

SJR

21

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FILE

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SJR 21
 (S) Publish Date: 3/29/01

Revision Date/Time (Note if correction): _____ Dept. Affected: Health & Social Services
 Title: Urging Congress to reauthorize TANF block grant BRU: Public Assistance
 Component: ATAP
 Sponsor: Senate (HES)
 Requester: Senate (HES) Component Number: 220

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*
 The federal TANF grant funds cash benefits as well as a variety of services to recipients of the Alaska Temporary Assistance Program including case management, job readiness training, supportive services, short-term job training and pregnancy prevention education. Alaska's high population supplemental TANF grant in the amount of \$6,887,000 has become an integral part of the state's block grant and its loss will negatively impact the state's efforts to move recipients from welfare to work. The expiration of the supplemental grant will also result in loss of TANF funding for essential services to non-ATAP families including Head Start, Healthy Families and child protection.

Prepared by: Jim Nordlund, Director Phone _____
 Division: Public Assistance Date/Time _____
 Approved by: Elmer A. Lindstrom, Special Assistant Date 3/26/01 3:33 PM
 Agency: Department of Health & Social Services

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SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE SENATOR LYDA GREEN, CHAIR

SPONSOR STATEMENT FOR SJR 21

Urging the United States Congress to Extend the Authorization Date for Supplemental Block Grants to the State of Alaska under the Federal Temporary Assistance to Needy Families Program

The Temporary Assistance to Needy Families (TANF) block grant established in the 1996 federal welfare reform law, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), included modest supplemental grants for 17 relatively poor or rapidly growing states. Alaska's TANF program, Alaska Temporary Assistance, was awarded a "high population" supplemental grant because the state's population grew by more than 10 percent between April 1, 1990 and July 1, 1994.

These supplemental grants included in the 1996 law were authorized only through fiscal year 2001, while PRWORA was authorized through fiscal year 2002. This means that beginning October 1, 2001, the state of Alaska will face a reduction of \$6.9 million in TANF funding, or 13% of its block grant.

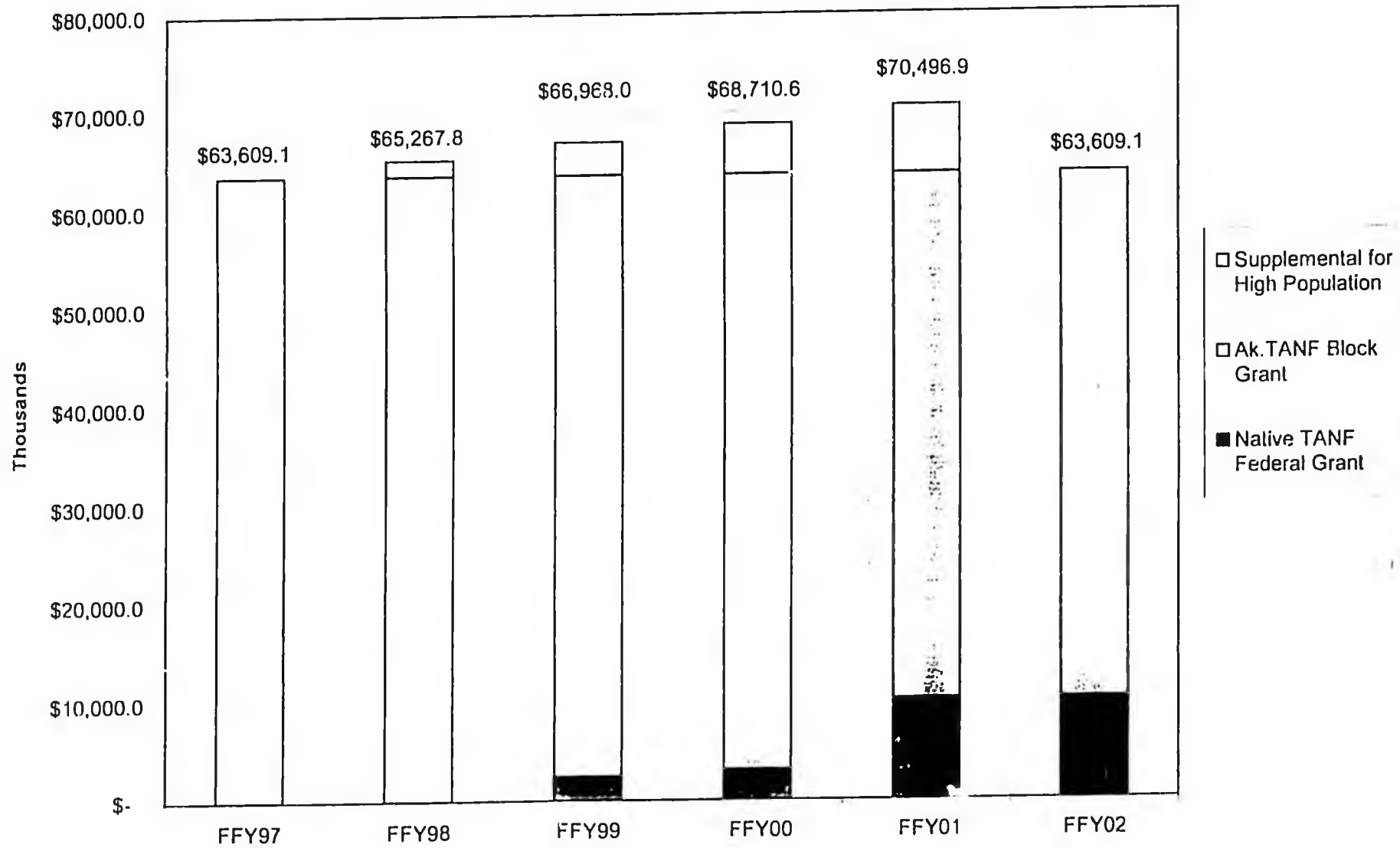
The term "supplemental grant" is misleading in that these grants were never intended to be merely add-ons. They were designed by the architects of welfare reform as an integral part of the formula used to determine each state's block grant allocation. Alaska is currently using these funds for employment-related and supportive services that are helping to move people off welfare and into self-sufficiency. TANF funds also support a variety of essential services to non-welfare recipients including childcare, child protection and early childhood education. The elimination of the supplemental grant will force the Department of Health and Social Services to scale back on these efforts compromising the ongoing success of welfare reform.

Many policymakers in Washington D.C. are aware of this issue and the American Public Human Services Association, the Center for Budget and Policy Priorities and the National Governor's Association support the continuation of the supplemental grants.

SJR 21 is addressed to Alaska's congressional delegation and all other members of Congress. Action to extend the supplemental grants will need to be taken by Congress this year before the new federal fiscal year begins in October.

SENATOR LOREN LEMAN, VICE-CHAIR
SENATOR JERRY WARD, SENATOR GARY WILKEN, SENATOR BETTYE DAVIS

**State of Alaska
FFY1997-FFY2002 TANF Block Grant Amount**



United States Senate

WASHINGTON, DC 20510

March 9, 2001

The Honorable George W. Bush
President of the United States
The White House
Washington, D.C. 20500

Dear Mr. President:

We are writing to call your attention to a program, which has been critical to the success of welfare reform in our states. The Temporary Assistance for Needy Families (TANF) block grant established in the 1996 welfare law included modest supplemental grants for 17 relatively poor or rapidly growing states, such as Texas and Florida. These grants were intended to reduce the very large disparity between poorer and wealthier states in TANF funding that resulted from the basic TANF funding formula. These grants have afforded states, like ours, a more adequate opportunity to achieve TANF goals.

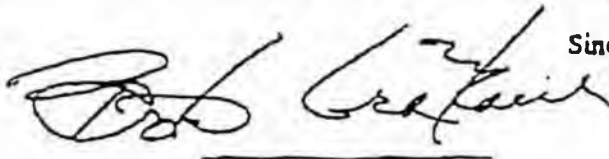
While TANF is scheduled to be reauthorized in 2002, the supplemental grants included in the 1996 law were authorized only through October, 2001. This means that under current law, the 17 states currently eligible for these grants will face a reduction in their TANF funding of as much as 10 percent of their block grant starting on October 1 of this year. The other, wealthier, lower growth states will experience no reduction.

These grants are not supplemental in the sense of being add-ons; they were designed as an integral part of the TANF allocation formula and are critical to the success of our states, and many others', TANF programs. These grants have allowed states to expand their welfare and related programs - such as child care and job training initiatives - to include a broader range of services that enable all welfare recipients to become self sufficient. Without the TANF supplemental grants these programs could not have been made available to individuals moving from welfare to work.

For these reasons, we are requesting that a one year extension of the TANF supplemental grants be included in your budget recommendations for fiscal year 2002. This step will help to assure that high growth states can continue their welfare reform efforts and will enable the supplemental grants to be considered as part of the overall TANF reauthorization next year.

We look forward to working with you to ensure that the accomplishments that states have made in helping people move from public assistance to independence can continue throughout the nation.

Sincerely,



President: Bush
Page two

John Ensign

Paul Cohen

Pat Brown

Jeff Lewis

Harry Reid

John Breaux

Blank R. Lisciani

Lyell King

Frank W. Tompkins

Allyson

Jesse Helms

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12026245413
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Hall of the States
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Telephone (202) 624-5300
<http://www.nga.org>

February 13, 2001

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

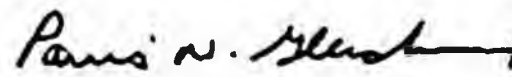
As you know, the historic welfare reform agreement of 1996 will need to be reauthorized during the 107th Congress and the nation's Governors look forward to working with you toward that end. As you prepare to submit your budget recommendations for fiscal year 2002, we want to bring to your attention a key provision of the welfare reform agreement that must be addressed this year. Without an extension of the Temporary Assistance for Needy Families (TANF) supplemental grants, 17 states will face a reduction in TANF funding in fiscal year 2002.

The TANF supplemental grants were designed to address the needs of states with especially high population growth or historically low welfare benefits. These grants represent a significant portion of the overall level of TANF funding for the 17 states receiving supplemental grants. Cuts of this magnitude would have a significant effect on continued state implementation of welfare reform. The TANF supplemental grants are not provided to states in the form of a bonus, but rather are calculated as an integral part of the states' allocation.

We recognize that this will be one of many TANF funding issues that will be debated within the context of welfare reform reauthorization next year. But in the interim, the nation's Governors are concerned that allowing the supplemental grants to expire while reauthorization is being discussed puts a number of states at a serious disadvantage. On many occasions since the enactment of the 1996 welfare reform package, Governors have voiced strong opposition to actions that would alter the nature of the original agreement. The expiration of the TANF supplemental grants without the benefit of full debate during the reauthorization process would be a violation of the historic agreement.

On behalf of the nation's Governors, we urge you to extend the TANF supplemental grants through fiscal year 2002.

Sincerely,


Governor Parris N. Glendening


Governor John Engler

C: Secretary Tommy G. Thompson



February 26, 2001

The Honorable George W. Bush
 President of the United States
 The White House
 Washington, D.C. 20500

Dear President Bush:

As you decide on the priorities of your Administration for the next four years, the National Conference of State Legislatures (NCSL) urges you to give careful consideration to a number of issues within the U.S. Departments of Health and Human Services and Agriculture that are extremely important to state legislators. As a bipartisan organization whose members are keenly aware of how federal decisions impact the lives of America's families, we are ready to work with you on the issues raised below.

The Temporary Assistance to Needy Families (TANF) Block Grant

The bold reform of welfare in 1996 has been very successful. Welfare caseloads have declined by more than 50% since the implementation of PRWORA (the Personal Responsibility and Work Opportunity Reconciliation Act). More recipients are in the labor force. This success is the result of a federal and state partnership. Making use of the flexibility given us in the 1999 TANF regulations, states have implemented creative strategies to assist both TANF recipients and the working poor. We hope that you will firmly support full funding for the Temporary Assistance for Needy Families (TANF) block grant.

* { The TANF supplemental grants were designed to ensure that certain states with rapidly growing populations had adequate resources to carry out the goals of the TANF program. TANF supplemental allocations should be made for the next fiscal year to ensure that states can continue the progress of welfare reform and to allow time to deal with this issue during welfare reform reauthorization.

As the 2002 reauthorization approaches, state legislators will have TANF funding and flexibility to administer the TANF program as their highest priorities. A key feature of the law was the devolution to the states of decision-making authority. NCSL requests that members of your domestic policy staff and HHS officials meet with a small group of legislators early in the reauthorization process. This would be an ideal opportunity to discuss state issues and concerns before you finalize your reauthorization proposal.

The Social Services Block Grant (SSBG, Title XX of the Social Security Act)

SSBG funds are a vital part of the delivery of community and home-based services to the most vulnerable segments of society including the disabled, elderly, and children in need of protective services. NCSL urges you to fund the SSBG at the \$2.38 billion level as agreed to as part of the enactment of the 1996 welfare reform act. In addition, it is critical that the amount states can transfer from their TANF grants to the SSBG remains at 10% and is not reduced.

Restoration of Benefits for Legal Immigrants

NCSL urges you to restore food and health benefits for legal immigrants and end a cost-shift to the states. The 1996 welfare reform law denied food stamps to all legal immigrants and their children and denied Medicaid to certain legal immigrants and their children. While NCSL supported the 1996 welfare

reform law, NCSL opposed these particular provisions. NCSL believes that in so doing, the federal government abdicated its responsibility to fund the consequences of its decisions regarding immigration. To their credit, states rose to the challenge. Many states, for example, created their own food assistance programs or increased state funding to food banks. The 1996 immigration provisions had nothing to do with the fundamental goals of the Temporary Assistance to Needy Families program— to promote self-sufficiency and family stability through a work-first, time-limited program. Efforts to restore food stamp benefits and ensure an option for states to provide Medicaid and SCHIP have bipartisan support. NCSL asks you to consider including funding for the restoration of benefits in your budget as way of helping hard-working new Americans and restoring equilibrium to the state/federal partnership.

Food Stamps

The food stamp program is in need of reform. NCSL is concerned that many working families whose income makes them eligible for food stamps are not receiving them. From 1994 to 1998, the participation rate fell from 71% of 59% of eligible individuals. Federal law is often a barrier to state innovation. Many times federal food stamp provisions are in conflict with state welfare reform efforts. While numerous factors influence the participation rate, NCSL believes that state outreach is hampered by fear of quality control errors. We urge you to consider changes in this program and to include NCSL in the discussion.

Waivers

As a general principle, NCSL encourages you to support waiver programs at U.S. Departments of Health and Human Services and Agriculture that allow states to implement innovative approaches to the delivery of human services programs. Waivers allow states to address the unique needs of their populations, and help the federal government discern best practices. Policy flexibility will result in better outcomes for our families and children.

Thank you for your attention to NCSL's concerns. NCSL is well aware that as a former governor, you understand the need for flexibility and partnership in delivering services that benefit Americans in need. If you wish to discuss these issues further, please contact Sheri Steisel, Federal Affairs Counsel, in our Washington office. Sheri can be reached at (202) 624-8693, or at sheri.steisel@ncsl.org.

Sincerely,

Senator Jim Costa
California Senate
President, NCSL

Senator Stephen Saland
New York Senate
President Elect, NCSL

cc: The Honorable Tommy Thompson
The Honorable Ann Veneman
Mitch Daniels, OMB Director
Josh Bolten, Deputy Chief of Staff for Policy

National Conference of State Legislatures
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Nordlund, Jim

From: Sheri Steisel [sheri.steisel@ncsl.org]
Sent: Thursday, March 22, 2001 3:14 PM
To: Humserv-l; nalfo-dist@ncsl.org
Subject: TANF Supplemental Grants

EFFORTS UNDERWAY TO SUPPORT CONTINUATION OF TANF SUPPLEMENTAL GRANTS
 3/22/2001

TANF supplemental grants were awarded to 17 states and are set to expire this year. Efforts are now underway to try to extend this grant until reauthorization of the welfare reform law next year. Under the 1996 welfare reform law, supplemental grants were provided to states with high rates of population growth and with historically low levels of welfare spending per capita. Referred to formally as the "Population Growth and Poverty Adjuster", a total of \$800 million was authorized for FY 1998 to FY 2001 for the TANF supplemental. Without Congressional action, the TANF supplemental will expire at the end of FY2001.

The 17 states are Alabama, Alaska, Arizona, Arkansas, Colorado, Idaho, Louisiana, Mississippi, Nevada, Texas, Utah, Florida, Georgia, Montana, New Mexico, North Carolina, and Tennessee.

NCSL included support for a one year extension of the TANF supplemental in a recent letter to President Bush on welfare-related budget issues (<http://www.ncsl.org/statefed/humserv/bushltr2.htm>). On March 9, a group of US Senators sent a letter to President Bush urging him to support a one year extension of the TANF supplemental grants in his budget recommendations for FY2002. The Senators signing the letter were Bob Graham, Kay Bailey Hutchison, John Ensign, Thad Cochran, Ted Stevens, Jeff Sessions, Harry Reid, John Breaux, Blanche Lincoln, Larry Craig, Fred Thompson, Jeff Bingaman, Jesse Helms and Conrad Burns. If you would like a copy of the letter, please contact Lee Posey at NCSL at 202/624-8196 or Lee.Posey@NCSL.org

This is a good time for states to contact their House and Senate delegations to support a one-year extension of the TANF supplemental grant. For further information, please contact Sheri Steisel at sheri.steisel@ncsl.org or Lee Posey at NCSL.

[How States Qualify for Funding Under the TANF Supplemental](#)

Under the "automatic qualification" criteria for grants, states qualified for full supplemental grants in all four fiscal years if the level of state welfare spending per poor person by the state in FY 1994 was less than 35% of the national average or the state's population increased by more than 10 percent between April 1, 1990 and July 1, 1994. States automatically qualified for TANF supplemental grants are Alabama, Alaska, Arizona, Arkansas, Colorado, Idaho, Louisiana, Mississippi, Nevada, Texas, and Utah.

Under the "general eligibility qualification" criteria, states qualified for a grant for a fiscal year if the level of welfare spending per poor person in the state for the previous fiscal year is less than the national average and the state's population growth in the most recent year for which data are available is greater than the national average population for all states in the same period. These states receive supplemental grants in subsequent years, but amount of the grant they can receive depends on whether or not the state remains qualified for that particular year. States that met the general eligibility criteria in FY 1998 (and thus are eligible for subsequent fiscal years) are Florida, Georgia, Montana, New Mexico, North Carolina, and Tennessee.

-- Sheri Steisel
 Federal Affairs Counsel
 Director, Human Services Committee
 NCSL Washington DC Office
Sheri.Steisel@ncsl.org