My name is Carolyn Boldiston and I am a Senior Fiscal Policy Analyst with the Fiscal Policy Institute. The Fiscal Policy Institute (FPI) is a nonpartisan research and education organization that focuses on the broad range of tax, budget, economic and related public policy issues that affect the quality of life and the economic well-being of New York State residents. Founded in 1991, FPI’s work is intended to further the development and implementation of public policies that create a strong economy in which prosperity is broadly shared by all New Yorkers. Thank you for the opportunity to submit this written testimony.

This testimony covers the following topics:

I. Trends in public assistance participation and poverty in New York State.

II. New York’s utilization of the federal Temporary Assistance for Needy Families (TANF) block grant:
   A. Basic Assistance Spending and ‘Surplus’ Funds; 
   B. Public Assistance Grant; 
   C. Initiatives; 
   D. Flexible Fund for Family Services; 
   E. Child Care Spending; 
   F. State Maintenance-of-Effort Spending and Total Spending.

III. Recommendations for the 2013-2014 state fiscal year.
Over the last eighteen years, the interaction of two major developments—1) dramatic reductions in the number of needy families receiving governmental cash assistance and 2) major changes in the way that the federal government shares in the costs incurred by the states in providing such assistance and related services—have given the states a substantial level of resources that can be used with an unprecedented degree of flexibility in meeting the needs of low-income families.

This testimony reviews these developments as part of New York’s spending under the federal Temporary Assistance for Needy Families (TANF) block grant program that provides a fixed annual allocation of $2.443 billion to the state to provide needy families with assistance.\(^1\) Even though authorization of the TANF program expired on September 30, 2010, Congress has not yet taken action to reauthorize it and has extended it several times. The most recent extension was through the Continuing Resolution for fiscal year 2013 that extends TANF through the end of March 2013.

I. Trends in public assistance participation and poverty in New York State

How many people receive public assistance in New York State?

In New York State, the total number of people receiving public assistance has declined by more than 1 million in eighteen years, from 1,643,832 in January 1995 to 581,005 in December 2012 (state administrative data), a decrease of 65 percent. And the number of people receiving federally-funded assistance (i.e., through the TANF program) has declined from 980,022 in December 1997 to 279,663 in December 2011 (federal administrative data), a decrease of 71 percent.

State administrative data through March 2012\(^2\) show marked decreases in participation in Family Assistance, New York’s program for TANF-funded assistance, alongside increases in the state and locally-funded Safety Net Assistance (SNA) program that provides assistance to individuals, childless couples and most families that have exhausted their 60-month limit for participating in the TANF program. While there was some increase in Family Assistance participation during the recent Great Recession—rising by 5.7 percent from March 2008 to March 2010—participation in this program has declined by 57 percent from 2001 to 2012. Participation in Safety Net Assistance, however, increased 161 percent over this same time period. See Figure 1.

Much of this change is due to the increasing number of families on Safety Net Assistance. The number of child recipients as a proportion of total Safety Net Assistance recipients has increased dramatically from 4 percent in March 2001 to 36 percent in March 2012. In 2001, there were 5,256 children on Safety Net Assistance and in 2012, there were 113,962; an increase of over

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\(^1\) The Temporary Assistance for Needy Families (TANF) program that replaced the federal Aid to Families with Dependent Children (AFDC) program in 1996 (and became effective in 1997) was reauthorized in February 2006 as part of the Deficit Reduction Act of 2005.

Safety Net Assistance participation is going up while Family Assistance participation is going down.

FIGURE 1

2,000 percent. And while the number of SNA adult recipients increased by 74 percent over the same time period, from 115,568 to 201,299, children now represent over a third of Safety Net Assistance recipients. Altogether, children represented 54 percent of all temporary assistance recipients in March 2012.

Proportionally, there has been a greater increase in both programs outside of New York City in the last four years. In Family Assistance, there was a 29 percent growth in the rest of the state (labeled as ROS in the table below) compared to a decrease of seven percent in New York City. In Safety Net Assistance, this increase was 36 percent compared to an eight percent rise in New York City. The majority of all temporary assistance recipients though reside in New York City: 55 percent of Family Assistance recipients and 66 percent of Safety Net Assistance recipients in March 2012. See the table below.

<table>
<thead>
<tr>
<th>March</th>
<th>Family Assistance Recipients</th>
<th>Safety Net Assistance Recipients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NYS</td>
<td>NYC</td>
</tr>
<tr>
<td>2001</td>
<td>598,494</td>
<td>430,623</td>
</tr>
<tr>
<td>2002</td>
<td>374,266</td>
<td>242,472</td>
</tr>
<tr>
<td>2003</td>
<td>322,840</td>
<td>202,533</td>
</tr>
<tr>
<td>2004</td>
<td>325,862</td>
<td>203,087</td>
</tr>
<tr>
<td>2006</td>
<td>295,318</td>
<td>184,115</td>
</tr>
<tr>
<td>2007</td>
<td>254,424</td>
<td>159,904</td>
</tr>
<tr>
<td>2008</td>
<td>242,136</td>
<td>151,471</td>
</tr>
<tr>
<td>2009</td>
<td>244,003</td>
<td>149,861</td>
</tr>
<tr>
<td>2010</td>
<td>255,822</td>
<td>152,628</td>
</tr>
<tr>
<td>2011</td>
<td>257,705</td>
<td>145,078</td>
</tr>
<tr>
<td>2012</td>
<td>257,496</td>
<td>140,680</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Percent Change</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001 to 2012</td>
<td>-57.0% -67.3% -30.4%</td>
</tr>
<tr>
<td>2008 to 2012</td>
<td>6.3% -7.1% 28.8%</td>
</tr>
<tr>
<td>2011 to 2012</td>
<td>160.9% 136.4% 225.6%</td>
</tr>
</tbody>
</table>

How do these numbers relate to the number of people who are poor in New York State?

Since the Great Recession began, existing high rates of poverty have continued to climb, especially in the major upstate cities compared to New York City and the state overall. In 2008, 13.6 percent of all New Yorkers lived below the poverty level; this rate was higher in New York City at 18.2 percent and close to or at 30 percent in Buffalo, Rochester and Syracuse. By 2011, the poverty rate had risen to 16.0 percent statewide, 20.9 percent in New York City and 35.5 and
36.7 percent, respectively, in Rochester and Syracuse. These rates are worse for children; half, or very close to half, of all children in Syracuse, Rochester, Buffalo and Schenectady lived in poverty in 2011. See Figure 2.

Significantly, a much smaller share of needy families in New York State receives TANF public assistance benefits now, 35 percent, compared to 16 years ago when 81 percent of families in poverty received Aid to Families with Dependent Children. These statistics raise serious questions about the ability of the TANF program, as currently structured, to respond to poor families’ needs during severe economic downturns. See the table below and Figure 3.

<table>
<thead>
<tr>
<th>Families with children</th>
<th>1994-1995</th>
<th>2010-2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>…on AFDC/TANF</td>
<td>455,400</td>
<td>157,600</td>
</tr>
<tr>
<td>…in poverty</td>
<td>564,100</td>
<td>453,600</td>
</tr>
<tr>
<td>AFDC/TANF families as a percentage of families in poverty</td>
<td>81%</td>
<td>35%</td>
</tr>
</tbody>
</table>


II. New York’s utilization of the federal Temporary Assistance for Needy Families (TANF) block grant.

A. Basic Assistance Spending and ‘Surplus’ Funds

*How much federal TANF money does New York State receive each year to provide assistance and support to needy families?*

New York State receives a fixed annual TANF block grant of $2.443 billion. During and since federal fiscal year 2009, the state has also received additional TANF funding through the ‘regular’ TANF Contingency Fund and the TANF Emergency Contingency Fund (ECF). These two contingency funds have supplied close to $1.8 billion additional dollars to the state and have affected the use of TANF dollars beginning with state fiscal year 2009-2010. For the upcoming

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5 The TANF Contingency Fund (sometimes referred to here as the ‘regular’ or reserve Contingency Fund) was set up as a national fund during reauthorization of the Temporary Assistance to Needy Families block grant program in 2006 for states to apply for additional funds during economic downturns. States may access the fund by meeting either of two triggers: an increase to the state’s SNAP (food stamp) enrollment or an increase in the state’s unemployment rate. See section II at http://www.acf.hhs.gov/programs/ofa/policy/pi-ofa/2008/200804/pi200804.htm. The TANF Emergency Contingency Fund was available only during the 2009 and 2010 federal fiscal years. It was established by the American Recovery and Reinvestment Act (ARRA), signed into law by President Obama on February 17, 2009. When the phrase ‘contingency funds’ (without capitalization) is used in this document, it refers to both funds.
Poverty rates are far higher in the major upstate cities than in New York City or in the state overall, and half of all children in Syracuse, Rochester and Schenectady live in poverty.

FIGURE 2

Source: American Community Survey (ACS) 2011 single-year estimate data.
In 2010-2011, for every 100 New York families in poverty, 35 participated in TANF.

state fiscal year, New York State anticipates receiving $214.8 million in TANF Contingency Fund awards.

<table>
<thead>
<tr>
<th>Federal Fiscal Year</th>
<th>Emergency Contingency Fund</th>
<th>Contingency Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$292,118,666</td>
<td>$407,155,100</td>
<td>$699,273,766</td>
</tr>
<tr>
<td>2010</td>
<td>$430,904,624</td>
<td>$91,286,911</td>
<td>$522,191,535</td>
</tr>
<tr>
<td>2011</td>
<td>$0</td>
<td>$122,146,530</td>
<td>$122,146,530</td>
</tr>
<tr>
<td>2012</td>
<td>$0</td>
<td>$214,807,562</td>
<td>$214,807,562</td>
</tr>
<tr>
<td>2013 (estimate)</td>
<td>$0</td>
<td>$214,807,562</td>
<td>$214,807,562</td>
</tr>
<tr>
<td>Total</td>
<td>$723,023,290</td>
<td>$1,050,203,665</td>
<td>$1,773,226,955</td>
</tr>
</tbody>
</table>

How much federal TANF money does New York State use each year to provide assistance and support to needy families?

The total TANF funding that the Executive Budget plans to use during its state fiscal year may equal more than the total of New York’s annual block grant amount and contingency fund awards because the state is allowed to carry over unused TANF funds from previous years. For the upcoming 2013-2014 state fiscal year, the Executive Budget’s proposal to use $2.679 billion in total TANF funds⁶ consists of the $2.443 billion block grant amount, $214.8 million in TANF Contingency Fund awards that the state expects to earn in the current federal fiscal year (FFY), and about $22 million in TANF funds rolled over from previous years.

How much TANF funding is used to provide basic and emergency public assistance and do the state and local social services districts share in that cost?

Almost half ($1.26 billion) of the proposed 2013-2014 TANF spending is for basic (monthly) and emergency public assistance benefit costs through the Family Assistance program and Emergency Assistance to Families (EAF). Total Family Assistance benefit costs are projected to equal $1.1 billion in state fiscal year 2013-2014. This is $33 million less than current state fiscal year costs of $1.14 billion, a 3.0 percent decrease due to a forecast 2.7 percent decline in Family Assistance caseloads from the current year. EAF expenditures are proposed to remain the same as in the current state fiscal year at $150 million. Therefore, total Family Assistance and EAF costs are expected to go down from $1.29 billion in 2012-2013 to $1.26 billion in 2013-2014. See Figure 4.

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⁶ This testimony may refer to Temporary Assistance for Needy Families (TANF) block grant program spending or funding by using the terms ‘TANF’, ‘TANF funds’, ‘TANF funding’, ‘TANF spending’, ‘TANF dollars’, or ‘TANF money’. These terms refer to total or all available TANF funds, i.e. the regular block grant and the contingency funds. When only the $2.443 billion regular block grant amount is being referred to, this will be specified in the text.
## Comparison of 2012-2013 and 2013-2014 TANF Funding Commitments

(in thousands)

### FIGURE 4

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Assistance Benefits</td>
<td>$1,113,374</td>
<td>$1,080,497</td>
<td>$(32,876)</td>
<td>Child Care Subsidies</td>
<td>$324,276</td>
<td>$394,967</td>
<td>$70,691</td>
</tr>
<tr>
<td>Public Assistance Benefits resulting from Grant Increase</td>
<td>$30,000</td>
<td>$30,000</td>
<td>$0</td>
<td>Child Care SUNY</td>
<td>$193</td>
<td>$0</td>
<td>$(193)</td>
</tr>
<tr>
<td>Emergency Assistance to Families</td>
<td>$150,000</td>
<td>$150,000</td>
<td>$0</td>
<td>Community Solutions to Transportation</td>
<td>$112</td>
<td>$0</td>
<td>$(112)</td>
</tr>
<tr>
<td>State Operations</td>
<td>$30,000</td>
<td>$30,000</td>
<td>$0</td>
<td>Displaced Homemakers</td>
<td>$546</td>
<td>$0</td>
<td>$(546)</td>
</tr>
<tr>
<td>AFIS, EBICS [1]</td>
<td>$3,000</td>
<td>$3,000</td>
<td>$0</td>
<td>Educational Resources</td>
<td>$250</td>
<td>$0</td>
<td>$(250)</td>
</tr>
<tr>
<td>Welfare to Work Staff</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>Emergency Homeless Program</td>
<td>$500</td>
<td>$0</td>
<td>$(500)</td>
</tr>
<tr>
<td>Systems</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>Flexible Fund for Family Services</td>
<td>$964,000</td>
<td>$964,000</td>
<td>$0</td>
</tr>
<tr>
<td>Welfare Fraud and Prevention</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>Food Banks (New York State)</td>
<td>$0</td>
<td>$2,000</td>
<td>$2,000</td>
</tr>
<tr>
<td>ACCESS - Welfare to Careers</td>
<td>$800</td>
<td>$0</td>
<td>$(800)</td>
<td>Food Pantries (Non Metro New York)</td>
<td>$250</td>
<td>$0</td>
<td>$(250)</td>
</tr>
<tr>
<td>Advanced Technology Training and Information Networking (ATTAIN)</td>
<td>$3,000</td>
<td>$0</td>
<td>$(3,000)</td>
<td>Nurse-Family Partnership</td>
<td>$2,000</td>
<td>$0</td>
<td>$(2,000)</td>
</tr>
<tr>
<td>Advantage After Schools</td>
<td>$500</td>
<td>$0</td>
<td>$(500)</td>
<td>Preventive Services</td>
<td>$610</td>
<td>$0</td>
<td>$(610)</td>
</tr>
<tr>
<td>Bridge</td>
<td>$102</td>
<td>$0</td>
<td>$(102)</td>
<td>Rochester-Genesee Regional Transportation Authority</td>
<td>$82</td>
<td>$0</td>
<td>$(82)</td>
</tr>
<tr>
<td>Career Pathways</td>
<td>$750</td>
<td>$0</td>
<td>$(750)</td>
<td>Settlement House</td>
<td>$1,000</td>
<td>$0</td>
<td>$(1,000)</td>
</tr>
<tr>
<td>Caretaker Relative</td>
<td>$51</td>
<td>$0</td>
<td>$(51)</td>
<td>Strengthening Families Through Stronger Fathers</td>
<td>$200</td>
<td>$0</td>
<td>$(200)</td>
</tr>
<tr>
<td>Centro of Oneida</td>
<td>$25</td>
<td>$0</td>
<td>$(25)</td>
<td>Summer Youth Employment Program</td>
<td>$0</td>
<td>$25,000</td>
<td>$25,000</td>
</tr>
<tr>
<td>Child Care CUNY</td>
<td>$141</td>
<td>$0</td>
<td>$(141)</td>
<td>Wage Subsidy Program</td>
<td>$950</td>
<td>$0</td>
<td>$(950)</td>
</tr>
<tr>
<td>Child Care Demonstration Projects</td>
<td>$1,265</td>
<td>$0</td>
<td>$(1,265)</td>
<td>Wheels for Work</td>
<td>$144</td>
<td>$0</td>
<td>$(144)</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$2,629,331</strong></td>
<td><strong>$2,679,464</strong></td>
<td><strong>$50,134</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Prior to 2010-2011, federal TANF spending for basic assistance benefits was decreasing because of declining caseloads. A sharp increase since that point in time has occurred for two reasons. One, the number of TANF recipients started to increase during the end of 2008 with the impact of the Great Recession. This accounts for a small share of the increase. Two, starting in 2010-2011, TANF has been used to pay a much larger share of public assistance benefit costs than previously.

Before the 2009-2010 state fiscal year, federal TANF block grant funds were used to pay 50 percent of family assistance benefit costs while the state and localities each paid 25 percent of such costs. The state and local social services districts also shared equally in paying for public assistance benefit costs for the separate Safety Net Assistance program. A similar arrangement existed for paying the costs of the Emergency Assistance to Families (EAF) and Emergency Safety Net Assistance (ESNA) programs. In 2009-2010 and 2010-2011 available TANF contingency fund money was used both to offset and help pay the state’s and localities’ public assistance benefit costs.

The executive and enacted budgets in 2011-2012 changed this cost-sharing arrangement. TANF was now used to pay 100 percent of Family Assistance benefits while New York State paid 29 percent of Safety Net Assistance (SNA) benefit costs and the local social services districts became responsible for 71 percent of SNA costs. This change applied also to EAF and ESNA costs. This shift was part of the state’s 2011-2012 gap-closing plan. It was explained in the 2011-2012 Executive Budget Five-Year Financial Plan (p. 18) as “…maximizing Federal TANF funds to pay the full benefit costs for TANF-eligible households on public assistance;…” This arrangement has continued in the current state fiscal year and Governor Cuomo is proposing to continue it for 2013-2014.

**What is the impact of the new cost-sharing arrangement for public assistance costs?**

Forecast changes in Safety Net Assistance participation affect the total amount of funds budgeted for Safety Net Assistance costs in 2013-2014. Due to a projected 1.7 percent SNA caseload decrease compared to the current year, there is a 1.3 percent decline in Safety Net assistance

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7 References to localities are to New York’s local social services districts (LSSDs).
8 TANF contingency funds provided over $100 million in 2009-2010 and $440 million in 2010-2011 for this purpose. The 2009-2010 amount does not include an additional $458 million for EITC payments which offset the state’s share of public assistance costs. This approach was related to the state’s decision not to use regular block grant money in state fiscal year 2010-2011 to fund the state Earned Income Tax Credit (EITC) as an offset to the state share of public assistance—as it had done previously—and instead to use tax credit payments to TANF-eligible filers to draw down TANF ECF money which was then used to offset the state share of public assistance (New York State qualified for ECF awards because of growth in the costs of the state EITC, Empire State Child Tax Credit, and the Child and Dependent Care Credit). The result of these two actions allowed the state to meet the anticipated growth in public assistance costs with ECF money and to provide an additional $261 million in fiscal relief to the state. During this period, localities were also allowed to use TANF funds from their Flexible Fund for Family Services allocations to help pay their share of Family Assistance costs—a total of $64.8 million in 2009-2010 and $61.9 million in 2010-2011 (point-in-time figure) were used for this purpose.
costs from $1.485 billion in 2012-2013 to $1.467 billion in 2013-2014. Because Emergency Safety Net Assistance is part of total Safety Net Assistance amounts, approximately $1.47 billion represents total projected basic and emergency assistance benefits costs for this program in 2013-2014.

Under the new cost-sharing arrangement for basic and emergency public assistance, federal TANF funds will pay the projected $1.26 billion Family Assistance benefits costs in 2013-2014, the state will pay 29 percent of SNA benefit costs, approximately $425 million, and localities will pay the remaining 71 percent of these costs—a projected $1.04 billion. This means that New York State will pay $623 million less in public assistance benefit costs during 2013-2014 than if the cost-sharing arrangement had not been changed. While local social services districts will also benefit by paying less for public assistance costs, the difference for them will be only $7 million. See Figure 5.

This arrangement is likely to become more costly for localities in the future, however, because the number of SNA recipients is going up while the number of Family Assistance recipients is going down. If EAF costs are added to the Division of the Budget (DOB) forecast of 2016-2017 gross expenditures, and if DOB forecasts are accurate, localities will pay $5 million more for public assistance costs statewide that year than if the cost-sharing arrangement had not been changed. If the Division of the Budget projections are not adjusted by including the Emergency Assistance to Families program, then localities’ share of public assistance costs appears even greater in 2016-2017 under this new arrangement – $994 million compared to $951 million under the former cost-sharing arrangement, a difference of $43 million.

Is there another way of sharing costs that will achieve savings for both the state and localities?

If responsibility for the 2013-2014 Safety Net Assistance benefit costs were divided evenly between the state government and the local social services districts (LSSDs), each would pay $733 million which would be a $308 million increase for the state and a $308 million savings for the localities. Under the pre-2011-2012 arrangement, however, New York State and the localities would each have been responsible, as well, for 25 percent of Family Assistance benefit costs which would increase their total costs for benefits to $1.048 billion in 2013-2014. If the responsibilities of both the state and the LSSDs were set at some level above $733 million but less than $1.048 billion, both levels of government would still enjoy a cost savings relative to the traditional cost-sharing arrangement. Also, additional resources would be available to fund some portion of the support services (frequently referred to as ‘TANF Initiatives’) funded in the past but for the most part, not funded in the 2013-2014 state budget as proposed by Governor Cuomo.

The fiscal relief proposed by the 2013-2014 Executive Budget (and the combination of fiscal relief and support services funding recommended in the previous paragraph) is only available
The new cost-sharing arrangement for total public assistance costs will become more burdensome for localities in the future. If the Division of the Budget forecasts are accurate, localities will pay more for all public assistance costs* in 2017 than if the cost-sharing arrangement had not been changed.

FIGURE 5

<table>
<thead>
<tr>
<th>Former Cost-sharing Arrangement</th>
<th>New Cost-sharing Arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SFY 2013 Adjusted Expenditures</strong></td>
<td><strong>SFY 2013 Adjusted Expenditures</strong></td>
</tr>
<tr>
<td>State: $1,065.7 million</td>
<td>Federal: $646.7 million</td>
</tr>
<tr>
<td>Local: $1,065.7 million</td>
<td>State: $430.6 million</td>
</tr>
<tr>
<td><strong>SFY 2014 Projected Expenditures</strong></td>
<td><strong>SFY 2014 Projected Expenditures</strong></td>
</tr>
<tr>
<td>State: $1,048.5 million</td>
<td>Federal: $630.2 million</td>
</tr>
<tr>
<td>Local: $1,048.5 million</td>
<td>State: $425.3 million</td>
</tr>
<tr>
<td><strong>SFY 2017 Projected Expenditures</strong></td>
<td><strong>SFY 2017 Projected Expenditures</strong></td>
</tr>
<tr>
<td>State: $988.8 million</td>
<td>Federal: $577.8 million</td>
</tr>
<tr>
<td>Local: $988.8 million</td>
<td>State: $405.9 million</td>
</tr>
</tbody>
</table>

* Includes $150 million for Emergency Assistance to Families in SFYs 2013 and 2014; this amount is also projected for SFY 2017. Emergency Safety Net Assistance is part of gross Safety Net Assistance expenditure calculations. Also includes recent grant increase costs for SFYs 2013 and 2014 that are not yet part of gross expenditure calculations, SFY 2013 and 2014 amounts for this cost are projected and consist of $30 million for Family Assistance and $40 million for Safety Net Assistance.
through the appropriating of more TANF funds than previously to pay family assistance benefit costs. The state’s decision to do so (and to provide a greater share of the fiscal relief involved to the state and a smaller share to the LSSDs) may be related to the pending payments from the General Fund to the LSSDs for prior year benefit costs. New York State under-estimated the state share of public assistance costs in 2009-2010 and 2010-2011 and these obligations have been carried forward. The 2012-2013 executive and enacted budgets allocated an additional $150 million for this purpose in 2011-2012 through a reappropriation increase. The state is also using an estimated $191 million during 2012-2013 and a projected $79 million in 2013-2014 from the General Fund for this purpose.

B. Public Assistance Grant

What is the purchasing power of the monthly basic assistance grant?

Even with full implementation of increases to the monthly cash assistance grant, its current purchasing power is a little over 70 percent of what it was in 1990. This will continue to decrease if the grant amount is not adjusted annually for the effects of inflation – in 2016, the purchasing power will be 68 percent of what it was in 1990. See Figure 6.

The erosion in the public assistance grant reflects the general decline in the value of cash benefits over several decades. “From 1970 to 1996, AFDC benefit levels fell by more than 20 percent in all but one state, after adjusting for inflation, and by more than 40 percent in two-thirds of states.”9 And in 2011, New York’s total monthly TANF benefit (shelter and non-shelter portion) represented approximately 60 percent of the United States Department of Housing and Urban Development (HUD) Fair Market Rent (FMR) for a two-bedroom apartment.

The declining purchasing power of monthly cash assistance affects more children than adults. Children composed almost 54 percent of all public assistance recipients in December 2012, or 311,636; this is almost 24,000 more children than received public assistance benefits in December 2008. “Recent research indicates that when children experience poverty early in life, it is particularly harmful since crucial brain and neural development at this time affects cognitive, social, emotional and health outcomes in the future. There is now compelling evidence that lower levels of income actually cause poorer outcomes; therefore, if incomes in needy families decrease we can predict with significant certainty that young children’s achievement will, on average, be worse than without the loss of income.”10

C. Initiatives

How are TANF funds used besides paying for basic and emergency assistance?


Even with the recent implementation of increases to the monthly public assistance grant, its purchasing power in 2016 will be 68 percent of what it was in 1990.

FIGURE 6

Inflation-adjusted basic allowance* for a three-person family as a percent of 1990 basic allowance, in 2012 dollars.

Note: * Basic allowance is the non-shelter portion of recipients' monthly assistance; it consists of the grant for recurring needs, home energy allowance and supplemental home energy allowance. Source for actual and forecast composite CPI for New York is the New York State Division of the Budget.
As explained earlier, only a portion of the annual TANF funds that New York receives through the block grant and contingency funds is used to provide basic and emergency assistance to needy families. The difference between the two is frequently referred to as the TANF ‘Surplus’. More recently, the size of the TANF ‘Surplus’ has been affected by: 1) the availability of TANF contingency fund awards, and, 2) the amount of TANF funds used to pay assistance costs for TANF families. After meeting requirements to provide basic assistance, New York State is able to use remaining TANF funds for support services that assist needy families in becoming and remaining self-sufficient. These services are categorized by the Executive Budget as TANF Initiatives. Families that participate in these programs do not need to be receiving Family Assistance benefits although that may be part of the services they receive.

Since state fiscal year 2005-2006 when the Flexible Fund for Family Services (FFFS) was created, almost all of the remaining TANF ‘Surplus’ has been appropriated for: 1) the FFFS, 2) transfers to the federal Child Care and Development Block Grant for the New York State Child Care Block Grant; and through 2009-2010, 3) the Earned Income Tax Credit offset to the state share of public assistance. In fact, spending on the FFFS and child care subsidies represented 99 percent of spending for TANF Initiatives in both the enacted 2011-2012 budget and the current state fiscal year and represents 98 percent of total commitments for TANF Initiatives in the 2013-2014 Executive Budget.11

Along with the recent expansion of TANF spending on basic assistance, this level of commitment to the FFFS and child care subsidies leaves few TANF dollars for other initiatives. In 2011-2012 and 2012-2013, the Executive Budgets in fact did not commit any TANF funds to other initiatives. It is only because of the state’s TANF contingency fund awards from federal fiscal year 2009 forward that a range of services have received any TANF support in recent state budgets.12 The Legislature used these funds to restore $9.4 million in funding for supportive housing, transportation, and child care services in the 2011-2012 enacted budget. However, funding for the new subsidized employment programs, Nurse-Family Partnership and Alternatives to Detention/Alternatives to Residential Placement, for example, was eliminated.13 In the current state fiscal year, the Legislature also used TANF Contingency Fund award money to restore $14.7 million in support services as part of the enacted budget. See Figure 7.

11 These three areas comprised 88 or 90 percent of TANF Initiatives spending in state fiscal years 2005-2006 through 2007-2008 and then increased to 94 percent in 2008-2009. The addition of TANF contingency fund money in 2009-2010 decreased this portion to 90 percent with increased TANF spending on other TANF Initiatives.
12 In the 2009-2010 enacted budget, $141.6 million in contingency funds were used to restore and expand programs and develop new ones such as the Transitional Jobs, Green Jobs and Health Care Jobs programs. Altogether, $215 million in TANF funds were used for education, training, housing, transportation and other programs. This includes $35 million for the Summer Youth Employment Program. (This does not include award amounts directed to child care subsidies and state and local shares of grant increase costs.) This level of spending decreased dramatically in the 2010-2011 enacted budget as the ECF provided the only TANF funding, $73 million, to maintain some of these services.
13 In the 2011-2012 enacted budget, $15.5 million in General Funds were provided to Summer Youth Employment (SYEP) and in October 2011, $1 million in TANF funds were directed to the Nutrition Education and Outreach Program. The 2011-2012 December special session also appropriated $39 million in General Fund money for traditionally TANF-funded programs such as Career Pathways, Displaced Homemakers, ATTAIN, child care demonstrations and SYEP. The $25 million appropriated for SYEP at this time was reappropriated for 2012-2013 state fiscal year use.)
The TANF Initiatives spending used for support services has declined dramatically as the state has used TANF block grant surpluses for tax credit payments (stopped in 2010-11), fiscal relief and block grants to local social services districts.

FIGURE 7

Note: Represents funding from the federal annual TANF block grant and TANF contingency funds (SFY 2009-10 forward). Does not include spending on tax credit payments and the Flexible Fund for Family Services.

Source: New York State Division of the Budget and Office of Temporary and Disability Services, online Program and Accountability Matrix.
Contingency Fund awards during the last and current federal fiscal years have allowed the state to increase support for child care and implement the last increase to the monthly cash assistance grant. However, given that the amount of such funds is approximately $215 million for both years, it is unclear why so little of this additional federal aid has been directed to programs that help needy families. After funding the FFFS and child care subsidies, the 2013-2014 Executive Budget again eliminates funding for TANF Initiatives with the exception of a recommitment of $25 million to Summer Youth Employment and $2 million for a new food bank program. See Figure 4.

As economic recovery lags after the Great Recession, a sufficient level of funding is particularly critical now for programs that support subsidized employment and training for work such as the Wage Subsidy program, Advanced Technology Training and Information Networking (ATTAIN), and Career Pathways. These programs, along with others such as ACCESS: Welfare to Careers and Displaced Homemakers, have been eliminated from the TANF budget for a total $6 million reduction. Also important is on-site child care for SUNY and CUNY students and transportation programs that function as work supports. “National studies show that a person receiving welfare who owns a car (or has access to affordable, reliable transportation services) is likely to earn more per hour, work longer hours, stay on welfare for a shorter period of time, and retain their job for a longer period of time.”

Finally, TANF funding for the Nurse-Family Partnership (NFP) home visiting program, reduced to $2 million in 2010-2011 and 2012-2013 from $5 million in 2009-2010, is proposed once more for elimination. Research shows that this program has been successful in reducing child abuse resulting in significant cost savings to state and local governments.

Other examples of reductions in funding for human services from TANF and other sources are:

- A 10 percent, or $40 million, reduction from $395 million to a proposed total $355.2 million for 89 ‘health awareness and prevention’ programs through their combination into six competitive pools. Some of the programs affected are for: maternal, child health and nutrition, HIV and AIDS, health quality/outcomes/advocacy, and workforce training.
- A reduction of $1.6 million from the current enacted budget amount of $30.3 million for the Homeless Housing Prevention Services Program (the Legislature added $3 million to this program in the 2012-2013 enacted budget; this year’s Executive Budget proposal is actually $1.4 million above last year’s Executive Budget proposal).
- A $210,000, or 8.5 percent, reduction in funding for the Runaway and Homeless Youth program to $2.36 million.
- The elimination of $800,000 for the statewide Court Appointed Special Advocate program that trains volunteers who are appointed by Family Court judges to advocate on

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behalf of children in cases of abuse and neglect. This program supported over 3,300 children in 2012.\textsuperscript{15}

- Potential reductions in funding for youth development and youth delinquency prevention. The Executive Budget proposal to consolidate the Youth Development and Delinquency Prevention Program with the Special Delinquency Prevention Program eliminates the required 50 percent match in funding for local social services districts. Therefore, fewer youth may be served if total funding for these services is reduced.\textsuperscript{16}

- Reductions in funding from TANF and/or other sources since 2009-2010 and 2011-2012 for critical programs such as Kinship Caregiver, Advantage After Schools and Non-Residential Domestic Violence Screening.

- The deferment of cost-of-living adjustments for workers in non-profits that contract with the state to provide human services, public health and mental health and developmental disability services. The cumulative effect of five years of deferrals in these cost-of-living adjustments totals 9.7 percent.

D. Flexible Fund for Family Services (FFFS)

How do local social services districts receive and use federal TANF funds?

Eight years ago, New York radically restructured the way in which many ‘Surplus’ TANF funds are allocated. The 58 local social services districts (LSSDs) were given $600 million in Flexible Fund for Family Services (FFFS) block grants to be used for transfers to the federal Title XX Social Services Block Grant, child welfare services, other support services and local TANF administration. Counties’ FFFS allocations are based on previous years’ allocations and local social services districts are given discretion on how to use these funds. At over $964 million in the current state fiscal year, and the same amount proposed in the 2013-2014 Executive Budget, the FFFS is now the second largest use of TANF funds; the Executive Budget considers it one of the core areas of the TANF budget.\textsuperscript{17}

The pie charts in Figure 8 compare the composition of the TANF budget as the commitment to the FFFS has grown. This block grant program now uses 36 percent of TANF funds compared to an average 28 percent in the 2005-2006 through 2009-2010 enacted budgets. New York City is the largest recipient of the Flexible Fund for Family Services grants. In state fiscal years 2007-

\begin{itemize}
  \item \textsuperscript{15} Schuyler Center for Analysis and Advocacy, Kate Breslin, CEO and President, \textit{Testimony submitted to the Joint Fiscal Committees on the SFY 2013–14 Executive Budget Human Services Budget Hearing}, February 5, 2013.
  \item \textsuperscript{16} Ibid.
  \item \textsuperscript{17} In SFY 2009-2010, the enacted budget eliminated the state-funded Local Administration Fund (LAF) which had previously provided local social services districts with funds for the administration of services for non-TANF eligible persons, and for the administration of TANF programs if districts had exhausted funds for this purpose out of their FFFS allocation. In its place, New York State increased the TANF-funded FFFS program and thereby expanded counties’ resources for flexibly providing allowable TANF services from an enacted $654 million in 2008-2009 to $964.6 million in 2009-2010. Enacted amounts for the FFFS decreased slightly in 2010-2011 and 2011-2012 to $960 and $951 million respectively.
\end{itemize}
Family Assistance benefit costs and the Flexible Fund for Family Services represent a larger share of New York's TANF spending now than in earlier years.

FIGURE 8

Average 2005-2006 through 2009-2010 Enacted Budgets
- Earned Income Tax Credit Payments, 24.4%
- Other TANF Initiatives, 7.5%
- Child Care Subsidies, 14.4%
- Administration, 4.3%
- Flexible Fund for Family Services, 28.1%
- Family Assistance and Emergency Assistance, 21.3%

2013-2014 Executive Budget
- Family Assistance and Emergency Assistance, 47.0%
- Child Care Subsidies, 14.7%
- Flexible Fund for Family Services, 36.0%
- Administration, 1.2%
- Other TANF Initiatives, 1.0%
2008 and 2008-2009, it received over 54 percent of total annual FFFS dollars. This percentage has gone up to and remained at 57 percent for the last four years; the amount allocated to New York City in state fiscal year 2012-2013 was $550 million. This percentage is similar to the portion of TANF-funded Family Assistance recipients that reside in New York City, 55 percent in December 2012.

Local districts must submit annual plans that outline their use of FFFS funds for approval by the Office of Temporary and Disability Assistance. Over half of FFFS grants to localities are used for child welfare services either through direct transfers to the Title XX Social Services Block Grant (SSBG) or for funding programs apart from the SSBG. Almost 48 percent of the 2009-2010 FFFS was used for this purpose; in 2012-2013, it represented 56 percent. The remaining funds are used for various employment and employment support services, drug, alcohol, and domestic violence programs and limited transfers to the Child Care and Development Fund. (This last item represents a very small portion of local social services districts’ use of FFFS funds. Even though localities directed 4 percent of their funds, or $39 million, to this purpose in 2010-2011, such total transfers by LSSDs equaled between $6 and $6.2 million in localities’ plans for 2011-2012 and 2012-2013, just .6 percent of total FFFS spending.)

Even though districts are required to submit FFFS expenditure reports to OTDA, only very general information on these expenditures is readily or publicly available: the level of total allocation spent by the end of a calendar year quarter. Therefore, it is not possible to identify actual expenditures from the various categories of the local districts’ plans for their FFFS allocation.

E. Child Care Spending

*How many federal TANF funds are provided for child care?*

The other major item in TANF ‘Surplus’ or Initiatives spending is child care, primarily for subsidies used by TANF public assistance recipients or low-income working families that are eligible for child care support. Most of this spending consists of state and local transfers of TANF funds to the federal Child Care and Development Fund or Block Grant (CCDBG). As noted above, local transfers from the FFFS are usually small. The remainder of child care spending is composed of other programs that provide child care support or services. The sum of all projected TANF spending for this purpose in 2012-2013 was $331.9 million, down 17.6 percent from $402.9 million in 2011-2012 and a decrease of 24.4 percent from $438.9 million in 2010-2011. See Figure 9.

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18 Most funds for this purpose are transferred directly by the governor and localities must meet requirements for their use. A statewide total of 30 percent of the state’s total TANF block grant may be transferred to the federal CCDBG and/or to the Title XX Social Services Block Grant, with a maximum 10 percent statewide for Title XX transfers. See http://www.ocfs.state.ny.us/main/policies/external/OCFS_2007/LCMs/07-OCFS-LCM-07%20New%20York%20State%20Child%20Care%20Block%20Grant%2028NYSCCBG%29%20Subsidy%20Program%20Allocations%20State%20Fiscal%20Year%202007-2008.pdf. Also see http://otda.ny.gov/resources/accountability/ for local allocations to child care from the Flexible Fund for Family Services.
Child care spending from TANF went up in state fiscal years 2009-2010 through 2011-2012 with $110 million additional TANF contingency funds.

FIGURE 9

Uses actual figures from the New York State Division of the Budget.
New York State’s 2009 TANF Contingency Fund awards allowed the state to set aside an additional $110 million in TANF money for child care subsidies, $36.7 million in each of state fiscal years 2009-2010, 2010-2011 and 2011-2012. These allocations increased total TANF funding of child care subsidies to just under $393.0 million for these three years. The 2012-2013 Executive Budget reduced this TANF commitment to $299.7 million and proposed that $93 million in General Fund money be used to make up the difference in TANF funding from the previous three years. As mentioned earlier, because of additional TANF Contingency Fund awards, the Legislature increased this amount by $24.6 million to a total of $324.3 million in the enacted budget.

For 2013-2014, the Executive Budget directs both awarded and anticipated TANF Contingency Funds to child care subsidies for an increased commitment of almost $395 million, $70.7 million more than last year’s TANF allocation for this purpose and 14.7 percent of the total TANF spending plan. There has been a corresponding decrease in the General Fund commitment to child care subsidies and total proposed child care funding in New York State for 2013-2014 remains flat at $907.2 million.

The current and last three executive budgets have eliminated TANF funding for other child care programs traditionally funded by TANF; these include child care demonstrations and child care support for migrant workers and SUNY and CUNY students. With the exception of child care for migrant workers (which has been funded by the state General Fund recently), the Legislature restored funding for these programs in the last three enacted budgets but at a much-reduced level since 2009-2010 when federal ECF money supported a commitment of over $16 million for such items. The total amount restored to these programs in 2010-2011 was $7 million; this declined to $3.7 million in 2011-2012 and $1.6 million in the current state fiscal year. General Fund sources filled some of this gap in December 2011 with an additional $7 million for facilitated child care enrollment or demonstrations.

The current and proposed total funding level for child care in New York State is inadequate for very low and low-income working families; it has gone down almost 10 percent from $999.3 million in the 2010-2011 state fiscal year to an anticipated $907.2 million in the 2013-2014 Executive Budget. Most of this decrease is due to the loss of ARRA funding, the uncertainty of local transfers to the FFFS and the reduced funding of child care initiatives within the TANF budget. Since TANF public assistance recipients are automatically eligible for child care subsidies, shortages of child care funding reduce the availability of subsidies for the working poor. In response, a number of LSSDs have lowered eligibility thresholds in order to reduce the number of families that qualify for this support. These families may be forced back into the

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19 The state may not transfer Contingency Fund or Emergency Contingency Fund money to the Child Care Development Block Grant. However, as the state used contingency fund money for allowable, already-budgeted purposes, it freed up TANF block grant money for other purposes such as child care subsidies.

20 Empire Justice Center (Cathy Roberts, Kristin Brown Lilley, Don Friedman, Susan C. Antos), Empire Justice Testimony At The 2013 NYS Joint Legislative Hearing On The Executive Budget: Human Services, February 5, 2012.
TANF program if they can no longer afford quality child care for their children while they study and work towards achieving economic security for themselves.

F. State Maintenance-of-Effort Spending and Total Spending

*How does New York State spend its own funds for TANF-related purposes?*

As part of receiving federal funds to provide assistance to needy families, New York and the other states are required to make their own maintenance-of-effort (MOE) expenditures on programs that serve TANF-eligible recipients and that meet TANF goals. These expenditures are made up of state spending in TANF-funded programs such as Family Assistance and in separate state programs that meet the goals of the TANF program such as basic assistance spending on a portion of families in the Safety Net Assistance program. A state’s MOE requirement is 80 percent of its spending on welfare and related services in federal fiscal year 1994 before the TANF program was created; it is 75 percent of this amount if the state has met certain performance standards. For New York, these proportions are $1,833 million and $1,719 million respectively. The expenditures that a state claims for its MOE may include local government and third-party spending. New York’s MOE expenditures include spending by local social services districts.

Even though New York identified $1.43 billion in MOE expenditures in federal fiscal year 1997, since 2004, its maintenance-of-effort spending has been close to or well above $2 billion, reaching $3 billion in FFYs 2009 and 2010. See Figure 10. As total MOE expenditures have risen, the amount, and percentage of total MOE, that New York spends on basic assistance has gone down, from $868 million, or 60.9 percent of total MOE in FFY 1997, to $392 million, or 14.5 percent, in FFY 2011. See Figure 11.

Apart from basic assistance, New York has met most of its MOE requirement through its tax credit payments to TANF-eligible individuals and households. In FFY 2000, these payments represented 25 percent, or $504 million, of total MOE expenditures. In FFY 2011, this proportion was over 50 percent, or $1.36 billion out of a total $2.7 billion in total MOE spending (this does not include federal TANF funds used for this purpose). The proportion of MOE spent on child care varied from 1997 through 2011, and, although down to under 4 percent in FFY 2011, it was as high as 9.7 percent in FFY 1999. Expenditures for administration and systems have varied from 5 to 15 percent of total MOE during this same period.

*How has New York spent all funding for TANF and TANF-related programs?*

Another way to analyze spending for TANF-related public assistance and services is to look at all federal, state and local spending on these programs over time. See Figure 12. In 1997, almost 66 percent of total spending was for basic assistance; in 2011, this figure was 26 percent. There were no expenditures for allowable tax credit payments in 1997 but this spending represented 24 percent of all identified expenditures in 2011. Spending on child care has also grown from 2
New York's Total TANF Spending by Source of Funds (not adjusted for inflation; MOE spending includes local expenditures)

**FIGURE 10**

<table>
<thead>
<tr>
<th>Year</th>
<th>Federal TANF Spending</th>
<th>TANF Funds Transferred to SSBG &amp; CCDBG*</th>
<th>TANF Funds Transferred to SSBG</th>
<th>TANF Funds Transferred to CCDBG</th>
<th>Total TANF Funds Used</th>
<th>MOE Spending</th>
<th>Total Spending</th>
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<td>1997</td>
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* Refers to the federal Social Services Block Grant and the federal Child Care and Development Block Grant.

Note: HHS data are inconsistent. Aggregated MOE data from the specific spending categories do not always equal the reported total MOE spending (this is the case for 1998).

New York's Maintenance-of-Effort Spending on TANF and TANF-related Programs by Dollar Amount and Percentage of Total Spending (not adjusted for inflation)

![FIGURE 11](image)

*Work-related Activities and Supports represents the following federal reporting categories for spending: work subsidies, education and training, other work activities/expenses, transportation assistance, transportation nonassistance: job access, other transportation nonassistance and individual development accounts. AUPL and Other Nonassistance: AUPL is Authorized Under Prior Law and represents expenditures not otherwise consistent with the purposes of TANF; other nonassistance is expenditures that meet TANF requirements but do not fit into a specific category. This overall category is made up of assistance solely under prior law, nonassistance solely under prior law and other nonassistance.

Note: HHS data are inconsistent. Aggregated MOE data from the specific spending categories do not always equal the reported total MOE spending (this is the case for 1998).


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percent of total spending in 1997 to 10 percent in 2011. The proportion of total spending on work-related activities and supports has varied over the course of the TANF program, sometimes up to six and seven percent, but more recently, it has been closer to three percent of all spending. This is less than in the rest of the country. See Figure 13 for this comparison.

Apart from these categories, spending expanded over this period of time for purposes ‘authorized under prior law’ and other non-assistance, growing from 10 percent of total spending in 1997, or $349 million, to almost 20 percent in 2011, almost $1.1 billion. This last category has received more attention from the federal government recently which has made changes to state reporting requirements in order to identify the basis for these expenditures.
New York's Total Spending on TANF and TANF-related Programs by Dollar Amount and Percentage of Total Spending (not adjusted for inflation)

FIGURE 12

<table>
<thead>
<tr>
<th>Year</th>
<th>Basic Assistance Spending</th>
<th>Administration and Systems</th>
<th>Work-related Activities and Supports*</th>
<th>Child Care</th>
<th>Refundable Tax Credits</th>
<th>Non-recurrent short term Benefits</th>
<th>Pregnancy Prevention &amp; Two Parent Family Formation &amp; Maintenance</th>
<th>Transferred to SSBG</th>
<th>AUPL &amp; Other Nonassistance*</th>
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1997 65.8%  13.2%   3.1%   2.1%   0.0%   0.0%   0.0%   5.0%   10.5%
1998 62.0%  13.0%   5.2%   3.2%   0.0%   0.0%   0.0%   6.2%   4.6%
1999 54.5%  11.1%   4.9%   11.3%  0.0%   0.0%   0.0%   5.8%   12.3%
2000 37.1%  9.1%   5.1%   13.5%  12.0%  0.0%   0.0%   0.0%   17.4%
2001 36.6%  9.7%   7.1%   10.8%  8.6%   0.2%   0.3%   5.5%   21.2%
2002 32.6%  10.2%   6.6%   11.1%  10.0%  0.7%   2.1%   5.4%   21.2%
2003 33.8%  9.8%   6.0%   3.0%   12.2%  1.1%   8.6%   5.1%   20.4%
2004 33.6%  8.7%   5.3%   10.8%  15.1%  1.5%   5.4%   2.6%   17.0%
2005 39.4%  8.5%   4.8%   10.8%  16.5%  1.9%   0.9%   2.7%   14.5%
2006 33.0%  9.2%   4.5%   13.2%  16.7%  1.5%   3.6%   2.5%   15.8%
2007 30.2%  10.5%   4.2%   9.5%   18.5%  2.4%   4.2%   2.6%   18.0%
2008 29.0%  9.7%   4.6%   9.6%   18.2%  3.5%   5.3%   2.6%   17.5%
2009 25.5%  8.0%   3.4%   9.0%   21.4%  6.6%   6.0%   3.5%   16.5%
2010 28.6%  7.6%   3.5%   7.3%   24.4%  3.9%   4.5%   2.9%   17.3%
2011 25.7%  5.9%   3.3%   10.1%  24.3%  2.9%   4.7%   3.4%   19.6%

* Work-related Activities and Supports represents the following federal reporting categories for spending: work subsidies, education and training, other work activities/expenses, transportation assistance, transportation nonassistance: job access, other transportation nonassistance and individual development accounts. AUPL and Other Nonassistance: AUPL is Authorized Under Prior Law and represents expenditures not otherwise consistent with the purposes of TANF; other nonassistance is expenditures that meet TANF requirements but do not fit into a specific category. This overall category is made up of assistance solely under prior law, nonassistance solely under prior law and other nonassistance.

A much lower portion of total federal and state funding under the TANF block grant is spent on work-related activities and supports in New York than in the rest of the country.

FIGURE 13

III. Recommendations for the 2013-2014 state fiscal year

1) Increase the minimum wage in reasonable steps to match the 1970 peak purchasing level. Once restored to its 1970 purchasing level, New York should index the level annually for inflation.

2) The Legislature should continue to direct funds to those support services that help needy families to achieve or retain some level of economic security and self-sufficiency. Areas where New York could direct funding are:
   a) Supportive services at housing facilities for public assistance recipients and needy families.
   b) Transportation supports such as the Wheels for Work program.
   c) Child care subsidies and services.
   d) Subsidized employment. Overall, New York has underutilized the training, education and work experience options available through the TANF program. Investing more funds in subsidized employment would support the state’s effort to meet its work participation requirements under the TANF rules.
   e) Non-recurrent benefits such as one-shot “stimulus” payments and lump-sum diversion programs like the July 2009 Back-to-School Clothing.

3) The Legislature should require OTDA to publish an annual tabulation and analysis of actual expenditures by purpose of a) TANF block grant funds; b) TANF Emergency Contingency Funds; c) TANF Contingency Funds; and d) state and local ‘Maintenance of Effort’ resources. Such information should be provided for the previous state fiscal year along with the estimated actual expenditures for the current fiscal year; and it should be provided in conjunction with the annual submission of the Executive Budget.

4) The Legislature should require the local social services districts to submit reports of actual expenditures (with a greater level of detail than is currently required) on assistance and support services for TANF eligible populations including tabulations of actual expenditures made with their allocation of Flexible Fund for Family Services block grants. Currently, local social services districts are required to submit plans for proposed expenditure of their allocation from the Flexible Fund for Family Services and to report expenditures of their allocations but this is done only at the level of total allocation which does not indicate how funds are used within allocated amounts for localities.

5) The Legislature should consider options for addressing the barriers that eligible families face in receiving basic assistance. To address eligibility, New York could:
   a) Repeal the 185 percent of the standard of need criterion.
   b) Increase the current earned income disregard.
   c) Review the asset limits for eligibility.
d) Improve awareness of and access to opportunities for applying for temporary assistance.

**Recommendations for Advocacy in Federal TANF Reauthorization**

6) Renew focus on temporary assistance as an effective mechanism to respond to poverty and measure its effectiveness in alleviating poverty.

7) Increase the TANF block grant and adjust it annually for inflation. It has declined in real dollars by 29 percent between federal fiscal years 1997 and 2012.

8) Make it easier for qualified families to apply for and remain enrolled in TANF programs.

9) Increase economic opportunities for recipients through broader access to education and training.

10) Provide more funding for support of new and expanded jobs programs.

11) Reform work participation requirements so that states are rewarded for positive outcomes and there are no disincentives to providing assistance to needy families:
    a) reduce or eliminate the separate 90 percent two-parent rate and place these families in the 50 percent rate category;
    b) provide states with partial credit for clients who cannot meet full work requirements; and
    c) reform the caseload reduction credit.

12) Increase child care funding to support families’ efforts to meet work participation requirements.

13) Provide more flexibility to states in counting and fulfilling work requirements for individuals with disabilities and families with multiple barriers to work.

14) Refund an Emergency Contingency Fund where states: 1) do not have to increase their own spending to qualify; 2) explicitly respond to families’ needs; and 3) continue to qualify even when economic recovery emerges.