



New Federal Dollars for New York

The TANF Emergency Contingency Fund in the American Recovery and Reinvestment Act of 2009

August 2009

Part III: How New York Could Use the TANF Emergency Contingency Fund

- The American Recovery and Reinvestment Act of 2009 (ARRA) established the Emergency Contingency Fund (ECF) within the federal Temporary Assistance for Needy Families (TANF) program for states to provide more support to needy families in three areas: basic assistance, non-recurrent short-term benefits and subsidized employment.
- For this purpose, New York has access to \$1.22 billion in additional aid for federal fiscal years (FFYs) 2009 and 2010 through this fund and the regular TANF Contingency Fund.
- New York has qualified for a portion of this amount—\$407 million—from the regular Contingency Fund and now has access to over \$814 million from a combination of both funds.
- The state has access to federal aid for 80 percent of increased costs as 1) reimbursement for actual expenditures, or, 2) upfront funding for estimated new and increased program costs. Any award the state receives through reimbursement may be used for any TANF-related purpose.
- New York’s TANF caseloads must increase beyond their 2008 levels before the state can qualify for ECF reimbursement on any increased basic assistance spending. It can do this by addressing eligibility criteria and/or providing new benefits that meet the TANF definition of basic assistance (for example, a nutritional or food stamp supplement for families receiving federal food stamps).
- If caseloads increase, the state has access to federal funding for 80 percent of resulting increases in basic assistance costs. These could come from the planned monthly cash grant increase and/or other increases to monthly assistance costs (for example, increasing the threshold of the current earned income disregard).
- In non-recurrent short-term benefits, New York could expand emergency assistance or time-limited help with:
 - Security deposits and moving expenses for housing,
 - Short-term legal services (proposed by the Empire Justice Center),
 - Transportation support,
 - Clothing allowances (proposed by the Legal Aid Society of New York), or
 - Other one-shot “stimulus” payments or lump-sum diversion programs.
- In subsidized employment, New York built on its 2009-2010 enacted budget to expand the new Transitional Jobs program to \$25 million using ECF money. It could consider increases also to the Green Jobs program and the Health Care Jobs program.

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With the passage of the American Recovery and Reinvestment Act (ARRA) in February 2009, an Emergency Contingency Fund was established in the federal Temporary Assistance for Needy Families (TANF) program to help states provide assistance to low-income families during the current recession. This fund provides 80 percent federal funding for increased spending by New York and other states in federal fiscal years (FFYs) 2009 and 2010 in three areas: basic assistance, non-recurrent short-term benefits and subsidized employment. This money is available either as reimbursement for actual expenditures or as upfront funding for estimated new or expanded program costs. In all, New York may draw an additional \$1.22 billion—half its annual TANF block grant of \$2.44 billion—over two years.¹

In its April 3, 2009 Policy Announcement, the federal Department of Health and Human Services (HHS) emphasized the importance of using the TANF Emergency Contingency Fund (ECF) to help needy families without work or with low earnings during this recession. It stated specifically that states could use this fund: to “make its basic assistance programs more accessible; expand short-term emergency help to needy families facing eviction, utility shut-offs, or the need to pay a security deposit to secure housing; and expand subsidized employment programs that can provide wage-paying jobs when too few exist in the private labor market.”²

New York has various options for taking such measures in the three categories eligible for federal ECF support.³ The ideas set out below are not prescriptive nor exhaustive, and dollar amounts are provided to indicate possible cost scenarios for expanding emergency help to needy families at this time in New York State. It is important to remember that when *new* federal funds are available for 80 percent of increased program costs, even the remaining 20 percent share may be funded with federal dollars, or, state, local, or third-party money, or some combination of the four.

Basic Assistance –providing more support

In order to qualify for ECF money, New York first needs to increase its caseloads for basic assistance during FFYs 2009 and 2010.⁴ For the first half of FFY 2009, the state’s average monthly caseload of families receiving assistance from TANF programs and from the state’s separate programs for which New York claims maintenance-of-effort expenditures (SSP-MOE) was *lower* than for the same period in FFY 2008, New York’s

¹The exact amount is \$1,221,465,301. It becomes available retroactively as of October 1, 2008, the start of federal fiscal year (FFY) 2009. <http://www.acf.hhs.gov/programs/ofa/policy/pa-ofa/2009/pa200901a.htm>.

² Office of Family Assistance, Temporary Assistance for Needy Families Policy Announcement, No. TANF-ACF-PA-2009-01: *The Emergency Fund for TANF Programs*, April 3, 2009.

<http://www.acf.hhs.gov/programs/ofa/policy/pa-ofa/2009/pa200901.htm>.

³ Research and writing by Sharon Parrott and Liz Schott on this issue at the Center on Budget and Policy Priorities has been instrumental in this analysis, as have their comments on drafts of this issue brief and other briefs in this series by the Fiscal Policy Institute (FPI). Trudi Renwick, formerly Senior Economist at FPI, was very helpful also in providing comments on FPI’s series on the TANF Emergency Contingency Fund.

⁴ See the first of FPI’s ongoing series of issue briefs on this topic, *New Federal Dollars for New York*.

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base year. The same result is likely for the quarter that ended June 30. For the current quarter that ends September 30, 2009, New York's average monthly caseload needs to be higher than 150,150—the number for the same period in FFY 2008. See Table 2 in *Data Tables*.⁵

There are two general ways that New York can increase its caseloads: 1) by addressing eligibility for, or barriers to receiving, ongoing basic assistance, and/or, 2) through providing some new or additional benefit that meets the TANF definition of basic assistance, thereby adding to the state's assistance caseload. Both would have the impact of providing support to more families struggling with the current economic downturn and allow the state to meet the first condition on new federal aid for increased costs. And because New York increased its monthly assistance grant in July 2009, expenditures for assistance after this date are likely to exceed base year expenditures. Thus New York would be able to pull down substantial federal funds if it met the caseload trigger.

To address eligibility, New York could:

1. Repeal the 185 percent of the standard of need criterion.

The increases to New York's unemployment rate and food stamp enrollment since the beginning of 2008 indicate that more families require support during this recessionary time. While some of these families meet current eligibility rules in place for assistance in New York, others miss out though their income may not reach the federal poverty level.

Federal poverty guidelines have increased each year to reflect inflation. However, New York's standard of need used in determining eligibility for assistance has risen only once since 1990. Therefore, the federal poverty level is now significantly higher than New York's standard of need in every county of the state. Since Social Services Law Section 131-a denies assistance to any family with income above 185 percent of the standard of need, many recipients now become ineligible for assistance even before their incomes reach the federal poverty level.

2. Increase the current earned income disregard.

Once recipients start working, their cash assistance grants are reduced. Specifically, after a recipient's first \$90 in earnings, his/her welfare grant is reduced by 52 cents for every additional dollar earned. Since the \$90 threshold has not been increased since 1990, it does not reflect increases in the cost of living. Increasing the initial earnings disregard to \$150 would achieve this purpose.

Between the current earnings disregard and standard of need criteria, many TANF grants to families are eliminated before their incomes reach the federal poverty level. Therefore,

⁵ FPI, *Data Tables*. Table 2: "New York's TANF/MOE caseload was lower in each quarter of FFY 2008 than in FFY 2007—so 2008 would serve as New York's base year for determining its Emergency Contingency Fund award for basic assistance." June 11, 2009.
http://www.fiscalpolicy.org/FPI_TANF_ContingencyFunds2009_Data.pdf.

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New York's investment in these changes would represent substantive support for financially troubled families while working to qualify the state for new federal dollars that could be used here or in other TANF-related programs. Such changes could be part of temporary provisions to help families during the current recession.

3. Review the asset limits for eligibility.

As families lose their sources of income during an economic downturn, they may find themselves with unforeseen cash flow problems. Therefore, while they would need income support of some kind to meet their everyday needs, their assets—such as a car worth more than \$9,300 or savings for anticipated education at a four-year institution—may cause them to be denied public assistance.⁶ If the state tracked data from decisions denying public assistance to families during recessionary periods, it could evaluate the reasons for such denials. New York would then be in a position to consider permanent or temporary changes to the relevant statute (Social Services Law, section 131-n).

To provide new benefits that meet the TANF definition of basic assistance, New York could:

1. Develop a food or nutritional supplement for existing food stamp households with children.

This would provide not only nutritional support to families but also income support as wages or resources could be used for other immediate family needs. Such a supplement could be targeted to families that require additional support for food and could be issued through the existing electronic benefits system. Unlike other forms of increased cash assistance, it would not negatively impact families' federal food stamp benefits.⁷

In 2007, there were approximately 355,000 households with children in New York that received food stamps.⁸ If these families were given an additional stipend per month for food in FFY 2010, these families would expand New York's base of TANF recipients and 80 percent of the total costs for this benefit could be funded by the ECF as well as 80 percent of all other increased spending for basic assistance (see below). Under TANF rules however, a portion of these added recipients would be required to work as part of the state's responsibilities in meeting work participation rates.

⁶ See New York State Social Services Law, section 131-n. Reference provided by Susan Antos, Empire Justice Center, July 1, 2009.

⁷ Colleen Pawling, Center on Budget and Policy Priorities, July 1, 2009 email communication; and Trudi Renwick, Bureau of the Census (formerly Fiscal Policy Institute's Senior Economist), May 2009 communication.

⁸ Dawn Secor, Nutrition Consortium; table with United States Department of Agriculture data for food stamp use in New York and the United States, made available in June 2009. The USDA estimates that only 63 percent of all eligible New Yorkers are receiving food stamps; this number, therefore, under-represents the number of households with children that are likely to receive food stamps if they applied. This federal program is now called the Supplemental Nutrition Assistance Program (SNAP); it will be referred to in this paper by its former name, Food Stamps.

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Some options for New York to provide a monthly food stamp supplement to the approximately 355,000 families currently receiving food stamps are shown in the table below.

Additional supplement per month	Total annual cost of additional supplement	New federal funds for 80% of total cost	Remaining 20% share of total cost
\$15	\$63,900,000	\$51,120,000	\$12,780,000
\$25	\$106,500,000	\$85,200,000	\$21,300,000
\$40	\$170,400,000	\$136,320,000	\$34,080,000

If New York's caseloads increase, the state could:

1. Request federal reimbursement for monthly grant increases.

New York's recent budget increased the monthly cash assistance grant by 10 percent to \$320 in July 2009 and another 10 percent increase to \$352 will take effect in July 2010. Both of these increases will fall within FFYs 2009 and 2010 (this time period covers only the first three months of the second increase). A rough estimate for the cost of providing the first grant increase for TANF and SSP-MOE recipients from July 1, 2009 through March 30, 2010—or the last nine months of state fiscal year 2009-2010—is approximately \$25 million.⁹ This represents an \$8.3 million cost each quarter. If caseloads increase above 2008 levels, New York could request ECF reimbursement for 80 percent of this cost: \$20 million over the nine months, or \$6.7 million per quarter. New federal participation in this cost becomes more worthwhile to the state as caseloads rise and as the grant goes up again in July 2010.

Total cost for nine months of monthly grant increase	New federal funds for 80% of total cost	Remaining 20% share of total cost
\$25,000,000	\$20,000,000	\$5,000,000

Non-recurrent short term benefits—increasing economic security

By definition, a recession is a period of time when the economy is negatively affected by an overall decline in aggregate demand. Unemployment and underemployment both increase during recessions, while the average number of hours worked per week and average hourly wages both decline. Lower income households are particularly affected. As recent Fiscal Policy Institute reports have documented, the current recession is no exception to these norms. While we hope that the current recession is coming to an end, the negative effects on employment and incomes are likely to linger on for a while, even

⁹ \$25 million out of the total \$40 million nine-month cost for the monthly grant increase is a rough estimate derived from the portion of claims for assistance represented by the TANF and SSP-MOE caseload compared to the whole temporary assistance caseload—approximately 62.5 percent. This estimate was calculated using two years of claims data from the Office of Temporary and Disability Assistance monthly caseload statistics at <http://www.otda.state.ny.us/main/bdma/2009/2009-03-stats.pdf>, Tables 21, 22 and 23.

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if they do not persist for as long as they did during the prolonged job-loss recovery that followed the 2001 recession.

For these reasons, the inclusion by Congress of non-recurrent short-term benefits as an eligible use of the TANF Emergency Contingency Fund makes a great deal of sense. New York and other states are likely to see increased expenditures for established programs of non-recurrent short-term benefits, but the opportunity also exists to establish additional initiatives of this type during the current downturn. The options discussed below for short-term or one-time assistance are examples of additional temporary measures that New York could put in place while federal dollars are available to pay for 80 percent of any spending that exceeds the overall amount spent for non-recurrent short-term benefits during the base year.

1. Develop emergency assistance coverage to include, for example, security deposits for rental housing as part of a moving expenses benefit.

New York operates various assistance programs that can help individuals facing eviction and homelessness. However, these programs have technical rules that often result in needy families being denied one shot grants that would prevent homelessness. For example, to be eligible for Emergency Assistance to Families (EAF) for this purpose, the applicant has to show that the eviction or loss of housing was unforeseeable.¹⁰ And diversion payments, which can be paid to those not on public assistance, cannot be used to pay security deposits.¹¹

In cases where EAF is not available for this purpose, grants could be provided for 1) a security deposit; 2) first month's rent; 3) other required move-in fees for applications, redecorating or last month's rent; and 4) moving expenses. Grant amounts could be locally based and available on a first-come, first-served basis. In Albany, for example, a total \$2,500 may be appropriate for such expenses; options for the state to provide a moving expenses benefit based on this amount are shown in the table below.

Number of recipients	Total cost at \$2,500 per family	New federal funds for 80% of total cost	Remaining 20% share of total cost
10,000 families	\$25,000,000	\$20,000,000	\$5,000,000
25,000 families	\$62,500,000	\$50,000,000	\$12,500,000

2. Provide short-term legal services.

Funding for legal services is inadequate to meet current needs. In *Documenting the Justice Gap in America*, the federal Legal Services Corporation found that only one in five legal problems experienced by low income individuals is met with legal assistance.¹² Many families who have never confronted the public benefits system may be most in

¹⁰ New York State Office of Temporary and Disability Assistance (OTDA) Administrative Directive 03-ADM-11.

¹¹ New York State OTDA Informational Letter 00 INF-3.

¹² Legal Services Corporation, *Documenting the Justice Gap in America, Second Edition*, June 2007.

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need of assistance to navigate these legally complex systems. Non-recurrent short-term benefits are an appropriate means to help families secure and maintain the benefits they need to survive this economic downturn.

Specifically, legal services could be used by families in response to evictions, utility shutoffs, and agency determinations on basic and medical assistance, food stamps, and unemployment compensation. For this last benefit, the legal requirements concerning type of job loss, worker eligibility, qualifying periods and continued availability for work determine whether this critical economic support is made available. Providing legal services to assist parents or children with disabilities to apply for Supplemental Security Income (SSI) would be an appropriate use of ECF money, too. New York could supplement its current Disability Advocacy Program (DAP) with funds aimed at providing short-term legal assistance to qualifying families. The state provides \$1 million in TANF funds to DAP already for similar purposes.

The four-month benefit period defined by this category may not be adequate to meet complex and long-term legal needs. However, four months is sufficient time to get potential recipients connected to legal services and to provide necessary one-time representation in some cases. Indeed, states can use the ECF to provide “short-term case management and intervention services to families that may be facing the loss of benefits...” Legal assistance would be one such intervention.¹³

Income eligibility for these legal services could be 200 percent of the federal poverty level and the cost for such services would be based on the type and scope of the case. The state could contract for discrete service areas (eviction prevention, benefit assistance, utility issues, unemployment insurance benefits, etc.) or it could provide more comprehensive contracts to meet a range of legal needs. Under such contracts, the state could fund legal services to create “rapid response teams” to meet critical and immediate legal needs of TANF-eligible households. Possible scenarios for providing legal services are outlined below.

Number of recipients	Total cost at an average \$1,500 per recipient	New federal funds for 80% of total cost	Remaining 20% share of total cost
10,000 recipients	\$15,000,000	\$12,000,000	\$3,000,000
20,000 recipients	\$30,000,000	\$24,000,000	\$6,000,000

3. Expand transportation support.

In the existing *Wheels for Work* program across New York, many local districts assist families with incomes up to 200 percent of the federal poverty level to obtain drivers’ licenses and registration fees, defensive driving and vehicle maintenance skills and then

¹³ Schott, Liz, Center on Budget and Policy Priorities, Opportunities Under the TANF Emergency Fund Created by the Federal Recovery Act, July 29, 2009.

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finally vehicles as well.¹⁴ While this program is not currently defined or reported to the federal government as a non-recurrent short-term benefit, it is a TANF program and does provide time-limited assistance. In fact, the federal Administration for Children and Families (ACF) in HHS has confirmed that New York could explore and likely meet the necessary requirements for this program to fulfill the TANF definition of non-recurrent short-term benefits.

As of August 31, 2008, 1,890 participants were served in *Wheels for Work* for almost \$3 million in total costs. This breaks down to approximately \$1,600 for each recipient.¹⁵ Expanding this program to 7,500 participants, for example, would result in \$9 million new program costs. The state is moving in this direction already through the recent budget increase of \$3 million for this program using regular TANF contingency funds (see Table 1 in *Data Tables*).¹⁶ If the state submits descriptions and estimates for such expansion to HHS prior to implementation, it could draw down additional federal funds to pay for 80 percent of increased costs. An option for broader expansion is included in the table below.

Number of recipients	Total cost at \$1,600 per family	New federal funds for 80% of total new cost	Remaining 20% share of total new cost
7,500	\$12,000,000 (\$9,000,000 new cost)	\$7,200,000	\$1,800,000
12,000	\$19,200,000 (\$16,200,000 new cost)	\$12,960,000	\$3,240,000

4. Provide a one-time payment to families or households with children. This could be timed to serve as a Back-to-School/Clothing Allowance.

The ARRA provided for a one-time economic recovery payment of \$250 at the end of May 2009 to people who receive Social Security, Supplementary Security Income, Railroad Retirement and Veterans benefits. In total, about \$13.25 billion in such payments will be issued to nearly 55 million beneficiaries across the United States.¹⁷ And New York’s share of this federal one-shot stimulus is estimated at \$166 million.¹⁸ Another similar “stimulus payment” could be provided in New York to either needy families in general or based on the number of children in a lower-income household.

¹⁴ New York State Department of Labor.

<http://www.labor.state.ny.us/workforcenypartners/promisingpractices2/orangedesc2processattd.htm>.

¹⁵ New York State Office of Temporary and Disability Assistance, *Wheels 2007-2008 Matrix.pdf* provided by Susan Antos, Empire Justice Center in May 2009.

¹⁶ FPI, *Data Tables*. Table 1: “In the 2009-2010 state budget, New York used its FFY 2009 regular Contingency Fund award to pay for over \$400 million in TANF-related programs.” June 11, 2009. http://www.fiscalpolicy.org/FPI_TANF_ContingencyFunds2009_Data.pdf.

¹⁷ Statement of Michael J. Astrue, Commissioner of Social Security, Testimony before the House Committee on Ways and Means, Subcommittees on Social Security and Income Security and Family Support, Hearing on Disability Backlogs and Related Service Delivery Issues, March 24, 2009 at http://www.ssa.gov/legislation/testimony_032409.htm.

¹⁸ <http://economicrecovery.ny.gov/DirectAid/aidnewyork.htm>.

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In the table below, there are two examples for implementing this approach based on families. If the approximate 152,000 TANF and SSP-MOE families were provided with a one-shot payment of \$250 each, this would result in a total cost of \$38 million of which the federal government would provide \$30.4 million in ECF funds and New York would pay \$7.6 million. For a broader impact, if Food Stamp households with children in New York were given \$200, approximately 355,000 families would benefit from this payment. In this scenario, a total estimated cost of \$71 million would draw \$56.8 million in ECF support from the federal government for a \$14.2 million investment from the state.

Alternatively, the Legal Aid Society of New York has developed a proposal for a Clothing or Back-to-School Allowance in which a one-time payment in the fall would be based on the number of children in a household.¹⁹ Approximately 870,000 children in New York receive food stamps and about 288,000 of these children are in households receiving public assistance.²⁰ If each of these children received \$200, the total estimated investment of \$174 million would consist of \$139 million in new federal ECF funds while the state would be responsible for the remaining \$35 million.

To reach a larger number of people, this payment could be provided to all children on Medicaid or New York's Child Health Plus program whose household income is at or below 200 percent of the federal poverty level. There are approximately 2,500,000 children in this group (over 2,000,000 were on Medicaid in June 2007);²¹ if each child received \$100, the federal government would pick up \$200 million of the estimated \$250 million total cost for this benefit.

	Size of payment	Total cost	New federal funds for 80% of total cost	Remaining 20% share of total cost
All TANF & SSP-MOE Families	\$250	\$38,000,000	\$30,400,000	\$7,600,000
All Food Stamp households with children	\$200	\$71,000,000	\$56,800,000	\$14,200,000
All children on Food Stamps	\$200	\$174,000,000	\$139,000,000	\$35,000,000
All children on Medicaid/Child Health Plus	\$100	\$250,000,000	\$200,000,000	\$50,000,000

¹⁹ Ken Stephens, Legal Aid Society of New York, New York, New York.

²⁰ New York State Office of Temporary and Disability Assistance estimates based on Spring 2009 food stamp caseload figures (see <http://www.otda.state.ny.us/main/bdma/2009/2009-03-stats.pdf>) and relayed during June 2009 meetings and email communications.

²¹ Kaiser Commission on Medicaid and the Uninsured, *SCHIP Enrollment in June 2007: An Update on Current Enrollment and SCHIP Policy Direction*, January 2008 (Publication7642-02) (http://www.kff.org/medicaid/upload/7642_02.pdf) and *State Medicaid Fact Sheets: New York and United States* (<http://statehealthfacts.org/mfs.jsp?rgn=34&rgn=1>).

An advantage of the two options above is that the administrative mechanism that exists currently to provide the base benefit—Food Stamps and Medicaid/Child Health Plus—could be used to identify recipients and implement the payment.

5. Provide a lump-sum diversion program.

This represents an option to help families avoid ongoing public assistance. For example, families on unemployment whose incomes are below 200 percent of the federal poverty level could receive a small to moderate one-time stimulus payment similar to the options outlined above.

Subsidized employment—providing effective training and work experience

Overall, New York has underutilized the training, education and work experience options available through the TANF program.²² Investing more funds in subsidized employment would support the state's effort to meet its work participation rates under the TANF rules. However, participants in these work programs do not have to be members of families that receive TANF cash assistance. New York could expand new and existing TANF programs for subsidized employment in the current budget as a first step to harnessing available ECF dollars. Current funding for these programs is from federal TANF block grant and regular contingency fund money. Therefore, if New York applies for ECF dollars based on increased spending in this category, the state would be using existing federal funds to generate new federal funds.

In fact, the state has decided recently to enlarge the new Transitional Jobs program from its initial \$5 million investment with TANF dollars to a total \$25 million, drawing on \$20 million in new Emergency Contingency Funds. Transitional jobs programs are a valuable means for helping individuals with different barriers to sustained employment receive a range of skills-building services towards succeeding in the non-subsidized labor market. Transitional jobs programs are flexible regarding length of time, type of employer, role and set of skills training and population served. Employees in these programs receive wages, pay into Social Security and qualify for tax credits and unemployment insurance.²³ The recent expansion of this program could serve as a model for expanding other programs; see below.

²² “Work Subsidies” as an area of TANF block grant spending represented only 0.7 percent of total expenditures in 2005; this decreased to 0.1 percent in 2008. In 2005, only 4.7 percent of the average monthly number of TANF participants (counted as families meeting work requirements) were engaged in subsidized public employment and none were involved in subsidized private employment. This figure went down to 1.8 percent in 2006 even though subsidized private employment engaged 1.5 percent of TANF adults. See <http://www.acf.hhs.gov/programs/ofa/particip>.

²³ Renwick, Trudi, Fiscal Policy Institute, *Transitional Jobs: Return on Investment Study*, 2008; and Baider, Allegra and Elizabeth Lower-Basch, Center for Law and Social Policy, *Making the Employment Connection: New Opportunities to Support Transitional Jobs Programs Using the TANF Emergency Contingency Fund*, March 17, 2009.

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The amounts used for anticipated federal reimbursement in these options and in Table 6 of Data Tables, *Applying for upfront funding based on estimated costs could increase federal dollars for New York five-fold*, are dependent on final adjustment of past expenditures in this category which New York will need to submit for 2007 and 2008.²⁴ Such information will be used by the federal government for determining increases in spending by the state during FFYs 2009 and 2010.

1. Expand other new subsidized employment programs in the enacted 2009-2010 state budget.

Existing TANF appropriations of \$5 million each for the Green Jobs and Health Care Jobs programs in the most recent budget can be approached in the same way that the Transitional Jobs program was enlarged. Estimated costs could be submitted to HHS for additional federal funding prior to implementation—up to \$20 million for each program for a total of \$40 million. The state could instead rely on reimbursement for actual expenditures; this would result in a total of \$8 million between the two programs. ECF funds at this point could be used for any TANF-related purpose.

2. Use the enacted increase to the Wage Subsidy program to draw down new federal funds.

The existing Wage Subsidy program could be expanded with the same result as for the above programs. The 2009-2010 state budget appropriated \$10 million more TANF dollars for the program this year. This increase could be used to attract up to \$40 million in new ECF money as the 80 percent share in total new costs. The state could rely alternatively on reimbursement for actual expenditures; this would result in \$8 million new federal dollars. Again, ECF funds at this point could be used for any TANF-related purpose.

3. Evaluate the Summer Youth Employment program for increased spending.

This subsidized employment program could be assessed for expansion and any new spending would allow the state to apply for either ECF reimbursement on 80 percent of actual increases or 80 percent ECF funding of upcoming new program costs. Since summer youth employment received substantial new funds through the ARRA, an alternative relevant use for ECF money here could be to continue jobs throughout the year for young people who stay in school.²⁵

²⁴ FPI, *Data Table*. Table 6: “Applying for upfront funding based on estimated costs could increase federal dollars for New York five-fold.” August 11, 2009.

http://www.fiscalpolicy.org/FPI_TANF_ContingencyFunds2009_Data2.pdf.

²⁵ Comments from Sharon Parrott, Center on Budget and Policy Priorities, June 2009.