

Overview of Economic Services Programs and Budget Issues

Staff Presentation



Senate Ways & Means Committee
February 3, 2005

<http://www1.leg.wa.gov/Senate/Committees/WM/>

Agenda for today's meeting

1. Overview of the General Assistance Unemployable Program (GA-U) and recent trends
2. Overview of Governor Locke's 05-07 General Assistance budget
3. Panel presentations on the GA-U program
4. Update on funding for the Temporary Assistance to Needy Families program

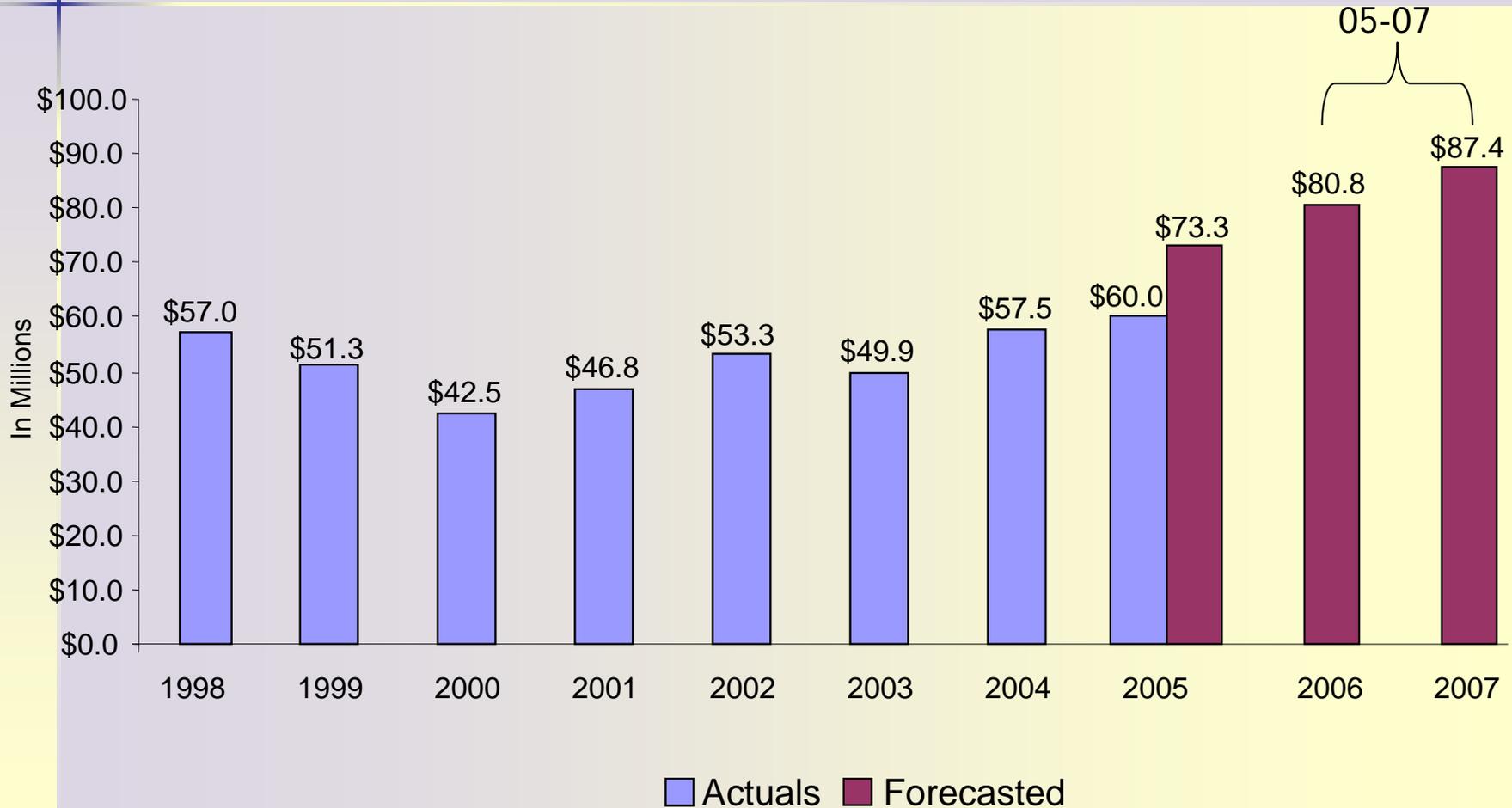
General Assistance Overview and Trends

Kirsta Glenn, Ph.D.

Caseload Forecast Council

General Assistance Funding

GA-U cash assistance is expected to cost \$168 million next biennium



Governor Locke's 05-07 budget eliminated General Assistance

- In Governor Locke's current revenue budget:
 - GA-U grants are eliminated, for a projected savings of \$114.3 million GF-S.
 - The GA-X grant program for expedited Medicaid general assistance was not changed.
 - Medical services are maintained for projected GA-U and GA-X clients.
- In his proposed new revenue budget, the GA-U program was restored.

General Assistance Discussion Panels

Temporary Assistance for Needy Families - TANF

Maintenance of Effort (MOE)
Funding Issues

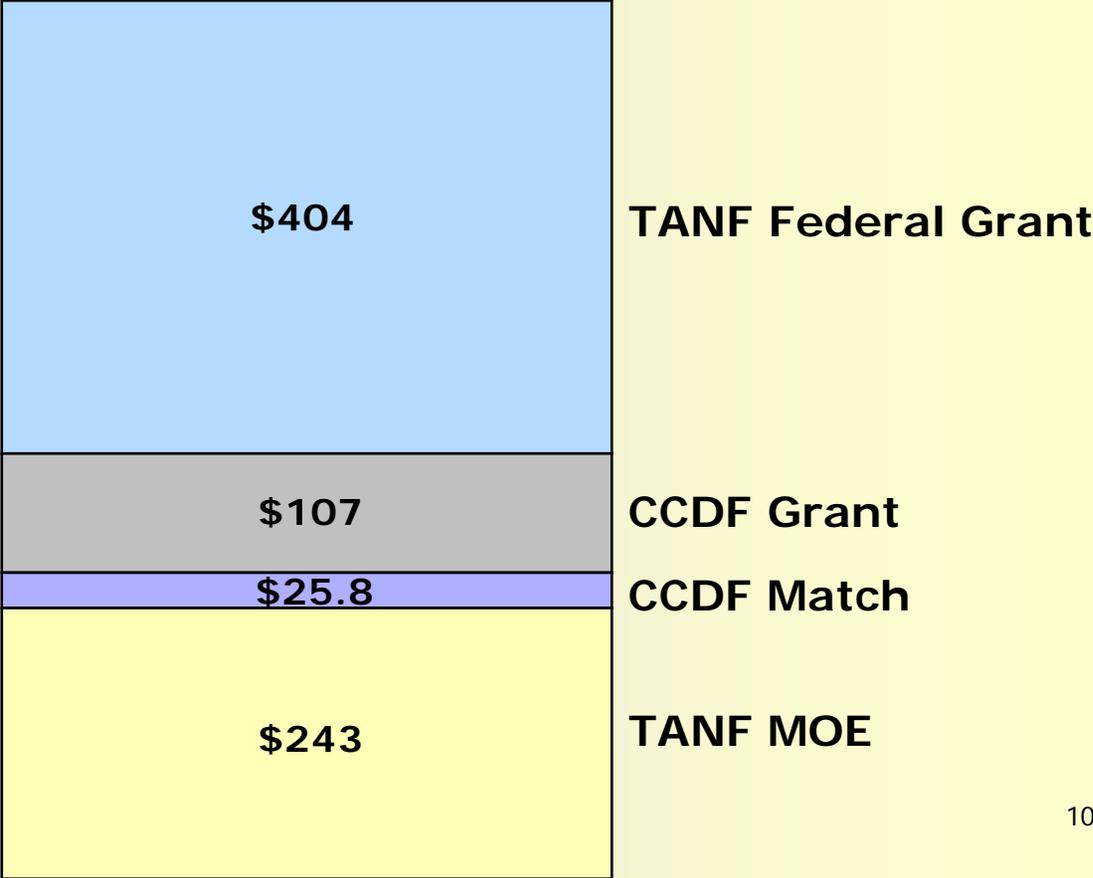
What is Temporary Assistance for Needy Families (TANF)?

A state and federally funded **block grant** that provides cash grants to families with children and pregnant women who are below income and resource limits.

TANF is funded from a combination of State and Federal dollars.

The "TANF BOX"

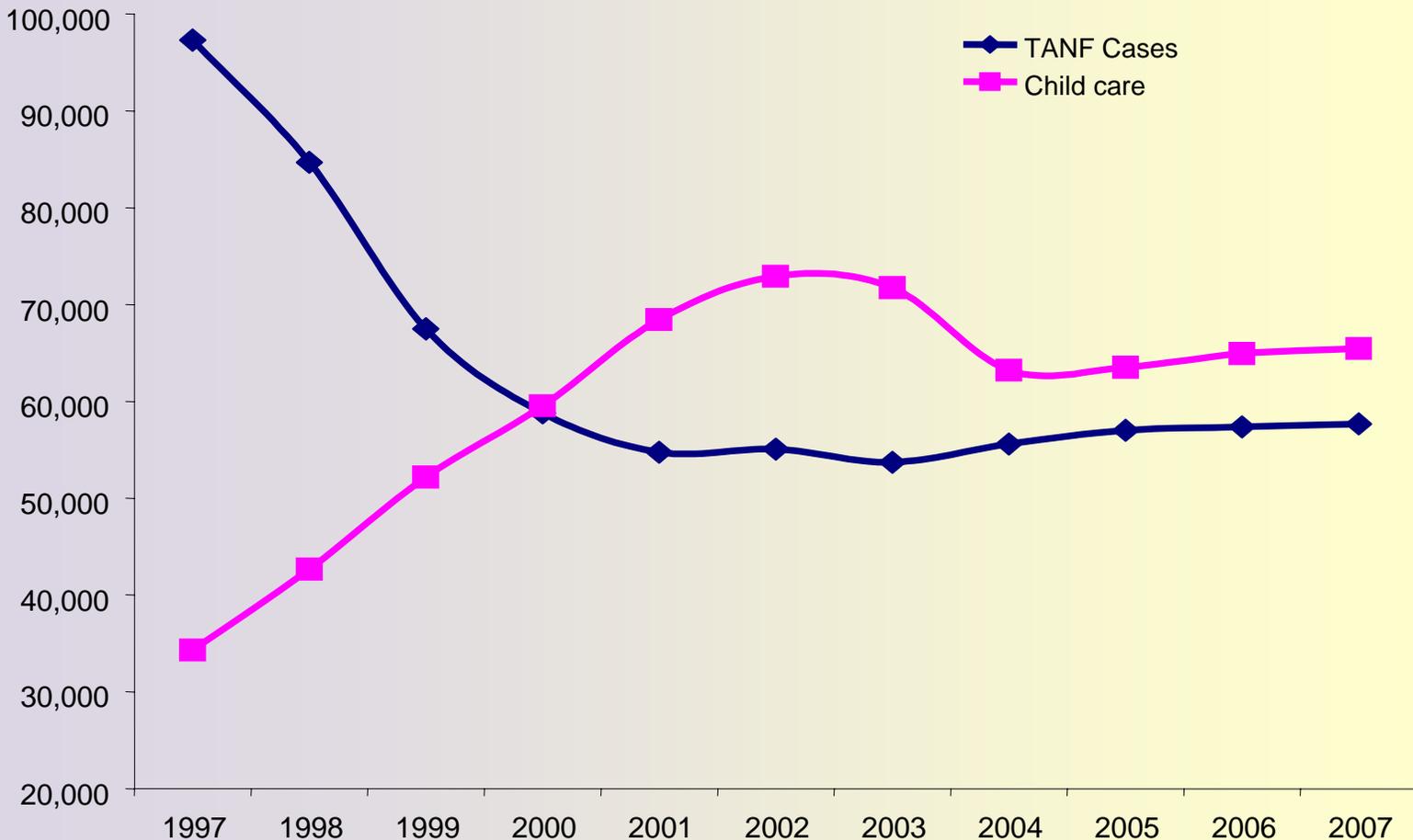
(In Millions)



Federal dollars account for nearly 2/3 of TANF revenues

The TANF MOE requirement is \$262 million per year

The TANF caseload has decreased and the child care caseload has nearly doubled



Governor Locke's proposed 05-07 TANF budget

- The current revenue budget creates a \$40 million TANF maintenance of effort (MOE) shortfall.
- The new revenue budget funds TANF MOE.
- Both current and new revenue budgets include \$16.1 million for child care provider rate increases.

Funding Options for TANF MOE

- Provide new State General fund dollars.
- Find other TANF-eligible activities to fund.
- Do not fund additional MOE dollars, receive less federal funding for TANF activities, and pay a 2% penalty.