

Health and Human Services Committee
LB 555
February 7, 2013

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Department of Health and Human Services

Good afternoon Senator Campbell and members of the Health and Human Services Committee. My name is Thomas Pristow (T-H-O-M-A-S P-R-I-S-T-O-W). I am the Director of the Children and Family Services Division of the Department of Health and Human Services and I'm here to comment on LB555.

LB555 would require the Department of Health and Human Services to utilize \$750,000 in TANF funds to establish the Preparing Students for Educational Success Fund. The purpose of the program would be to provide grant awards to non-profit organizations developing after-school programs.

As technical points:

- The Department is concerned about a discrepancy in the bill relating to the target population for these programs. Eligibility requirements for TANF benefits and free lunch or free milk are not the same.
- If TANF funds are to be used, the program must clearly identify which of the four purposes of TANF it is intending to meet. This is not included in the bill.
- The bill makes reference to the investment of the \$750,000 in TANF funds. The Department cannot move or transfer TANF funds as required in LB 555. The Federal Administration for Children and Families office has advised the Department that TANF funds are intended to be accessed as needed and cannot be held in an interest-bearing account.

The Department also has concerns with this and three other Legislative Bills introduced this session. In addition to this bill, LB 236, LB 368, and LB 508 all contain new appropriations of TANF block grant funds totaling \$8.6 million each year.

TANF is not an entitlement program. It is a block grant, meaning that Nebraska receives a specific amount of federal funding for the program. In past years, the Department was not fully expending the TANF Block Grant and therefore a balance accumulated. In Fiscal Year 2011, the Department requested and the Legislature approved using some of these funds for TANF-funded programs in the Department that had previously been funded with State General Funds. Beginning in FY 2011, the Department expended more than the annual Block Grant Award of \$57.5 million and has continued that level of spending during the current biennium, and in the budget requested for the next biennium.

If these four bills are enacted, the Department estimates the annual TANF block grant will be spent and the additional unspent TANF block grant balances will be depleted by June 30, 2015. This will result in the need for increased General Fund appropriations of \$6.4 million for FY 2015-16 and \$ 27.4 million for FY 2016-17 to finance current TANF-funded programs.

Without these bills and with current spending assumptions, we believe the accumulated fund balance will be sustained through at least FY 2020.

Thank you for the opportunity to be here today. I'm happy to answer any questions you may have.