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Forecast of TANF/OWF Caseloads and Expenditures Before the Senate Finance and Financial Institutions Committee for the FY 2004-2005 Biennial Budget

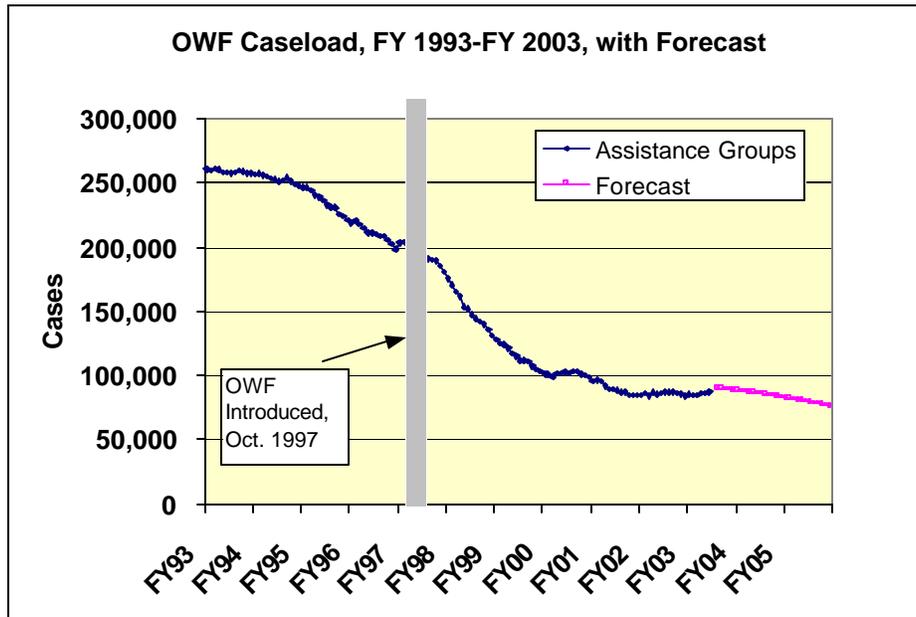
April 22, 2003

*Testimony of LSC Staff by
Steve Mansfield, Fiscal Supervisor*

Good morning, Mr. Chairman and Members of the Senate Finance and Financial Institutions Committee. My name is Steve Mansfield. I will be presenting the highlights of the Legislative Service Commission's (LSC's) forecast of Temporary Assistance for Needy Families/Ohio Works First (TANF/OWF) cash assistance caseloads and expenditures.

Caseloads: LSC forecasts the total number of TANF/OWF cash assistance cases to decrease in FY 2004 to a monthly average of about 85,500 cases and to about 79,000 average monthly cases in FY 2005. This represents a 2.3 % decrease and a 7.6% decrease, respectively.

TANF/OWF Forecast



Spending: The effect of these decreases in the caseload will mean that in FY 2004, assuming that grant levels for recipients remains the same, the total expenditure for cash benefits will be \$305.2 million, a decrease of \$11.2 million from the anticipated FY 2003 level. In FY 2005, expenditures for cash benefits will be \$278.6 million, a decrease of \$26.6 million from FY 2004.

TANF/OWF LSC Baseline Estimates			
	FY 2003	FY 2004	FY 2005
Average monthly cases	87,551	85,573	79,063
Total cash grants (millions)	\$316.4	\$305.2	\$278.6

LSC's cash assistance expenditure estimates are \$12.1 million below the Office of Budget and Management's (OBM's) baseline forecast for FY 2004 and \$39.9 million below OBM's forecast for FY 2005.

Total federal, state, and local resources available to the TANF program, according to the Department of Job and Family Services, in FY 2004 are \$1,158.5 million, and in FY 2005 are \$1,133.0 million. Subtracting the LSC forecast costs of cash benefits from the resources available leaves available \$853.3 million in FY 2004, and \$854.4 million in FY 2005, for other TANF services and administrative costs.

Unspent TANF Federal Award: At the end of FY 2002, Ohio's unspent federal TANF award funds totaled \$420.5 million, with \$135.0 million reported as unliquidated obligations, and \$285.6 million reported as the unobligated balance. If all prior appropriation is used and all appropriation for FY 2004 and FY 2005 is also used, the appropriation levels for appropriation item 600-689, TANF Block Grant (Fund 3V6) in FY 2004 (\$761.1 million), and for FY 2005 (\$829.9 million), the total unspent TANF award remaining at the end of FY 2005 will be \$13.0 million.

TANF FEDERAL FUNDS--APPROPRIATION ANALYSIS SFY 2003-2005	
<i>Resources SFY03</i>	
Total Unspent TANF Award, end of SFY02	\$420,547,668
TANF Award, SFY03	\$727,968,260
Total Available, FY03	\$1,148,515,928
<i>Spending Authority SFY03</i>	
Fund 3V6 Encumbrance, Beginning Balance SFY03	\$136,544,326
Fund 3G9 Encumbrance, Beginning Balance SFY03	\$82,954,243
Appropriation FY03--Fund 3V6 (see H.B. 94 and CB item JFS076 of March 25, 2002)	\$777,963,666
SFY03 Transfer to CCDF (made Q1)	\$16,000,100
Total Possible Spending, SFY03	\$1,013,462,335
<i>Resources SFY04</i>	
Total Unspent TANF Award, end of SFY03 (assuming all prior appropriation used & transfer made)	\$135,053,593
TANF Award, SFY04	\$727,968,260
Total Available, SFY04	\$863,021,853
<i>Spending Authority SFY04</i>	
H.B. 95 Appropriation SFY04--Fund 3V6	\$761,095,609
<i>Resources SFY05</i>	
Total Unspent TANF Award, end of SFY04 (assuming all prior appropriation used & transfer made)	\$101,926,244
TANF Award, SFY05	\$727,968,260
Total Available, SFY05	\$829,894,504
<i>Spending Authority SFY05</i>	
H.B. 95 Appropriation SFY05--Fund 3V6	\$816,909,688
Cumulative Unspent TANF Award, end of SFY05 (assuming all appropriation used & transfers made)	\$12,984,816

In closing Mr. Chairman, I have simply highlighted the forecast, and analyzed the implications for other TANF expenditures and for the amount of unspent federal TANF grant awards. Included in the packet is much more detail and analysis.

I would be happy to answer any questions the committee may have.