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UNSPENT TANF FUNDS AT THE END OF FEDERAL FISCAL YEAR 2000

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Spending on cash assistance for needy families with children has fallen dramatically since the early 1990s as a result of the declining number of families receiving such assistance. Available federal funding under the Temporary Assistance to Needy Families block grant has not dropped, however, because each state's annual TANF allocation as established in the 1996 welfare law is based largely on the amount of federal welfare funding it received in the early 1990's. Many states have taken advantage of the TANF funds freed up by welfare caseload declines to invest in a wide range of benefits and services for needy families, such as transportation, child care, job training, and substance abuse treatment.

Many states also have left a portion of their TANF funds unspent. Under the 1996 welfare law, funds that a state leaves unspent in a given year are reserved by the federal government and can be accessed by the state in future years. TANF balances have become an important issue in many states because they present an opportunity to implement new investments that help needy families overcome barriers to work and to provide supports that help low-income working families remain employed. The issue of unspent TANF funds also is important because some federal policy makers have proposed reducing TANF funds and using the savings for other purposes. As a result, state officials have been urged by some federal policymakers and interest groups to invest a greater share of their TANF funds in benefits and services that help needy families, and many states have developed and implemented plans to expend their TANF reserves over the next few years.

This paper analyzes unspent TANF funds through the end of federal fiscal year 2000 — September 30, 2000 — based on expenditure data states have prepared for federal reporting purposes. (The federal fiscal year runs from October through September.) It also includes information on the amount of funds states have transferred from TANF to the Child Care Development Fund and the Social Services Block Grant, as well as the level of expenditures states have made from their own funds as part of the TANF maintenance-of-effort requirement. It is an update of earlier Center reports on unspent TANF funds.[1]

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[1]See, for example, *Welfare Balances after Three Years of TANF Block Grants: Unspent TANF Funds at the end of Fiscal Year 1999*, January 12, 2000. (http://www.cbpp.org/1-11-00wel.pdf), or *Unspent TANF Funds in the Middle of Federal Fiscal Year 2000*, August 2000 (http://www.cbpp.org/8-2-00wel.htm)

While these new TANF financial data indicate that many states have a substantial amount of unspent funds, they also show that TANF spending has increased in many states.

- Nationally, the use of TANF funds — i.e., TANF expenditures and TANF funds transferred to either the Social Services Block Grant or the Child Care Development Fund — equaled 93 percent of the FY 2000 national TANF allocation.

- Over half of the states had TANF expenditures and transfers that equaled or nearly equaled their annual TANF grant. In these states, the balance of unspent TANF funds did not increase over the past year.

- In 12 states, TANF expenditures exceeded the annual TANF allotment in FY 2000, which means the states drew from their TANF reserves to help finance their FY 2000 expenditures.

These findings are presented in Table 4. A more detailed report on the use of TANF funds in fiscal year 2000 is forthcoming from the Center on Budget and Policy Priorities.

Data Source

Each state is required to report to the U.S. Department of Health and Human Services on its expenditures of TANF funds on a quarterly basis, using the "ACF-196" federal reporting form. These reports identify expenditures of TANF funds by major category, such as basic cash assistance, education and training, child care, and transportation. The reports also show the extent to which states transferred TANF funds to the social services block grant and the child care block grant, the amount of TANF funds that remain unspent, and expenditures states made from their own funds as a condition of receiving the TANF block grant — known as state maintenance-of-effort (MOE) funds.

The ACF-196 reports for the quarter ending on September 30, 2000 were collected from November 2000 through January 2001 by the Center on Budget and Policy Priorities from the state agencies responsible for preparing the ACF-196 reports — typically the budget, accounting, or federal reporting division of the state's welfare agency. These data have not been verified by the U.S. Department of Health and Human Services and thus should be considered preliminary. In addition, some states may have revised their ACF-196 reports since the time they were obtained for this analysis.

Unliquidated Obligations and Unobligated Funds

TANF funds that a state has not spent (or transferred to another block grant) are reported in two categories on the ACF-196 reports, following traditional budgeting methods: "unliquidated obligations" and "unobligated" funds.

- "Unliquidated obligations" refer to amounts that a state has committed to spend but has not yet spent. For example, this could include funds a state has contracted to pay a private service provider, such as a child care agency, but has not yet paid out because the service has not yet been provided. Unliquidated obligations also could include payments that a state is processing, but has not finalized, for services that already have been provided.

- "Unobligated" TANF funds refer to the funds states have neither spent nor committed to spend as of a given date.

Because unliquidated obligations generally reflect an intent to make expenditures, these reported fund may not be available for spending the way that unobligated funds are. For two reasons described below, however, it is worthwhile to examine the amount of unliquidated obligations in each state when examining unspent TANF balances, as this paper does.

Some funds reported as unliquidated obligations could be considered unobligated funds. The definition of unliquidated obligations has varied from state to state. The definitions appear to vary so widely that some states report *all* TANF funds that have not been expended as unliquidated obligations, while a number of other states report all unspent TANF funds as unobligated and report no unliquidated obligations. (This is illustrated in Table III.)

In states with substantial amounts of unliquidated obligations and little or no unobligated funds, it seems likely that at least a portion of unliquidated obligations reflect funds that generally would be considered unobligated funds. Some state officials have acknowledged in phone conversations with Center on Budget and Policy Priorities staff that all unspent TANF funds are reported as unliquidated obligations, whether the funds have been committed for a specific purpose or not.

The final TANF regulations have given states an incentive to report unspent funds as being obligated. The TANF regulations that went into effect on October 1, 1999 include a new provision that restricts a state's use of unspent funds from prior years. The regulations prohibit states from spending carryover funds on activities other than cash assistance or other forms of ongoing assistance intended to meet a family's basic needs, such as housing.[2] The

[2]The preamble to the final TANF regulations indicates that states can spend funds carried forward from prior years only on activities considered "assistance." (64 FR 17840-41) The term "assistance" is defined in the regulations to include benefits and services that help families meet

federal regulations thus do not allow states to use unspent TANF funds from previous years on many otherwise allowable activities, such as work supports for employed families. These kinds of activities represent a growing share of the use of TANF funds.

The regulations provide one exception to the restriction on use of prior-year TANF funds. Funds that a state *obligates* from its current-year TANF allocation for activities other than ongoing basic assistance can be spent in that year or the following year. If, for example, a state obligated $10 million in TANF funds for transportation services in FY 2000, it would have until the end of FY 2001 to spend those funds on transportation. (Any of those funds not spent by the end of FY 2001 would have to be spent in future years on ongoing basic assistance.) By contrast, if the state did not obligate TANF funds in FY 2000, none of its funds carried forward could be spent on transportation for employed families in FY 2001.

It is likely that this restriction on the use of carryover TANF funds does not greatly limit a state's ability to use TANF funds. States can retain flexibility by using carryover funds to provide cash assistance and using their current-year TANF allocation for other services and benefits. Nevertheless, it appears that some state officials believe this provision limits their flexibility, and this appears to have led a number of states to obligate a substantial amount of their unspent funds from the FY 2000 allocation before the end of fiscal year.[3]

No systematic analysis of the large amount of TANF obligations has been conducted, but it is likely that at least a significant share of the obligated funds are or will become available for new uses. In some cases, TANF funds have been obligated by granting spending authority to counties or other local entities. In these cases, it is likely that the local entities have not committed all available funds, which means that at least some of the funds effectively remain unobligated at the local level. In other states that have obligated large amounts of TANF funds for specific activities, such as child care, it may take a long period to actually expend the large amount of newly obligated funds. In these states, policy makers may decide at a future date to alter the planned use of those funds. This means that a portion of the unliquidated obligations in some states, while reflecting a real obligation of funds, ultimately may be available for other uses.

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ongoing basic needs such as shelter or food, with some exceptions. The regulations specify that many uses of TANF funds are not considered "assistance, " including short-term assistance; child care, transportation, and other work supports for employed families; wage subsidies; state Earned Income Tax Credits; and services such as counseling that do not provide basic income support. (64 FR 17880)

[3]In addition, a number of states obligated a substantial amount of unspent TANF funds prior to October 1, 1999 — when the new regulations went into effect — from their fiscal year 1997, 1998, and 1999 allocations. Because the restrictions were not applicable before October 1, 1999, states that obligated funds before then could spend those funds on non-assistance and were not required to spend them within a year.

TABLE I: Unobligated TANF Funds at the End of Federal Fiscal Year 2000

Table I identifies the level of unobligated TANF funds in each state as of September 30, 2000, the end of federal fiscal year 2000. These are the most recent data available.

The first column identifies unobligated TANF amounts that remain unspent from each state's TANF allocations for fiscal years 1997 through 2000. The second column of Table I measures the accumulated unobligated TANF balance as a percentage of the cumulative amount of TANF funding available to each state from fiscal year 1997 through fiscal year 2000. It thus reflects the portion of all TANF funds available to the state since the inception of the TANF block grant that have not been spent. (Each state's annual TANF allocation is included in Table VI of this report.)

> EXAMPLE: As of September 30, 2000, Mississippi had $62.9 million in unobligated TANF funds. This amount equals 17 percent of the TANF funds that have been available to Mississippi in the period from fiscal year 1997, when TANF was implemented, through fiscal year 2000.

Table I
Unobligated TANF Funds as of September 30, 2000 (end of federal fiscal year 2000)

	Unobligated TANF Funds as of September 30, 2000 *($ figures in millions)*	Unobligated Funds as a Percent of TANF Funds Available*
Alabama	$69.2	17%
Alaska	2.9	1
Arizona	35.1	4
Arkansas	21.1	11
California	0	0
Colorado	0	0
Connecticut	0	0
Delaware	1.1	1
District of Columbia	18.2	5
Florida	3.6	0
Georgia	96.8	7
Hawaii	14.3	4
Idaho	17.4	16
Illinois	0	0
Indiana	40.6	5
Iowa	12.0	2
Kansas	0	0
Kentucky	0	0
Louisiana	169.0	26
Maine	0	0
Maryland	49.5	6
Massachusetts	102.7	5
Michigan	124.8	4
Minnesota	95.5	10
Mississippi	62.9	17
Missouri	0	0
Montana	29.0	17
Nebraska	9.6	4
Nevada	0	0
New Hampshire	8.2	5
New Jersey	0	0
New Mexico	57.7	13
New York	761.0	8
North Carolina	6.0	1
North Dakota	11.5	13
Ohio	216.7	7
Oklahoma	94.4	16
Oregon	0	0
Pennsylvania	0	0
Rhode Island	4.9	1
South Carolina	0	0
South Dakota	14.3	17
Tennessee	100.0	12
Texas	141.2	7
Utah	33.4	10
Vermont	3.2	2
Virginia	0	0
Washington	88.0	6
West Virginia	135.2	33
Wisconsin	40.7	3
Wyoming	40.7	49

* Unobligated funds as a percent of TANF funds awarded from FY 1997 through FY 2000.

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TABLE II: States With Unliquidated Obligations of TANF Funds at the End of Federal Fiscal Year 2000

The figures in Table I do not reflect amounts reported as unliquidated obligations, because such funds generally are not available for new spending initiatives. Unliquidated obligations generally are amounts a state has committed to spend — through contracts that have been established or goods and services that have been received — but has not yet paid out.

Yet, as noted earlier, a number of states report substantial unliquidated obligations of TANF funds. In some states with substantial unliquidated obligations and little or no unobligated funds, at least some of the unliquidated obligations generally would be considered unobligated funds. Some of the states obligated a substantial amount of TANF funds by giving increased spending authority to local welfare agencies. In such states, at least some of these funds may remain unobligated at the local level. In other states where unliquidated obligations increased significantly in recent months, it may be difficult to spend such large amounts over the next year. As a result, policy makers may have the opportunity to re-direct some of those obligated funds to help low-income families in other ways. For both of these reasons, it is important to assess the amounts of TANF funds reported as unliquidated obligations.

Table II identifies the unliquidated TANF obligations in each state as of September 30, 2000. The table also calculates the amount of each state's unliquidated obligations as a percentage of the cumulative amount of TANF funds made available to each state through the end of fiscal year 2000.

> EXAMPLE: At the end of federal fiscal year 2000, Virginia reported $36.8 million in federal TANF funds as unliquidated obligations. The amount of unliquidated obligations is equivalent to 6 percent of the TANF funds that have been available to the state from the inception of its TANF program.

Table II
Unliquidated Obligations of TANF Funds as of September 30, 2000 (end of federal fiscal year 2000)

	Unliquidated Obligations of TANF Funds as of September 30, 2000 *($ figures in millions)*	Unliquidated Obligations as a Percent of TANF Funds Available*
Alabama	$2.7	1%
Alaska	6.8	3
Arizona	65.5	7
Arkansas	0	0
California	1,636.5	11
Colorado	94.2	20
Connecticut	0	0
Delaware	0.1	0
District of Columbia	79.9	21
Florida	432.3	18
Georgia	100.4	8
Hawaii	5.8	2
Idaho	9.0	8
Illinois	0	0
Indiana	91.4	11
Iowa	5.2	1
Kansas	0	0
Kentucky	4.7	1
Louisiana	0	0
Maine	12.1	4
Maryland	54.2	6
Massachusetts	0	0
Michigan	0	0
Minnesota	83.5	9
Mississippi	58.2	16
Missouri	0	0
Montana	0	0
Nebraska	0	0
Nevada	27.7	16
New Hampshire	0	0
New Jersey	379.7	25
New Mexico	0	0
New York	546.7	6
North Carolina	80.1	7
North Dakota	0.1	0
Ohio	504.9	17
Oklahoma	0	0
Oregon	21.4	3
Pennsylvania	437.3	17
Rhode Island	0	0
South Carolina	33.8	9
South Dakota	2.4	3
Tennessee	27.6	3
Texas	41.6	2
Utah	0	0
Vermont	0	0
Virginia	36.8	6
Washington	141.2	9
West Virginia	25.6	6
Wisconsin	284.6	22
Wyoming	16.3	20

* Unliquidated obligations as a percent of TANF funds awarded from FY 1997 through FY 2000.

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TABLE III: Total Unspent TANF Funds at the End of Federal Fiscal Year 2000

As noted in Table II, an examination of unspent TANF funds in any state should include amounts of unliquidated obligations. To get a full picture of the amount of unspent TANF funds in a given state, it may be appropriate to examine the combined amounts of unobligated funds and unliquidated obligations, even though a portion of the obligated funds may be committed for a specific purpose and may soon be spent.

Table III identifies the accumulated amount of unobligated TANF funds in each state as of September 30, 2000 as shown in Table I, and the accumulated amount of unliquidated obligations, as shown in Table II. This table then shows the combined amount of the two types of unspent TANF funds and presents the combined amount as a percentage of the cumulative amount of TANF funds made available to each state through the end of federal fiscal year 2000.

> EXAMPLE: Idaho reported $17.4 million in unobligated federal TANF funds and $9.0 million in unliquidated obligations at the end of federal fiscal year 2000. The total amount of unspent TANF funds was $26.4 million, and this equaled 24 percent of the TANF funds that have been available to the state from the inception of its TANF program.

Table III
Total Unspent TANF Funds as of September 30, 2000 (end of federal fiscal year 2000)

($ figures in millions)	Unobligated TANF Funds as of September 30, 2000	Unliquidated Obligations of TANF Funds as of September 30, 2000	Total Unspent Funds as of September 30, 2000	Unspent Funds as a Percent of TANF Funds Available*
Alabama	$69.2	$2.7	$71.9	17%
Alaska	2.9	6.8	9.8	5
Arizona	35.1	65.5	100.6	11
Arkansas	21.1	0	21.1	11
California	0	1636.5	1636.5	11
Colorado	0	94.2	94.2	20
Connecticut	0	0	0	0
Delaware	1.1	0.1	1.2	1
District of Columbia	18.2	79.9	98.1	26
Florida	3.6	432.3	435.8	19
Georgia	96.8	100.4	197.2	15
Hawaii	14.3	5.8	20.1	6
Idaho	17.4	9.0	26.4	24
Illinois	0	0	0	0
Indiana	40.6	91.4	132.0	16
Iowa	12.0	5.2	17.2	3
Kansas	0	0	0	0
Kentucky	0	4.7	4.7	1
Louisiana	169.0	0	169.0	26
Maine	0	12.1	12.1	4
Maryland	49.5	54.2	103.7	12
Massachusetts	102.7	0	102.7	5
Michigan	124.8	0	124.8	4
Minnesota	95.5	83.5	178.9	20
Mississippi	62.9	58.2	121.0	34
Missouri	0	0	0	0
Montana	29.0	0	29.0	17
Nebraska	9.6	0	9.6	4
Nevada	0	27.7	27.7	16
New Hampshire	8.2	0	8.2	5
New Jersey	0	379.7	379.7	25
New Mexico	57.7	0	57.7	13
New York	761.0	546.7	1307.7	14
North Carolina	6.0	80.1	86.1	7
North Dakota	11.5	0.1	11.6	13
Ohio	216.7	504.9	721.6	25
Oklahoma	94.4	0	94.4	16
Oregon	0	21.4	21.4	3
Pennsylvania	0	437.3	437.3	17
Rhode Island	4.9	0	4.9	1
South Carolina	0	33.8	33.8	9
South Dakota	14.3	2.4	16.8	20
Tennessee	100.0	27.6	127.6	16
Texas	141.2	41.6	182.8	9
Utah	33.4	0	33.4	10
Vermont	3.2	0	3.2	2
Virginia	0	36.8	36.8	6
Washington	88.0	141.2	229.3	15
West Virginia	135.2	25.6	160.8	39
Wisconsin	40.7	284.6	325.3	26
Wyoming	40.7	16.3	57.0	69

* Unspent funds as a percent of TANF funds awarded from FY 1997 through FY 2000.

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Table IV: Use of TANF Funds in FY 2000 as a Percent of FY 2000 TANF Grants

The new data for fiscal year 2000 reveal that states on average are now spending most of their annual TANF allocations. As a result, the balance of unspent TANF funds increased only modestly in fiscal year 2000. In some states, the use of TANF funds in FY 2000 exceeded their annual TANF grant, which means they drew from TANF reserves to fund their TANF program.

Table IV compares the use of TANF funds — TANF expenditures and TANF funds transferred to either the Social Services Block Grant or the Child Care Development Fund — with the state's fiscal year 2000 TANF allocation. The table presents each state's use of TANF funds as a percent of their FY 2000 award.

The table also presents each state's use of TANF funds as a percent of its FY 2000 TANF award less any bonuses awarded during the fiscal year. During the year five states were awarded bonuses of $20 million each for reducing out-of-wedlock births, and 27 states received High Performance Bonus awards that totalled $200 million. Because states could not anticipate receiving these bonuses — and because there is no guarantee of future receipt of bonuses — comparing the use of TANF funds with the basic TANF allocation provides a useful indication of the extent to which states are using TANF funds they can expect to receive each year.

> EXAMPLE: In FY 2000, TANF expenditures and transfers in Arizona totalled $249.1 million. The state's TANF allocation for the year equaled $258.7 million — including a $236 million basic allocation and $22.7 million in bonuses awarded in the middle of the fiscal year. The state's use of TANF funds equaled 96 percent of its total TANF allocation. Arizona's use of TANF funds equaled 106 percent of its basic TANF allocation for FY 2000.

Table IV
Use of TANF Funds in FY 2000 as a Percent of FY 2000 TANF Grants

($ figures in million)	Use of TANF Funds, FY 2000*	FY 2000 TANF Grant	Use of Funds As Percent of Total Grant	FY 2000 Grant Less Bonuses	Use of Funds As Percent of Grant Less Bonuses
Alabama	$85.8	$121.5	71%	$101.5	84%
Alaska	62.9	65.7	96	65.7	96
Arizona	249.1	258.7	96	236.0	106
Arkansas	79.7	61.3	130	61.3	130
California	3,809.7	3,775.6	101	3,730.2	102
Colorado	129.0	146.1	88	146.1	88
Connecticut	269.2	269.2	100	266.8	101
Delaware	35.6	33.9	105	32.3	110
District of Columbia	84.7	112.6	75	92.6	91
Florida	570.6	613.9	93	607.1	94
Georgia	297.1	358.4	83	358.4	83
Hawaii	85.1	99.8	85	98.9	86
Idaho	39.8	33.1	120	33.1	120
Illinois	626.6	626.6	100	585.1	107
Indiana	258.1	215.6	120	206.8	125
Iowa	142.5	132.7	107	131.5	108
Kansas	101.9	101.9	100	101.9	100
Kentucky	176.6	181.3	97	181.3	97
Louisiana	123.6	180.4	69	176.6	70
Maine	66.1	78.1	85	78.1	85
Maryland	210.6	229.1	92	229.1	92
Massachusetts	436.3	469.9	93	459.4	95
Michigan	819.2	797.9	103	775.4	106
Minnesota	224.2	276.6	81	267.2	84
Mississippi	66.2	93.5	71	93.5	71
Missouri	243.8	217.1	112	217.1	112
Montana	38.5	45.1	85	45.1	85
Nebraska	52.6	58.0	91	58.0	91
Nevada	36.9	48.9	75	46.7	79
New Hampshire	41.0	38.5	106	38.5	106
New Jersey	277.4	404.0	69	404.0	69
New Mexico	131.8	132.7	99	132.7	99
New York	2,170.9	2,450.9	89	2,442.9	89
North Carolina	344.6	329.0	105	329.0	105
North Dakota	24.0	27.3	88	26.4	91
Ohio	740.2	728.0	102	728.0	102
Oklahoma	118.0	151.0	78	147.6	80
Oregon	169.2	166.8	101	166.8	101
Pennsylvania	458.5	743.7	62	719.5	64
Rhode Island	92.6	97.5	95	95.0	97
South Carolina	99.4	101.2	98	100.0	99
South Dakota	19.1	21.8	88	21.3	90
Tennessee	190.8	213.9	89	207.5	92
Texas	534.4	541.6	99	525.3	102
Utah	70.3	85.9	82	83.3	84
Vermont	47.1	47.4	99	47.4	99
Virginia	137.1	158.3	87	158.3	87
Washington	383.0	413.9	93	403.3	95
West Virginia	106.1	112.7	94	110.2	96
Wisconsin	313.1	317.5	99	317.5	99
Wyoming	6.9	21.7	32	20.8	33

* This includes TANF expenditures in FY 2000 and TANF funds transferred to either the Social Services Block Grant or the Child Care Development Fund in FY 2000. Funds transferred to these block grants may be spent in the year received, but they also may be reserved for spending in the subsequent year (in the case of SSBG) or the subsequent two years (in the case of CCDF).

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TABLE V: Transfers from TANF to the Child Care Development Fund and the Social Services Block Grant in Federal Fiscal Year 2000

States have the authority to transfer a portion of their annual TANF allocation to the Child Care Development Fund (also known as the child care block grant) and the Social Services Block Grant. The amount transferred to SSBG is limited to 10 percent of the annual block grant, and the combined CCDF/SSBG transfer amount is 30 percent. When TANF funds are transferred to CCDF or SSBG, the rules of those block grants, not TANF rules, govern the use of the funds.

Federal law enacted in 1999 would have limited transfers to SSBG to 4.25 percent of a state's TANF allocation starting in FY 2000, but federal appropriations legislation for FY 2000 and FY 2001 allowed the SSBG transfer amount to remain at 10 percent of the TANF grant.

TANF funds transferred to CCDF can be used to strengthen a state's child care system and expand access to assistance. While states can spend TANF funds directly on child care, transferring these funds to CCDF may be advantageous because it can help states maintain a unified child care system. In addition, TANF funds spent on child care would have time limit and work requirement implications while for non-working families use of CCDF funds transferred from TANF does not carry these restrictions. Thus, it may be advantageous to use TANF funds transferred to CCDF to provide child care to some families, particularly families that are not employed but that also are not receiving a welfare check.

SSBG funds a wide array of social services for families with children as well as single individuals and childless couples, especially the elderly. TANF funds transferred to SSBG can be used for any allowable SSBG service, but only for families with children and incomes below 200 percent of the poverty threshold. Transferring TANF funds may be advantageous because use of SSBG funds does not have time limit or work requirement implications and because some services for needy families allowable under SSBG are not allowable under TANF.

Table V identifies the amount of TANF funds transferred by each state to CCDF and SSBG in federal fiscal year 2000, and it presents those amounts as a share of the state's FY 2000 TANF allocation.

> EXAMPLE: In fiscal year 2000, Illinois transferred $125 million of TANF funds — 20 percent of its FY 2000 TANF grant — to the Child Care and Development Fund. The state also transferred $63 million of TANF funds — 10 percent of its FY 2000 TANF grant — to the Social Services Block Grant.

Table V

TANF Funds Transferred to the Child Care Development Fund And the Social Services Block Grant in Federal Fiscal Year 2000

($ figures in millions)	Transferred to CCDF*	Percent of FY 2000 TANF Grant	Transferred to SSBG*	Percent of FY 2000 TANF Grant	Total Transfer Amount	Percent of FY 2000 TANF Grant
Alabama	$20.3	16.7%	$12.2	10.0%	$32.5	26.7%
Alaska	13.1	20.0	6.5	9.9	19.7	29.9
Arizona	51.7	20.0	25.9	10.0	77.6	30.0
Arkansas	5.0	8.2	2.1	3.4	7.1	11.5
California	111.1	2.9	0	0	111.1	2.9
Colorado	29.2	20.0	14.6	10.0	44	30.0
Connecticut	0	0	24.4	9.1	24.4	9.1
Delaware	4.8	14.3	0	0	4.8	14.3
District of Columbia	18.5	16.4	9.3	8.2	27.8	24.7
Florida	117.6	19.2	60.3	9.8	177.9	29.0
Georgia	51.7	14.4	35.8	10.0	87.5	24.4
Hawaii	0.9	0.9	1.0	1.0	2	1.9
Idaho	6.6	20.0	3.3	10.0	9.9	30.0
Illinois	125.3	20.0	62.7	10.0	188.0	30.0
Indiana	41.4	19.2	20.7	9.6	62.0	28.8
Iowa	26.4	19.9	12.7	9.6	39.1	29.5
Kansas	15.3	15.0	10.2	10.0	25.5	25.0
Kentucky	36.2	20.0	18.1	10.0	54.4	30.0
Louisiana	54.1	30.0	0	0	54	30.0
Maine	7.3	9.4	3.0	3.9	10.4	13.3
Maryland	45.8	20.0	22.9	10.0	69	30.0
Massachusetts	91.9	19.6	47.0	10.0	138.9	29.6
Michigan	9.4	1.2	79.8	10.0	89.2	11.2
Minnesota	17.1	6.2	16.2	5.9	33.3	12.1
Mississippi	18.7	20.0	9.3	10.0	28.0	30.0
Missouri	20.7	9.5	21.7	10.0	42.4	19.5
Montana	7.6	16.9	4.3	9.4	12	26.3
Nebraska	4.0	6.9	0	0	4.0	6.9
Nevada	0	0	0.7	1.4	1	1.4
New Hampshire	0	0	0	0	0	0
New Jersey	79.8	19.7	40.4	10.0	120.2	29.7
New Mexico	19.5	14.7	0	0	19.5	14.7
New York	437.0	17.8	244.0	10.0	681.0	27.8
North Carolina	65.9	20.0	23.0	7.0	88.9	27.0
North Dakota	0.5	1.8	0	0	1	1.8
Ohio	77.5	10.6	72.8	10.0	150	20.6
Oklahoma	30.2	20.0	15.1	10.0	45	30.0
Oregon	0	0	0	0	0	0
Pennsylvania	67.1	9.0	54.9	7.4	122.0	16.4
Rhode Island	4.1	4.2	3.6	3.7	7.7	7.9
South Carolina	1.0	1.0	10.0	9.9	11	10.9
South Dakota	4.4	20.0	2.2	10.0	7	30.0
Tennessee	50.4	23.6	0	0	50.4	23.6
Texas	38.3	7.1	4.4	0.8	43	7.9
Utah	0	0	5.0	5.9	5.0	5.9
Vermont	7.7	16.3	4.7	10.0	12.5	26.3
Virginia	27.7	17.5	15.8	10.0	44	27.5
Washington	100.0	24.2	24.1	5.8	124	30.0
West Virginia	0	0	11.3	10.0	11	10.0
Wisconsin	63.5	20.0	31.8	10.0	95.3	30.0
Wyoming	0	0	2.2	10.0	2	10.0

* Funds transferred to these block grants may be spent in the year received, but they also may be reserved for spending in the subsequent year (in the case of SSBG) or the subsequent two years (in the case of CCDF).

Center on Budget and Policy Priorities

TABLE VI: MOE Spending in Federal Fiscal Year 2000

In order to receive federal TANF funds, states must spend specified amounts of their own funds on activities that meet one of the purposes of the welfare law. The maintenance-of-effort (MOE) requirement under TANF requires states to spend an amount equal to at least 80 percent of the amount spent on AFDC programs in federal fiscal year 1994. States that meet the work participation requirements in the federal law are allowed to reduce state MOE spending to as low as 75 percent of the fiscal year 1994 baseline.

Table VI presents each state's MOE spending level in fiscal year 2000 and measures the MOE spending as a percentage of the MOE baseline. The table shows that three states — Arizona, Idaho, and Montana — reported spending less than the minimum MOE requirement in fiscal year 2000. Because states face fiscal penalties for not meeting the MOE requirement and also must make up for any MOE shortfall through additional expenditures in the following year, state officials generally attempt to meet their MOE requirement each year. It is likely, therefore, that these states will revise their TANF financial reports when further documentation of FY 2000 expenditures is available to show that they did meet the FY 2000 MOE requirement.

> <u>EXAMPLE</u>: Louisiana reported MOE spending in federal fiscal year 2000 totaled $55.4 million, which is equal to 75 percent of the MOE baseline.

Table VI
State MOE Spending in Federal Fiscal Year 2000

NOTE: States must spend at least 80 percent of the MOE baseline (75 percent in some cases) during each fiscal year.

($ figures in millions)	Annual MOE Baseline	FY 2000 MOE Expenditures as of September 30, 2000	Spending as a Percent of the MOE Baseline ("MOE Level")
Alabama	$52.3	$39.2	75.0%
Alaska	65.3	50.2	77.0
Arizona	125.7	93.3	74.3
Arkansas	27.8	23.5	84.7
California	3,634.7	2,905.8	79.9
Colorado	110.5	119.5	108.1
Connecticut	244.6	191.1	78.2
Delaware	29.0	24.3	83.7
District of Columbia	93.9	77.5	82.5
Florida	491.2	372.3	75.8
Georgia	231.2	173.4	75.0
Hawaii	94.9	77.8	82.1
Idaho	18.2	13.0	71.4
Illinois	573.5	441.3	77.0
Indiana	151.4	121.1	80.0
Iowa	82.6	62.0	75.0
Kansas	82.3	74.8	90.8
Kentucky	89.9	72.5	80.7
Louisiana	73.9	55.4	75.0
Maine	50.0	50.7	101.3
Maryland	236.0	177.0	75.0
Massachusetts	478.6	358.9	75.0
Michigan	624.7	468.5	75.0
Minnesota	239.7	191.1	79.8
Mississippi	29.0	23.2	80.0
Missouri	160.2	145.9	91.1
Montana	21.0	15.6	74.3
Nebraska	38.2	28.6	75.0
Nevada	34.0	27.2	80.0
New Hampshire	42.8	32.3	75.5
New Jersey	400.2	300.2	75.0
New Mexico	49.8	40.2	80.6
New York	2,291.4	1,976.8	86.3
North Carolina	205.6	179.3	87.2
North Dakota	12.1	9.1	75.0
Ohio	521.1	392.9	75.4
Oklahoma	81.6	61.1	74.9
Oregon	122.2	91.6	75.0
Pennsylvania	542.8	407.1	75.0
Rhode Island	80.5	82.1	101.9
South Carolina	47.9	36.0	75.1
South Dakota	11.4	8.6	75.3
Tennessee	110.4	88.3	80.0
Texas	314.3	251.4	80.0
Utah	33.7	25.3	75.0
Vermont	34.1	27.4	80.3
Virginia	170.9	128.2	75.0
Washington	362.7	271.8	74.9
West Virginia	43.1	39.2	91.0
Wisconsin	225.2	168.9	75.0
Wyoming	14.1	11.4	80.9

Center on Budget and Policy Priorities

Table VII: Basic Information on TANF and MOE Funds in Fiscal Year 2001

This table provides the amount of each state's fiscal year 2001 TANF allocation. This includes a basic grant in all states and one or more additional grants in other states. The additional grants include grants for states with historically low levels of spending per poor person or high rates of population growth and bonus grants to states with the highest rankings on various performance measures — such as the percentage of cash assistance recipients that go to work in a given year — which total $200 million a year nationally. (This table does not include the bonus grants to states with the greatest reductions in out-of-wedlock births, since they have not been announced for FY 2001 yet.) The total grant for each year equals the basic grant plus the additional grants if the state receives one.

Table VI also provides MOE spending amounts at the 75 percent, 80 percent, and 100 percent of the baseline level (state spending under AFDC in FY 1994). These figures are presented for background purposes.

> EXAMPLE: Florida's basic annual TANF allocation equals $562.3 million. The state is eligible for a supplemental TANF grant, and the fiscal year 2001 supplement totals $60.4 million. The state also received a bonus for high performance of $20.9 million. That results in total TANF funding of $643.6 million in fiscal year 2001. The state would have to spend $368.4 million in state funds to meet the 75 percent MOE level, $392.9 million to meet the 80 percent MOE level, and $491.2 million to meet the 100% MOE level. The MOE baseline is the level of state spending under AFDC in fiscal year 1994.

Table VII
FY 2001 TANF Allocations and MOE Requirements

($ figures in millions)	FY 2001 Basic TANF Allocation	Supplemental TANF grant	High Performance Bonus*	Total FY 2001 TANF Grant	MOE Requirement 75% Level	MOE Requirement 80% Level	MOE Requirement 100% Level
Alabama	$93.3	$11.1	$4.7	$109.1	$39.2	$41.8	$52.3
Alaska	58.8	6.9		65.7	48.9	52.2	65.3
Arizona	218.2	23.9	$6.3	248.5	94.3	100.6	125.7
Arkansas	56.7	6.2	$2.8	65.8	20.8	22.2	27.8
California	3,730.2		$36.1	3,766.3	2,726.1	2,907.8	3,634.7
Colorado	136.1	13.6		149.6	82.9	88.4	110.5
Connecticut	266.8		$2.6	269.4	183.4	195.6	244.6
Delaware	32.3		$0.6	32.9	21.8	23.2	29.0
District of Columbia	92.6		$1.7	94.4	70.4	75.1	93.9
Florida	562.3	60.4	$20.9	643.6	368.4	392.9	491.2
Georgia	330.7	37.3		368.0	173.4	184.9	231.2
Hawaii	98.9		$4.9	103.9	71.1	75.9	94.9
Idaho	30.6	3.5	$1.6	35.7	13.7	14.6	18.2
Illinois	585.1		$16.7	601.8	430.1	458.8	573.5
Indiana	206.8		$2.0	208.8	113.5	121.1	151.4
Iowa	131.5			131.5	62.0	66.1	82.6
Kansas	101.9			101.9	61.7	65.9	82.3
Kentucky	181.3			181.3	67.4	71.9	89.9
Louisiana	164.0	17.0		181.0	55.4	59.1	73.9
Maine	78.1			78.1	37.5	40.0	50.0
Maryland	229.1			229.1	177.0	188.8	236.0
Massachusetts	459.4			459.4	358.9	382.9	478.6
Michigan	775.4			775.4	468.5	499.8	624.7
Minnesota	267.2		$2.6	269.8	179.7	191.7	239.7
Mississippi	86.8	9.0	$2.4	98.2	21.7	23.2	29.0
Missouri	217.1		$5.9	223.0	120.1	128.1	160.2
Montana	43.9	1.1	$2.3	47.3	15.7	16.8	21.0
Nebraska	58.0			58.0	28.6	30.5	38.2
Nevada	44.0	3.7	$2.2	49.9	25.5	27.2	34.0
New Hampshire	38.5			38.5	32.1	34.3	42.8
New Jersey	404.0		$7.6	411.7	300.2	320.2	400.2
New Mexico	126.1	6.6		132.7	37.3	39.8	49.8
New York	2,442.9			2,442.9	1,718.6	1,833.2	2,291.4
North Carolina	302.2	36.1	$8.3	346.6	154.2	164.5	205.6
North Dakota	26.4		$1.3	27.7	9.1	9.7	12.1
Ohio	728.0			728.0	390.8	416.9	521.1
Oklahoma	147.6		$4.1	151.7	61.2	65.3	81.6
Oregon	166.8			166.8	91.6	97.7	122.2
Pennsylvania	719.5			719.5	407.1	434.3	542.8
Rhode Island	95.0			95.0	60.4	64.4	80.5
South Carolina	100.0			100.0	35.9	38.3	47.9
South Dakota	21.3			21.3	8.5	9.1	11.4
Tennessee	191.5	21.6	$9.6	222.7	82.8	88.3	110.4
Texas	486.3	52.7	$24.3	563.3	235.7	251.4	314.3
Utah	76.8	8.7	$1.4	87.0	25.3	27.0	33.7
Vermont	47.4			47.4	25.5	27.3	34.1
Virginia	158.3		$7.9	166.2	128.2	136.7	170.9
Washington	403.3			403.3	272.1	290.2	362.7
West Virginia	110.2		$2.1	112.3	32.3	34.4	43.1
Wisconsin	317.0		$15.9	333.0	168.9	180.1	225.2
Wyoming	20.8		$1.1	21.9	10.5	11.2	14.1

* These represent bonuses awarded for performance in FY 1999.

Center on Budget and Policy Priorities