



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #239

TANF and CCDBG Appropriation Levels (DCF -- Economic Support and Child Care)

[LFB 2009-11 Budget Summary: Page 169, #26]

CURRENT LAW

Federal funding from the temporary assistance for needy families (TANF) block grant and the child care development block grant (CCDBG) is budgeted in two appropriations in the Department of Children and Families (DCF), one for operations and one for aids. These appropriations [s. 20.437(2)(mc) and s. 20.437(2)(md)] are annual appropriations.

GOVERNOR

Create a continuing appropriation in DCF equal to all federal economic stimulus funds received by the state related to the CCDBG for the purposes for which made and received [s. 20.437(2)(mf)]. The bill includes \$30.5 million in funding under this appropriation in the budget for TANF-related programs. The bill would also budget most of the estimated available TANF and CCDBG funds in the existing annual appropriations (\$401.0 million in 2009-10 and \$386.1 million in 2010-11).

DISCUSSION POINTS

1. As shown in Table 1 in Paper #223, it is estimated that there will be a TANF balance of \$17.6 million at the end of the 2009-11 biennium. This balance exists primarily because the state has received federal ARRA funding of \$30.5 million. As drafted in AB 75, these revenues would be deposited into a new continuing, "all moneys received" appropriation in DCF. With this type of appropriation, the Department would be authorized to expend any federal stimulus funds it receives, regardless of the amounts shown in the statutory appropriation schedule.

2. When the TANF program was created, two appropriations were established for the TANF and CCDBG funds, one for aids and one for operations. These appropriations were created as annual (rather than continuing, all monies received) appropriations in order for the Legislature to maintain more effective oversight over TANF expenditures. [Annual appropriations only allow state agencies to spend the amounts shown in the appropriation schedule.]

3. By placing the ARRA funds into a continuing, all monies received appropriation, and budgeting most of the available TANF and CCDBG block grant funds, AB 75 effectively has "over-appropriated" funding in DCF for TANF programs by an estimated \$7.9 million in the biennium. This would allow the Department to spend up to \$7.9 million of the \$17.6 million balance during the 2009-11 biennium without further legislative approval.

4. In order to ensure that the Department could not spend these funds without legislative approval, the Committee could reduce the amounts appropriated in the existing TANF appropriations to levels sufficient to fund budgeted program expenditures in 2009-10 and 2010-11. If DCF wished to access some of the \$17.6 million balance it could do so by requesting release of the funds under s. 16.54 of the statutes, which requires passive review by the Joint Committee on Finance, or by seeking subsequent legislation. The specific funding reductions would depend on other actions by the Committee regarding the TANF budget.

ALTERNATIVES

1. Adopt the Governor's recommendation.
2. Modify the Governor's recommendation to reduce the amounts of TANF and CCDBG funds budgeted in the existing appropriations to amounts sufficient to cover budgeted program costs in 2009-10 and 2010-11. The specific reduction amounts under this alternative would depend on other decisions made by the Committee regarding the TANF budget.

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