

**TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT:  
Side-by-Side Analysis of Budget Uses Proposed by House and Senate**

	<b>2006-07</b>	<b>LBB Estimate for 2008 and 2009</b>	
<b>Federal TANF Revenue</b>	\$1.084 billion	\$1.030 billion  <i>Assumptions: No performance bonuses; supplemental funds for high-poverty, high growing states discontinued starting in 2009 (an annual loss to Texas of \$52.7 million)</i>	
		<b>2008-09 House Proposal</b>	<b>2008-09 Senate Proposal</b>
<b>Federal TANF Spending</b>	\$1.131 billion spent/budgeted as of Jan.'07	\$1.163 billion —\$31 million, or <b>2.8%</b> , increase  By end of 2009: estimated TANF balance of \$30 million	\$1.192 billion —\$61 million, or <b>5.4%</b> , increase  By end of 2009: estimated TANF balance of <b>less than \$385,000</b>
		<b><i>Both proposals spend more federal TANF than Texas is projected to receive in the 2008-09 biennium, spending down the TANF balance (or “surplus”) that built up in the early years of the block grant. In the long run, these proposed levels of federal TANF spending are unsustainable unless Congress increases the TANF block grant. The Senate proposal leaves Texas with no “cushion” in the event of further federal TANF block grant cuts or penalties for failure to meet work participation requirements.</i></b>	
<b>General Revenue (GR) Budgeted for TANF Maintenance of Effort</b>	\$503 million spent/budgeted as of Jan.'07  (\$251.4 million per year)	No change  More than half of MOE would be satisfied through preK funding/ Foundation School Program (about \$145 million/year in 2007). About one-fourth is GR for cash assistance (HHSC)— \$126 million/biennium.	Same as House
<b>Major Issue: Growing and Unsustainable Use of TANF at Dept. of Family and Protective Services</b>	48% of federal block grant funds DFPS	51% of federal TANF would fund DFPS	52% of federal TANF would fund DFPS

<b>Strategy/Program Level Detail (Federal TANF only, biennial amounts, unless otherwise indicated):</b>	<b>2006-07</b>	<b>2008-09 House Proposal</b>	<b>2008-09 Senate Proposal</b>
<b>Department of Family and Protective Services (DFPS) Totals</b>	\$498 million, plus \$46 million for employee benefits	\$537 million, plus \$57 million for employee benefits (9% more)	\$562 million, plus \$58.5 million for employee benefits (14% more)
Foster Care Payments	\$203.4 million	\$217.2 million (6.7% more)	\$215.1 million (5.7% more)  \$11.9 million TANF added to fund 4% <b>rate increase</b> ; \$14 million TANF reduction proposed as part of method of finance for \$2.5 million All Funds increase to cover higher foster care <b>costs</b> (children at higher levels of care)
CPS Direct Delivery Staff (including Reform)	\$184 million	\$211 million (14% more)  \$65.4 million for Reform in HB 15	\$232 million (26% more)  \$8 million to keep family-based safety services caseloads/worker from getting larger; \$13.4 million TANF federal/GR swap (no net increase)
Statewide Intake Strategy	\$18.3 million	\$18.4 million (1% increase)	\$21.2 million (16% increase)  \$2.8 million added to maintain average call center hold time at 9 minutes; House uses \$4 million GR (HB 15) to achieve 8 minute hold times.
Agency Automated Systems	\$11.1 million	\$11.6 million (4.7% increase)	\$11.6 million (5.1% more)  \$45,006 more than House, to handle new statewide intake staff
IT Program Support	\$7.5 million	\$8.3 million (12% more)	\$8.6 million (15% more)  \$256,464 more than House, to fund technology resources for new statewide intake staff

<b>Strategy/Program Level Detail (Federal TANF only, biennial amounts, unless otherwise indicated):</b>	<b>2006-07</b>	<b>2008-09 House Proposal</b>	<b>2008-09 Senate Proposal</b>
DFPS Other: Purchased Services, STAR program, agency support/admin.	\$74 million	\$71 million (4.1% decrease)	Same as House
Funds for minimum wage and staff salary increases		Not included	\$0.5 million for minimum wage; \$2.2 million for salary increase
<b>Health and Human Services Commission Totals</b>	\$286 million, plus \$13 million for benefits	\$279 million, plus \$11.6 million for benefits	\$265 million, plus \$11.6 million for benefits
		<b><i>Both proposals make a \$3.1 million TANF federal reduction as part of a technical adjustment/method of finance swap</i></b>	
TANF Grants	\$170 million	\$141.5 million (17% decrease)	Same as House
		<b><i>Total (federal and MOE) funding for cash assistance would be \$282 million for the biennium, an 11% drop from 2006-07. The projected TANF caseload would drop to 131,820 individuals (primarily children), from 163,769 in 2006 and 137,068 in 2007 (budgeted).</i></b>	
Integrated Eligibility and Enrollment	\$70 million	\$92.2 million (32% increase)  Rider 48: \$19.5 million would create Healthy Marriage Development Program	\$72.4 million (3.3% increase)
Family Violence Services (Title XX transfer)	\$16.8 million	\$16.6 million (1% decrease)	Same as House
Alternatives to Abortion	\$5 million	No change - \$5 million	Same as House
Enterprise Oversight and Policy	\$1.81 million	\$1.79 million (1% decrease)	\$6.99 million (287% increase)  \$5.2 million addition is for Nurse- Family Partnership Program (also would receive \$2.7 million in GR)
Office of Inspector General	\$4.6 million	\$4.8 million (2.6% increase)	\$5.1 million (9.2% increase)  \$303,594 more TANF than House
All Other (TIERS, Consolidated System Support, HHSAS, Agency Support)	\$17.5 million	\$16.7 million (4.6% decrease)	\$17.3 million (1.2% decrease)

<b>Strategy/Program Level Detail</b> <b>(Federal TANF only, biennial amounts, unless otherwise indicated):</b>	<b>2006-07</b>	<b>2008-09 House Proposal</b>	<b>2008-09 Senate Proposal</b>
<b>Texas Workforce Commission</b>	\$194 million	\$183 million (6% decrease)	Same as House
TANF Choices Employment Program	\$174 million	\$169 million (3.3% decrease)	Same as House
Self Sufficiency Program	\$12 million	\$6.2 million (49% decrease)	Same as House
At Risk Child Care	\$4 million	\$4 million – no change	Same as House
All Other	\$3.6 million	\$3.7 million (2% increase)	Same as House
<b>State Health Services (DSHS) –</b> mostly for Family Planning Services (Title XX), children’s mental health	\$41.5 million	No change	Same as House
<b>Assistive &amp; Rehabilitative Services (DARS) -</b> Early Childhood Intervention (ECI) comprehensive services	\$32.2 million	No change	Same as House
<b>Texas Education Agency (TEA) -</b> mostly for school improvement programs, adult education/literacy	\$17.1 million	\$16.9 million (1% decrease)	\$35.3 million (107% increase)  \$18.4 million in added funds would restore preK grants to 2006-07 levels (House would use GR to restore)
<b>TANF Initiatives/Legislation</b>			
Increasing TANF Cash Assistance Recipients’ in Approved Work Activities		<p>Two very different approaches:</p> <p>HB 3759 (Naishtat)/SB 1861 (Zaffirini): would increase Texas’ work participation rate while improving outcomes for families on/leaving welfare, by (1) changing current separate state program for two-parent families into a solely state-funded program that would also serve families with serious barriers to employment who can’t work, need time to comply with work requirements, or require services not meeting the federal definition of approved work activity; (2) providing 6 months of assistance (\$50/month) to families who leave TANF after the expiration of their Earned Income Disregard and who are working enough hours to meet the Choices work requirement; (3) improving the effectiveness of sanction policies; (4) requiring TWC to conduct a post-sanction review with families to make sure they understand what they need to do to come into compliance; (5) removing the current sanction on an adult’s Medicaid for failure to comply with Choices requirements.</p>	

<p>Increasing TANF Cash Assistance Recipients' in Approved Work Activities (continued)</p>		<p>SB 1096 (Janek)/HB 2902 (Harper-Brown)/HB 3677 (J. Davis): would eliminate all current TANF work exemptions (except those mandated by federal law), subject certain non-recipient parents to the Choices work requirement, and give the Texas Workforce Commission the authority to define good cause for failure to meet Choices requirements. <b>More detailed analysis at <a href="http://www.cppp.org/files/3/SB%201861_SB%201096%20comparison.pdf">http://www.cppp.org/files/3/SB%201861_SB%201096%20comparison.pdf</a></b></p>
<p>Nurse Family Partnership</p>		<p>SB 156 (Shapiro)/HB 424: Would create grant program through which registered nurses would visit the homes of 2,000 low-income, first-time mothers to provide services improving economic and health outcomes. Nurses would be trained by Office of Attorney General staff on establishing paternity and would convey paternity/child support information and assistance to the families. Home visits would be made beginning not later than a mother's 28th week of gestation and ending when the child reaches age 2. <b>SB 156 passed Senate April 19 and \$5.2 million in TANF federal/\$2.7 million GR is in Article II (HHSC); HB 424 on House General State Calendar May 4.</b></p>
<p>Healthy Marriage Development</p>		<p>HB 2683 (Chisum): HHSC would have to spend at least 1% of the TANF grant/biennium on programs for low-income persons that support healthy marriages or strengthening of families. Creates Healthy Marriages grant program (max. \$50,000 per grantee). Fiscal impact to TANF federal funds: \$4.9 m/year. <b>Passed House April 12; heard by Senate HHS Committee on May 1.</b></p>
<p>Divorce/Crisis Marriage Education</p>		<p>HB 2684 (Chisum): As introduced, would encourage couples filing for a divorce on grounds of insupportability to attend a crisis marriage education course (at least 10 hours long, within a 48-hour period). Individuals/private organizations could provide the course and charge any fee necessary. For couples unable to pay for the course, TANF funds would be used as a scholarship. (Fiscal impact to TANF federal funds: \$4.9 million/year.) Would also restrict divorce courts from granting a divorce decree on the grounds of insupportability for 2 years after suit had been filed unless the parties had completed a crisis marriage education course, or a protective order had been issued. <b>Point of order on House floor, April 17; committee substitute considered April 18 but does not receive affirmative vote.</b></p>
<p>Premarital Education Course/Marriage License Waiting Period &amp; Fee</p>		<p>HB 2685 (Chisum): Would allow applicants for a marriage license who complete an optional premarital education course to be granted exemptions from the 72-hour waiting period and the \$30 marriage license fee. TANF funds would be used to pay for scholarships for couples unable to afford the course. Fiscal impact to TANF federal funds: \$4.3 million/year. <b>Passed House April 12; heard by Senate HHS Committee on May 1.</b></p>