

# *TANF at a Glance: Maine*

## The “TANF” Program

- The TANF (Temporary Assistance to Needy Families) Program was created by Congress in 1996 replacing the former AFDC Program (Aid to Families with Dependent Children). The TANF Program provides cash assistance; employment, training and education opportunities; and work supports, such as childcare, to low-income parents with children.

## TANF Program Financing

- Most of the funding for the TANF program is provided through a block grant to the states from the federal government. As a condition of receiving this federal aid, each state must spend a minimum amount of its own money on the program, referred to as “maintenance of effort” or MOE. If Maine fails to spend 75% of its required MOE, the federal government may reduce the state’s block grant payment. The annual amount of Maine’s federal block grant and the level of our MOE requirement were fixed in 1996 and have not changed since that time.

Federal TANF Block Grant	\$78,120,889
75% of the state’s MOE	\$37,523,943

- Although State MOE expenditures vary and in some years exceed the 75% requirement described above, this money is generally recouped by offsetting the costs from child support collected on behalf of families receiving assistance (as required by federal law), not from additional General Fund appropriations.
- Because of Maine’s success in helping families become employed and succeed in the workforce, the State has received additional federal funds as “High Performance Bonus Payments” in Performance Years 2001 (\$372,895), 2002 (\$3,906,044) and 2003 (2,563,677).<sup>i</sup>

## Maine’s TANF Expenditures

- For FFY ’03, Maine spent 87% of its TANF funds on core welfare reform activities including cash assistance, child care, work supports, transportation, education and training and other work supports; 8% for administration and systems; and transferred 5% to the Social Services Block Grant and other supports to help people retain employment.<sup>ii</sup>
- In 2003, spending on TANF represented approximately 1.3% of the state’s General Fund spending.

## Description of TANF Recipients: Characteristics and Caseload

- **Family Composition.** Single parent households account for 67.5% of the TANF caseload; two parent households (in which one of the parents is incapacitated or unemployed) represent 7.1% of the caseload and 25.4% of TANF cases receive child-

only grants, meaning that a family only receives cash assistance for the child(ren) in the household, not the adults.<sup>iii</sup>

- **Caseload Change.** The number of families receiving TANF cash assistance dropped substantially between 1992 and 2004<sup>iv</sup>:

Month and Year	# of Families
October 1992	22,400
October 1996	18,376
October 2004	13,733

- **TANF families in Maine have an average of 1.8 children<sup>v</sup>.** Maine families generally have an average of 1.78 children and the U.S. average for the general population is 1.86<sup>vi</sup>.
- **A high percentage of families remaining on TANF included members with significant barriers to work and disabilities.** It is important to note that as the TANF caseload declined rapidly over the past six years, most parents who were able to find full-time work have left the TANF program. Those remaining now disproportionately include families facing very serious barriers to employment. Fifty-two percent of TANF families responding to a 2001 survey reported a family member with a health problem that was serious enough to limit the kind or amount of work a parent could do. In that same survey nearly 19% of all respondents reported recent abuse from a spouse or partner<sup>vii</sup>.

### TANF Cash Assistance Grants

- **The *Maximum* monthly assistance for a family of 3 is \$485.**
- ***Average* monthly assistance for ALL Maine TANF families is \$386** (as of October 2004).<sup>viii</sup>

Year	Average monthly cost per case
1992	\$408
1996	\$372
2004	\$386

- **Maine has the *lowest* level of TANF cash assistance in New England;** \$58 per month less than the next lowest state for a family of three. While our *maximum* benefit is slightly higher than the U.S. average, our *average* monthly TANF benefit is *lower* than the U.S. average<sup>ix</sup>.
- **Maine’s TANF benefits have lost a considerable amount of purchasing power since 1990.** At that time—fourteen years ago—the maximum AFDC benefit for a family of 3 was \$453, just \$32 less than it is today.
- **Maine’s TANF benefit leaves families *far below* the federal poverty level.** The maximum monthly TANF benefit for a family of three reaches only 36% of the federal poverty level. The federal poverty level is \$1,341 per month for a family of 3. In 1979, Maine’s AFDC benefit brought a family to 58% of the federal poverty level and in 1990 it equaled 52% of the poverty level.

- **Even when Food Stamps are added in**, a family of three receiving the maximum TANF benefit will reach only 66% of the federal poverty level.

### **Work Requirements for TANF recipients**

- Most parents receiving TANF are required to participate in the ASPIRE program, the education, training and work program.
- Parents participating in the ASPIRE program are required to work 30 hours per week.

### **Job Retention for former TANF recipients**

- Maine ranks fifth highest in the nation in job retention for former TANF recipients<sup>x</sup> contributing to its receipt of a High Performance Bonus Award in 2003.
- Only 4.43% of those completing an education or training program and leave TANF for work return to assistance within 6 months. According to Maine’s DHHS, this is one of the lowest return rates in the country.<sup>xi</sup>

### **Child Support Collection from TANF families**

- As a condition of receiving TANF cash assistance, families must assign their rights to child support to offset the cost of their assistance. While Maine does a better job collecting child support than most states, collection is made for only 26% of TANF families<sup>xii</sup>. All families for whom child support is collected receive the first \$50 of that monthly support. Some TANF families may receive an additional amount of child support called a “gap” payment if they have little or no other income.

### **The Parents as Scholars Program**

- The Parents as Scholars (PaS) program helps TANF-eligible parents obtain a post-secondary degree to gain the skills they need to secure well-paying jobs that allow them to be financially secure and raise their families out of poverty. PaS participants receive the same cash assistance and support services as other eligible TANF recipients while they are successfully participating in an educational program. According to a survey of graduates, Parents as Scholars Graduates earn a median wage of \$11.71 per hour after graduating, compared to the median hourly wage of \$7.50 for welfare leavers without post-secondary degrees<sup>xiii</sup>.
- There are currently 1,038 students in the Parents as Scholars Program.<sup>xiv</sup>
- The Parents as Scholars Program received ’05 Excellence Award from the New England Board of Higher Education its contribution to improving access to higher education opportunities<sup>xv</sup>.

### **Other assistance TANF families typically receive**

- **MaineCare.** All TANF families are eligible to receive MaineCare benefits. While this is a very valuable benefit, it goes directly to providers of health care services and is not available to help pay for any other basic necessity.

- **Food Stamps.** As noted above, most Maine TANF families (89%) receive Food Stamps<sup>xvi</sup>, even with this assistance they remain far below the poverty level.
- **Heating Assistance.** While not all TANF families are eligible to receive Low Income Home Energy Assistance benefits, most are. The average annual benefit for the current Program Year is expected to be \$440<sup>xvii</sup>.

### **Other assistance TANF families sometimes receive**

- **Housing Subsidy.** Only 10.5% of TANF families have access to a federal housing subsidy<sup>xviii</sup>.
- **General Assistance.** TANF families are typically *not* eligible for General Assistance unless they are facing a serious emergency like homelessness or hunger. Any assistance that they receive from this program is in the form of a voucher, not a direct cash payment and the amount is only that necessary to relieve the emergency.
- **WIC.** This Program provides supplemental nutritious food for pregnant and post-partum women and infants and young children up to age 6 at nutritional risk. The average monthly benefit for those eligible is \$26.64.<sup>xix</sup>
- **Emergency Assistance.** This program also assists low-income families with children in emergency situations. This Program is the first payer in the case of an emergency for eligible families paying before the municipal general assistance program. This program also makes payments in the form of vouchers to relieve the emergency, not direct cash payments.

<sup>i</sup> <http://www.acf.hhs.gov/programs/ofa/HPB/2003/hpb2003index.htm>

<sup>ii</sup> Center on Budget and Policy Priorities calculations based on United States Department of Health and Human Services data for FFY 2003.

<sup>iii</sup> “TANF Sixth Annual Report to Congress”, United States Department of Health and Human Services, November 2004. Table 10:3, page A-311.

<sup>iv</sup> Maine Department of Health and Human Services, “Number of TANF and PaS Cases—1986—October 2004.”

<sup>v</sup> “TANF Sixth Annual Report to Congress,” U.S. DHHS. November 2004. Table 10:4

<sup>vi</sup> Table ST-F1-2000. “Average Number of Children Per Family and Per Family with Children by State: 2000 Census. U.S. Bureau of the Census.

<sup>vii</sup> Lisa Pohlman, Welfare Reform: Lessons from Maine, Maine Center for Economic Policy, March 2002 at 30.

<sup>viii</sup> Maine Department of Human Services, “TANF and PaS Cost—1986-October 2004.”

<sup>ix</sup> “TANF Sixth Annual Report to Congress,” US Department of HHS. November 2004. Table C, Page I-11 and Table I:14, Page A-228.

<sup>x</sup> <http://www.acf.hhs.gov/programs/ofa/HPB/2003/tab3a.htm>

<sup>xi</sup> Maine’s TANF and Related Programs, “ASPIRE Recidivism Report,” Maine Department of Health and Human Services. March 2004. Oral testimony provided to the Joint Standing Committee on Health and Human Services.

<sup>xii</sup> “TANF Sixth Annual Report to Congress”, USDHHS, November 2004, Table 10:14, page A-322.

<sup>xiii</sup> Smith, Rebekah, and Luisa Deprez and Sandy Butler, Parents as Scholars: Education Works, Maine Equal Justice, March 2002.

<sup>xiv</sup> Information provided by the Maine Department of Health and Human Services.

<sup>xv</sup> New England Board of Higher Education press release dated Feb. 25, 2005.

[www.nebhe.org/excellence2005/index.html](http://www.nebhe.org/excellence2005/index.html)

<sup>xvi</sup> “TANF Sixth Annual Report to Congress”, United States Department of Health and Human Services, November 2004. Table 10:13, page A-321.

<sup>xvii</sup> Information Provided by the Maine State Housing Authority.

---

<sup>xviii</sup> “TANF Sixth Annual Report to Congress”, United States Department of Health and Human Services, November 2004. Table 10:13, page A-321.  
<sup>xix</sup> [www.fns.usda.gov/pd/wifyafgd\\$.htm](http://www.fns.usda.gov/pd/wifyafgd$.htm)