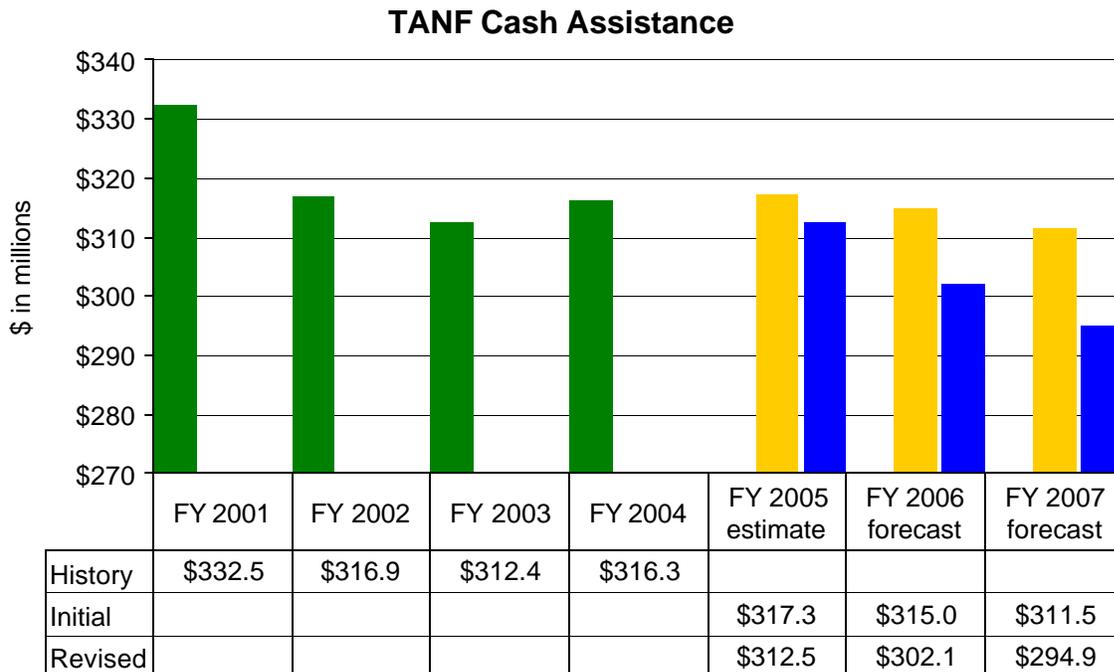


### Temporary Assistance for Needy Families (TANF)



The initial forecast was \$317.3 million in FY 2005, \$315.0 million in FY 2006, and \$311.5 million in FY 2007. The initial cash assistance estimates were based on a caseload forecast of 86,919 in FY 2005, 86,514 in FY 2006, and 86,162 in FY 2007.

The revised forecast is \$312.5 million in FY 2005, \$302.1 million in FY 2006, and \$294.9 million in FY 2007. The revised cash assistance estimates are based on a caseload forecast of 86,423 in FY 2005, 83,854 in FY 2006, and 81,852 in FY 2007.

The revised forecast is \$4.8 million lower in FY 2005, \$12.9 million lower in FY 2006, and \$16.6 million lower in FY 2007. LSC forecasts 496 fewer cases in FY 2005, 2,660 fewer cases in FY 2006, and 4,310 fewer cases in FY 2007.

The forecast was changed because:

- (1) More recent caseload data indicate a continued decline in the OWF cash assistance caseload. A drop of more than 1,500 cases since our initial forecast put downward pressure on LSC's model.
- (2) LSC revised its forecasting model to apply the forecast formula only to assistance groups that include adults, while holding child-only cases steady throughout the upcoming biennium. Child-only assistance groups form the stable core of the OWF caseload and LSC believes this stability will continue as other variables work on the adult OWF caseload.

The TANF cash benefits are paid from line items 600-410, TANF State; 600-658, Child Support Collections; and 600-689, TANF Block Grant. The Executive recommended FY 2006 total funding for the combination of these three line items at \$1,055.9 million. The total recommended funding level for these three line items in FY 2007 is \$1,081.3 million.<sup>2</sup> Funding cash benefits for FY 2006 at the forecast level of \$302.1 million, and at \$294.9 million for FY 2007 leaves \$753.8 million in FY 2006 and \$786.4 million in FY 2007 from these three line items for all other TANF activities, including employment services, work activities, PRC services, direct payments from TANF for child care, and other allowable activities.

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<sup>2</sup> Funds from administrative line items and county expenditures will be included in the state's MOE each year.