

American Recovery and Reinvestment Act of 2009 Impacts to the Temporary Assistance to Needy Families (TANF) Program

**Prepared for the Governor's Office and the ARRA Recovery Team
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Summary

The American Recovery and Reinvestment Act of 2009 (ARRA) was enacted to preserve and create jobs and promote economic recovery and to assist those most impacted by the recession. This was factored into the funding recommendations outlined in this white paper.

The ARRA lifts the restrictions on carry over TANF dollars allowing funds to be used for spending related to TANF benefits or services. The result is that dollars are available to communities and programs that meet the TANF requirements and address the purposes of the ARRA.

Wyoming currently has approximately \$42 million in TANF reserve funds. The Wyoming 2001 Session Law requires \$13.4 million be held in reserve for direct cash assistance. Subtracting \$13.4 million from \$42 million leaves approximately \$28,600,000 available for communities and programs. TANF funds are available to the State as a reimbursement and the carry over funds are **one time funds**. Once obligated, the funds must be spent by the end of the following Federal Fiscal Year. There is not a deadline on when these funds must be obligated.

TANF funds can only be used on programs that address one or more of the following:

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

In addition, the people served by the programs must be families with a child with an income below 185% of the Federal Poverty Level who are at risk of long-term poverty and the programs must promote self-sufficiency.

Funding Recommendations

Each program may be required to submit a sustainability plan prior to receiving funding, including (if applicable) a gradual reduction of TANF dollars as programs become more self-reliant. For example, the reduction of funding by year may be appropriate for Healthy Family Succeed Job

Assist and Wyoming 2-1-1 as the programs move to sustainability. Sustainability plans should address how programs would continue to operate in the absence of these TANF funds.

<i>Agency/Program</i>	<i>Amount</i>
CLIMB Wyoming	\$3,000,000 (\$1,500,000 for 2 years)
Healthy Families Succeed Job Assist/DWS	\$10,914,933 (\$3,638,311 for 3 years)
DWS	\$5,000,000
Wyoming 2-1-1	\$1,835,000 (\$186,100 start up and \$329,780 per year for five years for operations)
Provide Child Care Subsidy	\$3,000,000*
Juvenile Detention Alternative Initiative (JDAI)	\$1,000,000*
Increase Community Partnership Initiative (CPI) Grants and provide a state-wide <i>Request for Proposal (RFP)</i> funding opportunity for local programs.	\$3,850,067
<i>Total</i>	<i>\$28,600,000</i>
*one-time funding only	

CLIMB Wyoming: CLIMB Wyoming plans to expand several services to assist low-income families headed by single mothers during the economic downturn. These services include employer based industry sector training, increased employment services for longer term employment internships, and increased partnerships with employers to bring more employment opportunities to CLIMB participants. CLIMB was recently awarded the self sufficiency TANF dollars through the RFP process. These additional funds would be included in their current contract.

Healthy Families Succeed Job Assist/DWS: Healthy Families Succeed Job Assist is a program administered by DWS. The goal is to work with individuals to establish greater job skills leading to sustained self-sufficiency for Wyoming families receiving state assistance. State program usage data collected through June 30, 2009 indicates there are approximately 18,505 individuals in Wyoming who currently meet the eligibility requirements to participate in Job Assist.

DWS: Funding provided to the Department of Workforce Services would be used to enhance self sufficiency programming provided by DWS or through DWS contracts. These funds would allow the department to serve more people affected by the recession and to fund self-sufficiency programs they were not able to fund with their ARRA dollars.

Wyoming 2-1-1: United Way of Laramie County and Laramie County Community Partnership are collaborating with nonprofit agencies and government to bring 2-1-1 to Wyoming. 2-1-1 is the three-digit dialing code designated in 2000 by the Federal Communications commission to provide widespread public access to community information and referral services. 2-1-1 can provide access to the following types of services: basic human needs resources, physical and mental health resources, employment support, support for older Americans and persons with disabilities, and support for children, youth and families.

JDAI: The Juvenile Detention Alternatives Initiative is based upon eight core, interconnected strategies that address the primary reasons why youth are unnecessarily or inappropriately detained and to work with communities to develop strategies to keep kids out of detention and in their homes. These funds would be used to implement the JDAI in Wyoming.

CPI grants and local RFPs: The Community Partnership Initiative can continue to provide and expand a continuum of services for each county's unique needs. The Department has been

approached by the following programs: WHMI Strong Families Strong Wyoming, Sheridan WyCan, Carbon County Boys and Girls Club, Wyoming Children's Society. These and other programs could formally apply for funding through the RFP process.

Child Care Subsidy: Provide child care payments to providers on behalf of eligible families. ARRA Child Care funds were used to increase the subsidy amount. These funds will be used towards maintaining the benefit amount through the ARRA (March 2012).

***Funding Sustainability is an issue with all programs funded with these dollars.**

Considerations

- ✓ While there is no deadline for the expenditure of these funds, once obligated funds must be spent by the end of the *following* federal fiscal year.
- ✓ **This is one-time money.** While contracts can be spread out over time, once it is spent it is gone.
- ✓ There is a possibility the Federal Government could re-impose the restrictions on these funds before the State could expend them.
- ✓ There is a possibility the Federal Government could retrieve these funds in the event of federal budget shortfalls.