingency Fund	[1,958,000,000]	2,000,000,000	[2,000,000,000]
Total, Budget Authority	\$17,008,625,000	\$19,608,625,000	\$17,148,625,000

Note: Bracketed budget authority indicates that these activities will be funded from unobligated balances carried forward from prior years.

Temporary Assistance for Needy Families

Budget Authority by Object

	<u>2004 Estimate</u>	<u>2005 Estimate</u>	<u>Increase or Decrease</u>
Advisory and assistance services (25.1).....	\$20,000,000	\$20,000,000	\$0
Grants, subsidies and contributions (41.0).....	<u>19,588,625,000</u>	<u>17,128,625,000</u>	<u>-2,460,000,000</u>
Total, Budget Authority	\$19,608,625,000	\$17,148,625,000	-\$2,460,000,000

Temporary Assistance to Needy Families

Authorizing Legislation

	2004 Amount <u>Authorized</u>	2004 <u>Estimate</u>	2005 Amount <u>Authorized</u>	2005 <u>Estimate</u>
State Family Assistance Grants: Section 403(a)(1)(E) of the Social Security Act	Such sums	\$16,488,667,235	Such sums	\$16,488,667,235
Territories – Family Assistance Grants: Section 403(a)(1)(E) of the Social Security Act ¹	Such sums	77,875,765	Such sums	77,875,765
Matching Grants to Territories	Such sums	15,000,000	Such sums	15,000,000
Bonus to Reward ² Employment Achievement (prev. High Performance)		500,000,000	[500,000,000]	[500,000,000]
Research, Demonstration and Technical Assistance		100,000,000	120,000,000	120,000,000
Family Formation and Healthy Marriage Grants		100,000,000	120,000,000	120,000,000
Supplemental Grants for Population Increases: Section 403(a)(3)(E) of the SSA	Such sums	319,450,226	Such sums	319,450,226
Tribal Work Programs: Section 412(a) (2) (D) of SSA.	7,633,000	7,633,287	7,633,287	7,633,287

Note: PL 108-89 authorizes TANF through March 31, 2004.

¹ Section 1108 (a) of the Social Security Act provides for a limitation on payments to Puerto Rico, Guam, the Virgin Islands and American Samoa under titles I, X, XIV, XVI, parts A and E of title IV, and subsection 1108(b) (Matching grants). The limitations, which became permanent with the enactment of Public Law 96-272, were established by P.L. 104-193 and most recently amended by Section 5512 of P.L. 105-33, are as follows: \$107,255,000 for Puerto Rico, \$4,686,000 for Guam, \$3,554,000 for the Virgin Islands and \$1,000,000 for American Samoa. The limitations do not apply to the Bonus to Reward Decrease in Illegitimacy, the Bonus to Reward High Performance States, or Loans for State Welfare Programs.

² Proposed reauthorization includes \$500,000,000 beginning in FY 2004 for the Bonus to Reward Employment Achievement (average annual amount \$100,000,000).

	2004 Amount <u>Authorized</u>	2004 <u>Estimate</u>	2005 Amount <u>Authorized</u>	2005 <u>Estimate</u>
Contingency Fund: The Personal Responsibility and Work Opportunity Act of 1996, PL 104-193.	2,000,000,000	2,000,000,000	[2,000,000,000]	[2,000,000,000]
Total Appropriations		\$19,608,625,513		\$17,148,625,513

APPROPRIATIONS HISTORY TABLE
Temporary Assistance for Needy Families

<u>Year</u>	<u>Budget Estimate to Congress</u>	<u>House Allowance</u>	<u>Senate Allowance</u>	<u>Appropriation</u>
1996				\$111,039,000
1997				\$15,410,374,000
1998				\$16,689,175,287
1998- multi-year				\$800,000,000 ¹
1999				\$16,689,175,287
1999- multi-year				\$1,000,000,000 ²
2000				\$16,689,175,287
2001				\$16,689,175,287
2002				\$17,008,625,287 ³
2003				\$17,008,625,513 ³
2004 ⁴	\$17,108,625,000			
2004- ⁵ multi-year	\$2,500,000,000			
2005	\$17,148,625,000			

¹ In FY 1998, Congress appropriated \$800 million for Supplemental Grants for Population Increases available until expended. ACF awarded approximately \$79 million in 1998, \$160 million in 1999, \$239 million in 2000, and \$319 million in 2001 for such purposes.

² Congress appropriated a total of \$1 billion in FY 1999 for High Performance Bonus grants for fiscal years 1999 through 2003.

³ Congress appropriated \$319 million for Supplemental Grants for both 2002 & 2003 as part of the basic program. ACF awarded \$319 million a year (02 & 03) for such purposes.

⁴ The 2004 column assumes enactment of the President's reauthorization proposal. PL 108-89 authorizes TANF and the Contingency Fund through March 31, 2004.

⁵ The FY 2004 President's Budget requests a five year reauthorization of \$500,000,000 for the Employment Achievement Bonus, providing \$100,000,000 per year on average for these grants, and \$2,000,000,000 for the Contingency Fund to remain available for five years.

Temporary Assistance for Needy Families

Justification

	2004 Estimate ¹	2005 Estimate ¹	Increase or Decrease
State Family Assistance Grants	\$16,488,667,000	\$16,488,667,000	\$0
Territories – Family Assistance Grants	77,875,000	77,875,000	0
Matching Grants to Territories	15,000,000	15,000,000	0
Family Formation and Healthy Marriage grants	100,000,000	120,000,000	+\$20,000,000
Research, Demonstration and Technical Assistance activities	100,000,000	120,000,000	+\$20,000,000
Supplemental Grants for Population Increases	319,450,000	319,450,000	0
Bonus to Reward Employment Achievement	500,000,000	[500,000,000]	-500,000,000
Tribal Work Programs	7,633,000	7,633,000	
Contingency Fund	2,000,000,000	[2,000,000,000]	-2,000,000,000
Total, BA	\$19,608,625,000	\$17,148,625,000	-\$2,460,000,000

¹ Bracketed Budget authority in FY 2005 reflects grants that will be made from unobligated balances. The FY 2004 President's Budget requests a five-year reauthorization of \$500,000,000 for the Employment Achievement Bonus, providing \$100,000,000 per year on average for these grants, and \$2,000,000,000 for the Contingency Fund to remain available for five years. The 2004 column assumes enactment of the President's reauthorization proposal. PL 108-89 authorizes TANF through March 31, 2004.

General Statement

Title I of P. L. 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) created the Temporary Assistance for Needy Families (TANF) program. The legislation repealed the Aid to Families with Dependent Children (AFDC) and related programs and replaced them with a single fixed block grant. Reauthorization requested for this program is pending congressional action.

The purpose of TANF is to increase state flexibility in operating programs designed to: (1) provide assistance to needy families so that children may 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; and (4) encourage the formation and maintenance of two-parent families.

Building on the success of the 1996 welfare reform program, the 2005 budget follows the framework proposed in the President's 2004 budget request which includes reauthorization of TANF. The reauthorization maintains current program funding levels for the following activities: Family Assistance Grants to States, Tribes and Territories; Matching Grants to Territories; and Tribal Work Programs. The reauthorization proposal reinstates authority for both the Contingency Fund and Supplemental Grants for Population Increases. In addition, a new TANF Research, Demonstration and Technical Assistance program which will include promotion of family formation and healthy two-parent marriage activities would be established, as well as a new matching grant program focused on marriage promotion. Finally, the Bonus to Reward High Performance States would be re-focused to provide for bonuses on employment achievement.

The President's appropriation request for this account assumes passage of pending legislation included in the President's 2004 request. The description under the *Purpose and Method of Operation* section below highlights major changes in current law that have been proposed in the Administration's reauthorization package.

Purpose and Method of Operation

State Family Assistance Grants: Funding under the TANF program is provided primarily through State Family Assistance Grants, which are authorized and pre-appropriated at \$16.5 billion each year. State allocations are based on historic levels of welfare spending. While states must meet certain work, participation, and maintenance of effort requirements, they have enormous flexibility with their TANF funds to design programs that promote work, responsibility and self-sufficiency, and strengthen families.

There has been a dramatic increase in employment of current and former welfare recipients. The percentage of working recipients remains high. In 2002, 30 percent of adult recipients were working, compared to less than 7 percent in 1992, and 11 percent in 1996. Thus, about one in three recipients was working in a typical month, over a four fold increase since 1992. In 2002 the vast majority (78 percent) of recipients who were working were in paid employment; others were engaged in work experience and community service.

States have wide flexibility under TANF to determine their own eligibility criteria, benefit levels, and the type of services and benefits available to TANF recipients. However, states must maintain a historical level of state spending on behalf of eligible families (the maintenance of effort requirement) and must meet minimum work participation rate requirements. The proposed reauthorization also would increase flexibility for states by allowing them to spend TANF funds carried over from previous years for activities other than cash assistance. These activities may include spending for encouraging formation and maintenance of healthy, two-parent married families, or encouraging responsible fatherhood. In 2002, all 50 states, the District of Columbia and Puerto Rico and the Virgin Islands met the overall work participation rates for all families. Additionally, of the 30 jurisdictions that have two-parent family programs subject to a work participation rate, 25 jurisdictions met the standard.

In addition, families who have received federally funded assistance under TANF for five cumulative years (or less at state option) are not eligible for federally funded assistance. States may continue to exempt up to 20 percent of their cases from this rule.

Under current law states may transfer up to a total of 30 percent of their TANF funds to either the Child Care and Development Block Grant program or the Social Services Block Grant (SSBG) program. Under the proposed reauthorization, the allowable SSBG transfer would be maintained at the 10 percent authorized by PRWORA.

Tribes are eligible to operate their own TANF programs and those that choose to do so receive their own Family Assistance Grants. The number of approved TANF plans has steadily increased since the first three tribal TANF programs started in July 1997. As of January 2004, 41 tribal TANF grantees covering 186 Tribes and Alaska Native Villages had been approved, all of which are fully operational. Thirty of the approved plans involve individual Tribes and eight are multi-tribal TANF operations.

Territories — Family Assistance Grants: These grants provide funding to Guam, Puerto Rico and the Virgin Islands to operate their own TANF programs. Territories are subject to the same state plan, work and maintenance of effort requirements as the fifty states and the District of Columbia. A territory's allocation is based on historic funding levels, with a total of \$77.9 million made available annually.

Matching Grants to Territories: These grants are an additional source of funding to the Territories. These Matching Grants are subject to a ceiling under Section 1108 of the Social Security Act and additional maintenance of effort requirements. Matching Grant funds may be used for the TANF program and the Foster Care, Adoption Assistance, and Independent Living programs. The Federal-matching rate for these funds is 75 percent, and up to \$15 million is made available annually for this purpose. Use of the Matching Grant is optional.

Supplemental Grants for Population Increases: These grants were authorized to provide additional TANF funding in FYs 1998-2002 to states that experienced increases in their populations and/or had low levels of welfare spending per capita. A state qualified for a grant in years after FY 1998 only if it qualified in FY 1998. Territories and Tribes were not eligible.

Seventeen states received a total of \$319 million for these grants in FY 2003. The President's reauthorization proposal would continue these grants at this level.

Bonus to Reward High Performance States: These grants provide bonus funds to states that meet certain performance measures reflecting how well they are achieving the goals of TANF. A total of \$1 billion was available for awards for FY 1999-2003 and the total amount awarded each year averaged \$200 million. During FY 2003 two separate grants of \$200 million each were awarded to compensate states for meeting performance measures -- forty-two states received bonuses for meeting measures for performance year FY 2001, and forty-one states received bonuses for performance year FY 2002.

Under the proposed reauthorization, these bonuses would be restructured to focus on employment achievement, and would average \$100 million per year.

Family Formation and Healthy Marriage Grants: The FY 2005 budget includes increased funding for this new matching grant program proposed in reauthorization targeted to effective family formation activities to support and sustain healthy two parent married families. These grants are proposed to be funded at \$100 million in 2004, and the 2005 budget request would increase that funding level by \$20 million for a total request of \$120 million.

Tribal Work Programs: These grants are available to Indian Tribes and Alaska Native organizations that conducted a Job Opportunities and Basic Skills Training (JOBS) program in FY 1995. The purpose of these grants is to allow Indian Tribes and Alaska Native organizations to operate a program to make work activities available to their members. Funding is authorized and pre-appropriated at \$7,633,000 for each fiscal year.

Contingency Fund: The \$2 billion Contingency Fund was established to provide a funding reserve which could be used to assist states that experience unexpected economic downturns, resulting in larger than expected numbers of families receiving TANF services. In order to be eligible to receive Contingency Funds, a state must meet one of two criteria:

- 1) The state's unemployment rate for the most recent 3-month period for which data are available must exceed 6.5 percent and this rate must be at least 10 percent higher than the unemployment rate for the same 3-month period in either or both of the last two calendar years or;
- 2) The number of food stamp participants in the state must exceed by at least 10 percent the number of food stamp participants in the state in the comparable quarter of either FY 1994 or FY 1995.

The reauthorization proposal would reinstate the Contingency Fund, which would retain the above triggers, but would include a modification to the definition of maintenance of effort and simplify the annual reconciliation process.

Research, Demonstration and Technical Assistance Activities: This new authority proposed in reauthorization would fund research, demonstration, and technical assistance activities with

funds principally going to initiatives that are targeted to family formation, healthy marriages and reducing the incidence of out of wedlock birth. A portion of the research effort would be directed to child welfare issues in lieu of reauthorizing children's welfare research under the Children's Research and Technical Assistance account. These grants are proposed to be funded at \$100 million in 2004, and the 2005 budget request would increase that funding level by \$20 million for a total request of \$120 million.

Rationale for the Budget Request

Welfare reform has been a major success. The number of dependent families has been cut by more than half. The child poverty rate has fallen substantially. The poverty rate of both black children and children in single mother families is now at the lowest point in U.S. history.

But even with this notable progress, much remains to be done, and states still face many challenges. This Administration is committed to continuing to ensure every American has the resources available to move not just from welfare to work, but toward self-sufficiency by strengthening the federal-state partnership; asking states to help every family they serve achieve the greatest degree of self-sufficiency possible through a creative mix of work and additional constructive activities; and helping states find effective ways to promote healthy marriages and reduce out-of-wedlock childbearing; improving the management and, therefore, the quality of programs and services made available to families; and allowing states to integrate the various welfare and workforce assistance programs operating in their states.

The past success of the first wave of welfare reform efforts provides a unique opportunity to move to the next phase of welfare reform as evidenced in the Administration's welfare reform legislation and the on going efforts of the Congress to enact welfare reform legislation.

Resource and Program Data
State Family Assistance Grant

	2003 Enacted	2004 Estimate	2005 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$16,488,667,235	\$16,488,667,235	\$16,488,667,235
Discretionary			
Research			
Demonstration			
Development			
Training/Technical Assistance			
Evaluation			
Program Support			
Other			
TOTAL PROGRAM	\$16,488,667,235	\$16,488,667,235	\$16,488,667,235
<u>Program Data:</u>			
Number of Grants ¹	87	93	94
New Starts:			
# ¹	3	1	
\$	18,056,438	15,004,208	
Continuations:			
# ¹	90	94	94
\$	16,470,610,562	16,488,667,235	16,488,667,235
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

¹ Includes Tribal plans receiving Family Assistance Grants.

Resource and Program Data
Matching Grants to Territories

	2003 Enacted	2004 Estimate	2005 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$3,754,818	\$15,000,000	\$15,000,000
Discretionary			
Research			
Demonstration			
Development			
Training/Technical Assistance			
Evaluation			
Program Support			
Other			
TOTAL PROGRAM	\$3,754,818	\$15,000,000	\$15,000,000
<u>Program Data:</u>			
Number of Grants	1	TBD	TBD
New Starts:			
#	1	TBD	TBD
\$	\$3,754,818	\$15,000,000	\$15,000,000
Continuations:			
#			
\$			
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

Resource and Program Data
 Bonus to Reward Decrease in Illegitimacy

	2003 Enacted	2004 Estimate	2005 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$100,000,000		
Discretionary			
Research			
Demonstration			
Development			
Training/Technical Assistance			
Evaluation			
Program Support			
Other			
TOTAL PROGRAM	\$100,000,000		
<u>Program Data:</u>			
Number of Grants	6		
New Starts:			
#	6		
\$	\$100,000,000		
Continuations:			
#			
\$			
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

Resource and Program Data
Research, Demonstration and Technical Assistance Activities

	2003 Enacted	2004 Estimate	2005 Estimate
<u>Resource Data:</u>			
Formula			
Discretionary			
Research		\$30,000,000	\$30,000,000
Demonstration		58,000,000	78,000,000
Development			
Training/Technical Assistance		7,000,000	7,000,000
Evaluation		1,000,000	1,000,000
Program Support ¹		4,000,000	4,000,000
Other			
TOTAL PROGRAM		\$100,000,000	\$120,000,000
<u>Program Data:</u>			
Number of Applicants		TBD	TBD
Number of Grants		TBD	TBD
New Starts:			
#			
\$		\$88,000,000	\$108,000,000
Continuations:			
#			
\$			
Contracts:			
#			
\$		\$5,000,000	\$5,000,000
Interagency Agreements:			
#			
\$			

¹ Includes funding for information technology support, salaries/benefits and associated overhead.

Resource and Program Data
Family Formation and Healthy Marriage Grant Program

	2003 Enacted	2004 Estimate	2005 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula			
Discretionary ¹		\$100,000,000	\$120,000,000
Research			
Demonstration			
Development			
Training/Technical Assistance			
Evaluation			
Program Support			
Other			
TOTAL PROGRAM		\$100,000,000	\$120,000,000
<u>Program Data:</u>			
Number of Grants		TBD	TBD
New Starts:			
#		.	.
\$		\$98,000,000	\$117,600,000
Continuations:			
#			
\$			
Contracts:			
#		2	2
\$		\$2,000,000	\$2,400,000
Interagency Agreements:			
#			
\$			

¹ Includes funds for discretionary grants and panel review of grants in the making of the awards.

Resource and Program Data
Bonus to Reward Employment Achievement (Obligations)

	2003 Enacted	2004 ¹ Estimate	2005 ¹ Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$400,000,000	\$100,000,000	100,000,000
Discretionary			
Research			
Demonstration			
Development			
Training/Technical Assistance			
Evaluation			
Program Support			
Other			
TOTAL PROGRAM	\$400,000,000	\$100,000,000	\$100,000,000
<u>Program Data:</u>			
Number of Applicants	51	n.a.	n.a.
Number of Grants	83	n.a.	n.a.
New Starts:			
#	83	n.a.	n.a.
\$	\$400,000,000	\$100,000,000	\$100,000,000
Continuations:			
#			
\$			
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

¹ The number of applicants and grantees is not known at this time, FY 2003 represents obligations for High Performance Bonuses to forty-two and forty-one states respectively, and the reauthorization proposes to modify this program into the Bonus to Reward Employment Achievement.

Resource and Program Data
Tribal Work Programs

	2003 Enacted	2004 Estimate	2005 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$7,633,287	\$7,633,287	\$7,633,287
Discretionary			
Research			
Demonstration			
Development			
Training/Technical Assistance			
Evaluation			
Program Support			
Other			
TOTAL PROGRAM	\$7,633,287	\$7,633,287	\$7,633,287
<u>Program Data:</u>			
Number of Grants	78	78	78
New Starts:			
#			
\$			
Continuations:			
#	78	78	78
\$	\$7,633,287	\$7,633,287	\$7,633,287
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES**

FY 2005 MANDATORY STATE/FORMULA GRANTS (Obligations)

PROGRAM: Temporary Assistance for Needy Families (CFDA #93.558)

STATE/TERRITORY	FY 2003 Actual	FY 2004 Estimate	FY 2005 Estimate	Difference +/- 2004
Alabama	\$104,913,512	\$104,408,461	\$104,408,461	\$0
Alaska	66,625,819	60,264,911	60,264,911	0
Arizona	227,334,343	226,130,536	226,130,536	0
Arkansas	68,624,519	62,951,233	62,951,233	0
California	3,708,705,549	3,683,470,522	3,683,470,522	0
Colorado	169,448,681	149,626,381	149,626,381	0
Connecticut	278,533,139	266,788,107	266,788,107	0
Delaware	33,544,752	32,290,981	32,290,981	0
District of Columbia	117,229,628	92,609,815	92,609,815	0
Florida	660,838,118	622,745,788	622,745,788	0
Georgia	372,423,174	368,024,967	368,024,967	0
Hawaii	99,771,584	98,904,788	98,904,788	0
Idaho	35,995,706	33,910,608	33,910,608	0
Illinois	585,056,960	585,056,960	585,056,960	0
Indiana	226,243,151	206,799,109	206,799,109	0
Iowa	138,692,498	131,524,959	131,524,959	0
Kansas	112,124,167	101,931,061	101,931,061	0
Kentucky	195,758,311	181,287,669	181,287,669	0
Louisiana	184,759,161	180,998,997	180,998,997	0
Maine	82,399,828	78,120,889	78,120,889	0
Maryland	250,502,120	229,098,032	229,098,032	0
Massachusetts	461,563,833	459,371,116	459,371,116	0
Michigan	797,303,349	775,352,858	775,352,858	0
Minnesota	280,560,591	267,161,347	267,161,347	0
Mississippi	96,623,311	95,803,252	95,803,252	0
Missouri	238,756,914	217,051,740	217,051,740	0
Montana	48,020,033	44,109,471	44,109,471	0
Nebraska	63,572,240	57,769,382	57,769,382	0
Nevada	49,746,969	47,710,284	47,710,284	0
New Hampshire	41,249,167	38,521,261	38,521,261	0
New Jersey	408,288,370	404,034,823	404,034,823	0
New Mexico	122,512,662	117,131,204	117,131,204	0
New York	2,466,019,278	2,442,930,602	2,442,930,602	0
North Carolina	341,867,198	338,349,547	338,349,547	0
North Dakota	27,682,357	26,399,809	26,399,809	0

STATE/TERRITORY	FY 2003 Actual	FY 2004 Conference	FY 2005 Estimate	Difference +/- 2004
Ohio	749,354,197	727,968,260	727,968,260	0
Oklahoma	154,110,353	147,594,230	147,594,230	0
Oregon	172,868,768	166,798,629	166,798,629	0
Pennsylvania	751,156,792	719,499,305	719,499,305	0
Rhode Island	97,879,798	95,021,587	95,021,587	0
South Carolina	101,522,643	99,967,824	99,967,824	0
South Dakota	22,865,237	21,279,651	21,279,651	0
Tennessee	224,264,844	213,088,938	213,088,938	0
Texas	566,537,753	538,964,526	538,964,526	0
Utah	90,288,860	84,313,871	84,313,871	0
Vermont	48,623,462	47,353,181	47,353,181	0
Virginia	174,113,690	158,285,172	158,285,172	0
Washington	401,282,654	389,069,040	389,069,040	0
West Virginia	113,000,039	110,176,310	110,176,310	0
Wisconsin	326,542,908	315,767,284	315,767,284	0
Wyoming	38,702,526	18,500,530	18,500,530	0
Subtotal	17,196,405,516	16,682,289,808	16,682,289,808	0
Tribal Family Asst. Grants	110,823,445	125,827,653	125,827,653	0
Guam	3,992,703	3,992,703	3,992,703	0
Puerto Rico	69,999,641	71,035,276	71,035,276	0
Virgin Islands	3,735,064	2,846,564	2,846,564	0
Subtotal	188,550,853	203,702,196	203,702,196	0
Total States/Territories	17,384,956,369	16,885,992,004	16,885,992,004	0
Tribal New Program	7,633,287	7,633,287	7,633,287	0
Employment Achieve Bonus	0	100,000,000	100,000,000	0
Research & TA	0	100,000,000	120,000,000	+20,000,000
Family Formation grants	0	100,000,000	120,000,000	+20,000,000
Contingency Fund	0	0	9,000,000	+9,000,000
Territories Matching Fund	0	15,000,000	15,000,000	0
Subtotal adjustments	7,633,287	322,633,287	371,633,,287	+49,000,000
TOTAL RESOURCES	\$17,392,589,656	\$17,208,625,291	\$17,257,625,291	+49,000,000

State levels reflect actual awards for State Family Assistance Grants, High Performance bonuses, Illegitimacy bonuses & Supplemental Grants in FY 2003. Levels for FY's 2004 & 2005 reflect estimated obligations for above noted activities. Proposed reauthorization provides \$500 million for the Employment Achievement bonus, and \$2 billion for the Contingency Fund available over a five year period.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES

Child Care Entitlement to States

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DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children and Families
Child Care Entitlement to States

Amounts Available for Obligation

	2003 <u>Enacted</u>	2004 <u>Estimate</u>	2005 <u>Estimate</u>
Appropriation:			
Annual.....	\$2,717,000,000	\$2,717,000,000	\$2,717,000,000
Re-appropriation of prior year funds	\$23,493,000		
Subtotal, Adjusted Appropriation	<u>2,740,493,000</u>	<u>2,717,000,000</u>	<u>2,717,000,000</u>
Total Obligations.....	\$2,740,493,000	\$2,717,000,000	\$2,717,000,000

SUMMARY OF CHANGES

2004 President's Budget Request	<u>\$2,717,000,000</u>
Total estimated budget authority.....	<u>\$2,717,000,000</u>
(Obligations)	<u>\$2,717,000,000</u>
2005 Estimate.....	<u>\$2,717,000,000</u>
(Obligations)	<u>\$2,717,000,000</u>
Net change.....	<u>\$0</u>
(Obligations)	<u>\$0</u>

Child Care Entitlement to States

Budget Authority by Activity

	<u>2003 Enacted</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
State Mandatory Funds ..	\$1,177,524,781	\$1,177,524,781	\$1,177,524,781
Matching Child Care.....	1,478,342,719	1,478,342,719	1,478,342,719
Tribal Mandatory Funds.....	54,340,000	54,340,000	54,340,000
Training and Technical Assistance	6,792,500	6,792,500	6,792,500
Total, Budget Authority .	\$2,740,493,000	\$2,717,000,000	\$2,717,000,000

Budget Authority by Object

	<u>2004 Estimate</u>	<u>2005 Estimate</u>	<u>Increase or Decrease</u>
Advisory and assistance services.....	\$6,792,500	\$6,792,500	\$0
Grants, subsidies, and contributions.....	2,710,207,500	2,710,207,500	0
Total, Budget Authority.	\$2,717,000,000	\$2,717,000,000	\$0

Child Care Entitlement to States
Authorizing Legislation

	2004 Amount <u>Authorized</u>	2004 Estimate	2005 Amount <u>Authorized</u>	2005 <u>Budget</u> Request
Section 418 of the Social Security Act	\$2,717,000,000	\$2,717,000,000	\$2,717,000,000	\$2,717,000,000

Note: Child Care Entitlement to States is authorized through March 31, 2004.

APPROPRIATIONS HISTORY TABLE
Child Care Entitlement to States

<u>Year</u>	<u>Budget</u> <u>Estimate</u> <u>To Congress</u>	<u>House</u> <u>Allowance</u>	<u>Senate</u> <u>Allowance</u>	<u>Appropriation</u>
1996				\$0
1997				\$1,967,000,000
1998				\$2,070,387,000
1999				\$2,166,938,000
2000				\$2,367,000,000
2001				\$2,567,000,000
2002				\$2,717,000,000
2003				\$2,717,000,000
2004	\$2,717,000,000			
2005	\$2,717,000,000			

Child Care Entitlement to States

Justification

	2003 Enacted	2004 Estimate	2005 Estimate	Increase or Decrease
State Mandatory Funds	\$1,177,524,781	\$1,177,524,781	\$1,177,524,781	\$0
Matching Child Care	1,478,342,719	1,478,342,719	1,478,342,719	0
Tribal Mandatory Funds	54,340,000	54,340,000	54,340,000	0
Training and Technical Assistance	6,792,500	6,792,500	6,792,500	0
Total, BA	\$2,717,000,000	\$2,717,000,000	\$2,717,000,000	\$0

General Statement

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 (P.L. 104-193) combined child care entitlement programs with different target populations (AFDC Child Care, Transitional Child Care and At-Risk Child Care) with the Child Care and Development Block Grant (CCDBG) Act of 1990, as amended. Effective October 1, 1996, the discretionary and mandatory child care funding under this Act, designated the Child Care and Development Fund, allows States maximum flexibility in developing child care programs and enables States to use resources more effectively to meet local needs. The Child Care and Development Fund includes Mandatory, Matching, and Discretionary components. (See also discussion in the Child Care and Development Block Grant section.)

Child Care Entitlement

Authorizing Legislation – Legislation to reauthorize Title IV-A, section 418 of the Social Security Act is pending Congressional action.

2003 Enacted	2004 Estimate	2005 Estimate	Increase or Decrease
\$2,717,000,000	\$2,717,000,000	\$2,717,000,000	\$0

2005 Authorization.....\$2,717,000,000 (reflects level as proposed in the reauthorization pending before Congress.)

Purpose and Method of Operation

The Child Care Entitlement Fund provides grants to states and federally recognized tribes for the purposes of providing low-income families with financial assistance for child care, improving the quality and availability of child care, and establishing or expanding and conducting early childhood programs and before-and-after school programs.

In conjunction with the Child Care and Development Block Grant, these funds will:

- Allow each state maximum flexibility in developing child care programs and policies that best suit the needs of children and parents within each state;
- Promote parental choice to empower working parents to make their own decisions on the child care that best suits their family's needs;
- Encourage states to provide consumer education information to help parents make informed choices about child care;
- Assist states in providing child care to parents trying to achieve and maintain independence from public assistance and assist other low-income working parents to maintain quality child care services for their children; and
- Assist states in implementing the health, safety, licensing, and registration standards established in state regulations.

Mandatory Child Care — Mandatory funds are allocated to grantees based on historic levels of Title IV-A child care expenditures.

Matching Child Care — Matching funds are those remaining after Mandatory funds and the two percent of the appropriation set aside for tribes and tribal organizations are allocated. Matching funds are available to states if three conditions are met by the end of the fiscal year in which Matching funds are awarded: (1) all Mandatory funds are obligated; (2) the state's maintenance-of-

effort funds are expended; and (3) the state provides its share of matching funds at the FMAP rate. Unobligated funds not spent by states will be available for reappropriation in the next fiscal year.

Training and Technical Assistance — In accordance with 45 CFR paragraph 98.60(b)(1), the Secretary may withhold no more than ¼ of one percent of Child Care Development funds made available for a fiscal year for the provision of training and technical assistance to states.

Rationale for the Budget Request

The FY 2005 request of \$2,717,000,000 — the same level as the President's FY 2004 budget request — will provide funding to assist states in meeting the critical child care needs of families. The Child Care Entitlement Fund helps states and communities to build the supply of high quality, affordable child care. The funds will continue ACF's commitment to providing resources that allow families to become and remain self-sufficient and productive members of society. These funds also allow families to access quality child care, which promotes child development, literacy, and school readiness. All segments of society — parents, schools, employers, health providers, faith-based institutions and other charitable agencies, states and the federal government — must be involved to ensure access to quality child care.

Resource and Program Data
Mandatory Child Care

	2003 Enacted	2004 Estimate	2005 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$1,177,524,781	\$1,177,524,781	\$1,177,524,781
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$1,177,524,781	\$1,177,524,781	\$1,177,524,781
<u>Program Data:</u>			
Number of Grants	293	290	290
New Starts:			
#			
\$			
Continuations:			
#	293	290	290
\$	\$1,177,524,781	\$1,177,524,781	\$1,177,524,781
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

Resource and Program Data
Matching Child Care

	2003 Enacted	2004 Estimate	2005 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$1,501,835,941	\$1,478,342,719	\$1,478,342,719
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$1,501,835,941	\$1,478,342,719	\$1,478,342,719
<u>Program Data:</u>			
Number of Grants	51	51	51
New Starts:			
#			
\$			
Continuations:			
#	51	51	51
\$	\$1,501,835,941	\$1,478,342,719	\$1,478,342,719
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

Note: FY 2003 includes reappropriated Matching funds from prior years.

Resource and Program Data
Training and Technical Assistance

	2003 Enacted	2004 Estimate	2005 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula			
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance	\$6,792,500	\$6,792,500	\$6,792,500
Program Support			
Total, Resources	\$6,792,500	\$6,792,500	\$6,792,500
<u>Program Data:</u>			
Number of Grants			
New Starts:			
#			
\$			
Continuations:			
#	5	5	5
\$	\$6,792,500	\$6,792,500	\$6,792,500
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES**

FY 2005 MANDATORY STATE/FORMULA GRANTS

PROGRAM: CCDF Mandatory (CFDA #93.596)

STATE/TERRITORY	FY 2003 Actual	FY 2004 Conference	FY 2005 Estimate	Difference +/- 2004
Alabama	\$16,441,707	\$16,441,707	\$16,441,707	\$0
Alaska	3,544,811	3,544,811	3,544,811	0
Arizona	19,827,025	19,827,025	19,827,025	0
Arkansas	5,300,283	5,300,283	5,300,283	0
California	85,593,217	85,593,217	85,593,217	0
Colorado	10,173,800	10,173,800	10,173,800	0
Connecticut	18,738,357	18,738,357	18,738,357	0
Delaware	5,179,330	5,179,330	5,179,330	0
District of Columbia	4,566,974	4,566,974	4,566,974	0
Florida	43,026,524	43,026,524	43,026,524	0
Georgia	36,548,223	36,548,223	36,548,223	0
Hawaii	4,971,633	4,971,633	4,971,633	0
Idaho	2,867,578	2,867,578	2,867,578	0
Illinois	56,873,824	56,873,824	56,873,824	0
Indiana	26,181,999	26,181,999	26,181,999	0
Iowa	8,507,792	8,507,792	8,507,792	0
Kansas	9,811,721	9,811,721	9,811,721	0
Kentucky	16,701,653	16,701,653	16,701,653	0
Louisiana	13,864,552	13,864,552	13,864,552	0
Maine	3,018,598	3,018,598	3,018,598	0
Maryland	23,301,407	23,301,407	23,301,407	0
Massachusetts	44,973,373	44,973,373	44,973,373	0
Michigan	32,081,922	32,081,922	32,081,922	0
Minnesota	23,367,543	23,367,543	23,367,543	0
Mississippi	6,293,116	6,293,116	6,293,116	0
Missouri	24,668,568	24,668,568	24,668,568	0
Montana	3,190,691	3,190,691	3,190,691	0
Nebraska	10,594,637	10,594,637	10,594,637	0
Nevada	2,580,422	2,580,422	2,580,422	0
New Hampshire	4,581,870	4,581,870	4,581,870	0
New Jersey	26,374,178	26,374,178	26,374,178	0
New Mexico	8,307,587	8,307,587	8,307,587	0
New York	101,983,998	101,983,998	101,983,998	0
North Carolina	69,639,228	69,639,228	69,639,228	0

STATE/TERRITORY	FY 2003 Actual	FY 2004 Conference	FY 2005 Estimate	Difference +/- 2004
North Dakota	2,506,022	2,506,022	2,506,022	0
Ohio	70,124,656	70,124,656	70,124,656	0
Oklahoma	24,909,979	24,909,979	24,909,979	0
Oregon	19,408,790	19,408,790	19,408,790	0
Pennsylvania	55,336,804	55,336,804	55,336,804	0
Rhode Island	6,633,774	6,633,774	6,633,774	0
South Carolina	9,867,439	9,867,439	9,867,439	0
South Dakota	1,710,801	1,710,801	1,710,801	0
Tennessee	37,702,188	37,702,188	37,702,188	0
Texas	59,844,129	59,844,129	59,844,129	0
Utah	12,591,564	12,591,564	12,591,564	0
Vermont	3,944,887	3,944,887	3,944,887	0
Virginia	21,328,766	21,328,766	21,328,766	0
Washington	41,883,444	41,883,444	41,883,444	0
West Virginia	8,727,005	8,727,005	8,727,005	0
Wisconsin	24,511,351	24,511,351	24,511,351	0
Wyoming	2,815,041	2,815,041	2,815,041	0
Subtotal	1,177,524,781	1,177,524,781	1,177,524,781	0
Indian Tribes	54,340,000	54,340,000	54,340,000	0
Subtotal	54,340,000	54,340,000	54,340,000	0
Total States/Territories	1,231,864,781	1,231,864,781	1,231,864,781	0
Technical Assistance	3,532,100	3,532,100	3,532,100	0
Subtotal Adjustments	3,532,100	3,532,100	3,532,100	0
TOTAL RESOURCES	\$1,235,396,881	\$1,235,396,881	\$1,235,396,881	\$0

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES**

FY 2005 MANDATORY STATE/FORMULA GRANTS

PROGRAM: CCDF Matching (CFDA #93.596)

STATE/TERRITORY	FY 2003 Actual	FY 2004 Conference	FY 2005 Estimate	Difference +/- 2004
Alabama	\$22,787,452	\$22,357,606	\$22,357,606	\$0
Alaska	3,838,741	3,806,614	3,806,614	0
Arizona	28,412,119	30,537,291	30,537,291	0
Arkansas	13,733,044	13,665,437	13,665,437	0
California	192,461,717	194,509,901	194,509,901	0
Colorado	22,478,925	23,434,710	23,434,710	0
Connecticut	17,445,762	17,711,451	17,711,451	0
Delaware	3,995,015	3,845,045	3,845,045	0
District of Columbia	2,458,103	2,409,433	2,409,433	0
Florida	74,236,775	78,288,271	78,288,271	0
Georgia	44,824,464	46,689,474	46,689,474	0
Hawaii	6,053,693	6,057,888	6,057,888	0
Idaho	7,393,853	7,437,775	7,437,775	0
Illinois	66,795,844	66,610,830	66,610,830	0
Indiana	32,146,252	32,396,798	32,396,798	0
Iowa	14,641,119	13,866,378	13,866,378	0
Kansas	14,336,218	13,961,861	13,961,861	0
Kentucky	20,211,457	18,814,779	18,814,779	0
Louisiana	24,392,574	23,785,249	23,785,249	0
Maine	5,918,493	5,339,687	5,339,687	0
Maryland	27,911,259	27,931,211	27,931,211	0
Massachusetts	30,933,163	29,582,741	29,582,741	0
Michigan	53,019,858	51,749,832	51,749,832	0
Minnesota	25,787,602	24,783,796	24,783,796	0
Mississippi	15,668,787	15,411,263	15,411,263	0
Missouri	28,790,923	27,930,477	27,930,477	0
Montana	4,469,788	4,162,804	4,162,804	0
Nebraska	8,986,455	8,783,753	8,783,753	0
Nevada	10,784,108	11,949,338	11,949,338	0
New Hampshire	6,253,844	6,055,091	6,055,091	0
New Jersey	43,402,527	43,455,477	43,455,477	0
New Mexico	10,193,624	9,979,060	9,979,060	0
New York	96,497,959	93,736,495	93,736,495	0
North Carolina	40,800,358	42,591,607	42,591,607	0

STATE/TERRITORY	FY 2003 Actual	FY 2004 Conference	FY 2005 Estimate	Difference +/- 2004
North Dakota	3,125,662	2,842,739	2,842,739	0
Ohio	58,672,936	58,044,098	58,044,098	0
Oklahoma	17,882,011	17,580,815	17,580,815	0
Oregon	17,092,282	17,186,307	17,186,307	0
Pennsylvania	58,864,137	56,664,126	56,664,126	0
Rhode Island	5,087,181	4,802,307	4,802,307	0
South Carolina	20,604,084	19,747,062	19,747,062	0
South Dakota	3,983,713	3,839,337	3,839,337	0
Tennessee	28,625,698	28,550,002	28,550,002	0
Texas	120,756,692	125,093,433	125,093,433	0
Utah	14,660,891	14,786,623	14,786,623	0
Vermont	2,899,054	2,669,490	2,669,490	0
Virginia	35,645,251	36,137,995	36,137,995	0
Washington	30,660,837	30,359,606	30,359,606	0
West Virginia	7,988,473	7,694,611	7,694,611	0
Wisconsin	27,256,249	26,364,342	26,364,342	0
Wyoming	2,475,693	2,350,403	2,350,403	0
Subtotal	1,478,342,719	1,478,342,719	1,478,342,719	0
Technical Assistance	3,260,400	3,260,400	3,260,400	0
Subtotal Adjustments	3,260,400	3,260,400	3,260,400	0
TOTAL RESOURCES	\$1,481,603,119	\$1,481,603,119	\$1,481,603,119	\$0

NOTE: The FY 2003 allotment calculation used Census 2000 data because 1 Jul 01 census estimates have not been published by the Census Bureau.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES

Children's Research and Technical Assistance

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Children's Research and Technical Assistance

Amounts Available for Obligation

	2003 <u>ACTUAL</u>	2004 <u>Estimate</u>	2005 <u>ESTIMATE</u>
Appropriation.....	\$35,385,000	\$52,140,000	\$49,410,000
Offsetting collections....	<u>8,735,000</u>	<u>10,500,000</u>	<u>11,100,000</u>
Subtotal, adjusted budget authority (gross).....	44,120,000	62,640,000	60,510,000
Unobligated balance start of year.....	556,000	1,960,000	0
Recovery of prior-year obligations.....	1,375,000	0	0
Unobligated balance, end of year.....	<u>1,960,000</u>	<u>0</u>	<u>0</u>
Total, gross obligations..	\$44,092,000	\$64,600,000	\$60,510,000

Children's Research and Technical Assistance

SUMMARY OF CHANGES

FY 2004 Estimate	<u>\$52,140,000</u>
(Obligations, gross).....	<u>64,600,000</u>
 FY 2005 Estimate	 <u>49,410,000</u>
(Obligations, gross).....	<u>60,510,000</u>
Net change	<u>-2,730,000</u>
(Obligations, gross).....	<u>-4,090,000</u>

	<u>2004 Estimate</u>	<u>Change from Base</u>
Increases:		
A. Built-in:		
1. Increase due to higher child support collections estimated in FY 2004.....	34,140,000	+270,000
Total Increases		+\$270,000
Decreases:		
A. Built-in:		
1. Decrease due to one-time reauthorization of Child Welfare Study for 6 months during FY 2004	3,000,000	-3,000,000
Total Decreases		-\$3,000,000
Net Change.....		-\$2,730,000

Children's Research and Technical Assistance

Budget Authority by Activity

	<u>2003 ACTUAL</u>	<u>2004 Estimate</u>	<u>2005 ESTIMATE</u>
Training and Technical Assistance	\$11,795,000	\$11,380,000	\$11,470,000
Federal Parent Locator Service	23,590,000	22,760,000	22,940,000
Child Welfare Study ¹	0	3,000,000	0
Welfare Research ¹	0	15,000,000	15,000,000
	-----	-----	-----
Total, Budget Authority	\$35,385,000	\$52,140,000	\$49,410,000

¹ Amounts for FY 2003 were appropriated in the discretionary side of the budget.

Children's Research and Technical Assistance

Budget Authority by Object

	<u>2004</u> <u>Estimate</u>	<u>2005</u> <u>ESTIMATE</u>	<u>Increase</u> <u>or</u> <u>Decrease</u>
<u>Personnel Compensation:</u>			
Full-time permanent (11.1).....	7,194,000	7,461,000	+267,000
Civilian personnel benefits (12.1).....	1,404,000	1,455,000	+51,000
Subtotal, Pay Costs.....	8,598,000	8,916,000	+318,000
Travel and transportation of persons			
(21.0).....	519,000	486,000	-33,000
Transportation of things (22.0).....	19,000	19,000	0
Rental payments to GSA (23.1).....	3,108,000	3,108,000	0
Communications, utilities and			
miscellaneous (23.3).....	444,000	345,000	-99,000
Printing and reproduction (24.0).....	75,000	75,000	0
<u>Other contractual services:</u>			
Advisory and assistance services (25.1)...	18,043,000	17,716,000	-327,000
Other services (25.2).....	2,326,000	2,122,000	-204,000
Purchases of goods and services from			
government accounts (25.3).....	5,173,000	5,803,000	+630,000
Operation and maintenance of facilities			
(25.4).....	1,047,000	1,001,000	-46,000
Research and Development (25.5).....	200,000	200,000	0
Operation and maintenance of equipment			
(25.7).....	9,000	9,000	0
Subtotal, Other contractual services.....	25,751,000	25,850,000	+99,000
Supplies and materials (26.0).....	126,000	111,000	-15,000
Equipment (31.0).....	195,000	180,000	-15,000
Grants, subsidies, and contributions			
(41.0).....	13,500,000	10,500,000	-2,000,000
Subtotal, Non-Pay Costs.....	43,542,000	40,494,000	-3,048,000
Total, budget authority by object class.....	52,140,000	49,410,000	-2,730,000
Total, obligations ¹	64,600,000	60,510,000	-4,090,000

¹ Obligations include fees offset from the States to repay costs associated with offset notice preparation and Federal Parent Locator Service and fees from other federal agencies to repay costs associated with the Federal Parent Locator Services. FY 2004 also includes unobligated funds.

Children's Research and Technical Assistance

Authorizing Legislation

	2004 Amount <u>Authorized</u>	2004 <u>Estimate</u>	2005 Amount <u>Authorized</u>	2005 <u>Estimate</u>
1. Training and Technical Assistance: Section 452(j) of the Social Security Act ¹	Indefinite	\$11,380,000	Indefinite	\$11,470,000
2. Federal Parent Locator Service: Section 453(o) of the Social Security Act ²	Indefinite	22,760,000	Indefinite	22,940,000
3. Child Welfare Study: Section 429 A of the Social Security Act	3,000,000	3,000,000	0	0
4. Welfare Research: Section 413 (h) of the Social Security Act	15,000,000	15,000,000	15,000,000	15,000,000
Total Appropriation	Indefinite	\$52,140,000	Indefinite	\$49,410,000

¹ The amount authorized and appropriated is equal to 1 percent of the total amount paid to the federal government for its share of child support collections for the preceding year.

² The amount authorized and appropriated is equal to 2 percent of the total amount paid to the federal government for its share of child support collections for the preceding year.

Children's Research and Technical Assistance

APPROPRIATIONS HISTORY TABLE

<u>Fiscal Year</u>	<u>Appropriation</u>
1996	36,711,000
1997	59,548,000
Rescission	(21,000,000)
1998	76,440,000
Rescission	(21,000,000)
1999	72,816,000
Rescission	(21,000,000)
2000	59,992,000
Rescission	(21,000,000)
2001	60,627,000
Rescission	(21,000,000)
2002	57,953,000
Rescission	(21,026,000)
2003	35,385,000
2004	52,140,000
2005	49,410,000

Children's Research and Technical Assistance

Justification

	2003 Enacted	2004 Estimate	2005 Estimate	Increase or Decrease
Training and Technical Assistance [obligations]	\$11,795,000 [12,066,000]	\$11,380,000 [12,608,000]	\$11,470,000 [11,470,000]	+\$90,000 [-1,138,000]
Federal Parent Locator Service [obligations]	23,590,000 [32,026,000]	22,760,000 [33,992,000]	22,940,000 [34,040,000]	+180,000 [+48,000]
Child Welfare Study	0	3,000,000	0	-3,000,000
Welfare Research	0	15,000,000	15,000,000	0
Total, net budget authority	\$35,385,000	\$52,140,000	\$49,410,000	-2,730,000
[Total, obligations]	[\$44,092,000]	[\$64,600,000]	[\$60,510,000]	[-\$4,090,000]

General Statement

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) authorizes and appropriates funds for welfare research and technical support for states implementing welfare reform. In addition, the Balanced Budget Act of 1997 (P.L. 105-33) authorizes and appropriates funds for welfare research.

The following activities are supported:

- Training and Technical Assistance - to support the dissemination of information and technical assistance to the states on child support enforcement activities. It is supported by an amount equal to one percent of the amount paid to the federal government for its share of child support collections during the immediately preceding fiscal year.
- Federal Parent Locator Service - to assist states in locating non-custodial parents. It is supported by an amount equal to two percent of the amount paid to the federal government for its share of child support collections during the immediately preceding fiscal year.

- Welfare Research - to conduct research and demonstrations relating to state welfare reform efforts. The budget request includes pending FY 2003 reauthorization of these funds.

Purpose and Method of Operation

Section 345 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 includes two provisions which target funding to the Department to strengthen the federal government's capacity to influence the effectiveness of the child support enforcement program.

The first provision, earmarking an amount equivalent to one percent of the federal share of child support collections in the prior year, has a two-fold purpose: to cover the Department's costs in providing technical assistance to states (including technical assistance related to state automated systems), training of state and federal staff, staffing studies, information dissemination and related activities; and, to support research, demonstration, and special projects of regional or national significance relating to the operation of state child support programs. These activities are key to successful state outcomes in implementing welfare reform and attaining the anticipated benefits of the statute. Amounts under this provision are available until expended.

The second, pertaining to an amount equal to two percent of the federal share of child support collections in the prior year, is directed to cover the Department's costs in operating the Federal Parent Locator Service to the extent that these costs are not recovered through fees. Under welfare reform the mission and scope of the Federal Parent Locator Service was significantly expanded to add two new components--a Federal Child Support Case Registry and a National Directory of New Hires. This expansion has had a significant impact on the program's ability to collect support in interstate child support cases. Interstate cases comprise about one-third of the caseload and are among the hardest for states to work. Amounts under this provision are available on an annual basis.

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 also included funding for welfare reform research. Specifically, funding is authorized for the cost of conducting research; the cost of developing and evaluating innovative approaches for reducing welfare dependency and increasing the well-being of minor children; the federal share of any state-initiated study; the operation and evaluation of demonstrations that were in effect under section 1115 as of September 30, 1995. The child welfare study was reauthorized in this account for six months during FY 2004, however the FY 2005 President's budget reflects funding for Child Welfare research activities within the TANF Research, Demonstration and Technical Assistance Activities budget request, as originally proposed in the reauthorization of PRWORA.

Resource and Program Data
CSE Training and Technical Assistance (Obligations)

	2003 Enacted	2004 Estimate	2005 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula			
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance	\$6,886,028	\$5,592,993	\$3,402,742
Program Support ¹	5,179,972	7,015,007	8,067,258
Total, Resources	\$12,066,000	\$12,608,000	\$11,470,000
<u>Program Data:</u>			
Number of Grants	8	13	13
New Starts:			
#	8	13	13
\$	1,268,349	\$1,500,000	\$1,500,000
Continuations:			
#			
\$			
Contracts:			
#	12	11	11
\$	2,560,266	2,441,000	\$2,441,000
Interagency Agreements:			
#	7	7	7
\$	\$1,300,000	\$1,000,000	\$1,000,000

¹ Includes funding for information technology, salaries/benefits and associated overhead costs.

Resource and Program Data
CSE Federal Parent Locator Services (Obligations)

	2003 Enacted	2004 Estimate	2005 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula			
Discretionary			
Research/Evaluation			
Demonstration/Development	\$7,900,975	\$6,554,857	\$6,554,857
Training/Technical Assistance			
Program Support ¹	24,125,025	27,437,143	27,485,143
Total, Resources	\$32,026,000	\$33,992,000	\$34,040,000
<u>Program Data:</u>			
Number of Grants	4		
New Starts:			
#	4		
\$	\$814,000		
Continuations:			
#			
\$			
Contracts:			
#	4	4	4
\$	\$22,050,000	\$23,000,000	\$23,000,000
Interagency Agreements:			
#	6	6	6
\$	\$3,834,000	\$4,200,000	\$4,500,000

¹ Includes funding for information technology, salaries/benefits and associated overhead, program development, modernization, enhancements, and maintenance costs.

Resource and Program Data
Welfare Research

	2003 Enacted	2004 Estimate	2005 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula			
Discretionary			
Research/Evaluation		\$11,000,000	\$11,000,000
Demonstration/Development		3,000,000	3,000,000
Training/Technical Assistance			
Program Support ¹		1,000,000	1,000,000
Total, Resources		\$15,000,000	\$15,000,000
<u>Program Data:</u>			
Number of Grants		40	40
New Starts:			
#		10	10
\$		\$2,000,000	\$2,000,000
Continuations:			
#		20	20
\$		\$7,000,000	\$7,000,000
Contracts:			
#		8	8
\$		\$4,000,000	\$4,000,000
Interagency Agreements:			
#		5	5
\$		\$2,000,000	\$2,000,000

¹ Includes funding for information technology and administrative fees.

Resource and Program Data
Child Welfare Study

	2003 Enacted	2004 Estimate	2005 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula			
Discretionary			
Research/Evaluation		\$3,000,000	
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources		\$3,000,000	
<u>Program Data:</u>			
Number of Grants		1	
New Starts:			
#			
\$			
Continuations:			
#		1	
\$		\$3,000,000	
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			