



JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Deputy Comptroller*

**To:** The Honorable Bryan Terry, Chairman, Joint TANF Working Group  
The Honorable Bo Watson, Member, Joint TANF Working Group  
The Honorable Steven Dickerson, Member, Joint TANF Working Group  
The Honorable Raumesh Akbari, Member, Joint TANF Working Group  
The Honorable Robin Smith, Member, Joint TANF Working Group  
The Honorable David Hawk, Member, Joint TANF Working Group  
The Honorable Harold M. Love, Jr., Member, Joint TANF Working Group

**From:** Justin P. Wilson, Comptroller of the Treasury  
Jason E. Mumpower, Deputy Comptroller

**Date:** February 6, 2020

**Subject:** Ongoing Comptroller inquiry into TANF

We wanted to update you on the status of the ongoing Comptroller inquiry into TANF. Although we are still looking into several aspects of the TANF reserve, we have several conclusions at this point.

**While federal TANF funding has been accumulating, Tennessee has spent \$221 million more state funding than necessary since 2013, rather than using available federal money.** In addition to receiving federal funding for TANF, Tennessee is required to spend a minimum amount of state funding each year. Due to high caseloads during and after the 2008 recession, Tennessee spent all of the federal funding it received, plus more state funding than required. Beginning in 2013, however, Tennessee began spending less federal funding than it was awarded, causing the TANF reserve to build up. At the same time, Tennessee continued spending more state funding than needed to meet its state match requirement. This state money is unrestricted and could have been used for any purpose.

**Compared proportionately to the rest of the Southeast, Tennessee spent roughly the same amount of federal money to administer one-third of the program services provided by other states.** In 2018, Tennessee spent a comparable amount of its annual block grant on administration compared to other states: about 11 percent, compared to 10 percent for the rest of the Southeast. On the other hand, the other states spent a much larger portion of their total 2018 block grant – about 87 percent, on average, compared to Tennessee’s 35 percent. Since Tennessee spent a similar amount on administration, but much less overall, a smaller portion of its total award went toward program services. Other states spent about 73 percent of their total award on program services, such as cash assistance to families, compared to 24 percent in Tennessee. Because Tennessee has spent a small portion of its award in past years, close to 30 percent of its total federal spending in 2018 and 2019 went toward administrative costs at the state Department of Human Services (DHS).

**Currently, there is no publicly available way to track or monitor TANF spending.** Three sources provide financial information related to the TANF program: the federal government's website, the state's annual budget document, and the state's Comprehensive Annual Financial Report (CAFR). Due to data issues and limitations, none of these sources can be used to track TANF spending. The information from the federal government is slow to become available and may not be accurate, and the budget and the CAFR do not go into enough detail to single out the TANF program. Instead, this information can only be found in Edison, the state's accounting system.

**The Department of Finance and Administration (F&A) already has the authority to add nearly all of the \$700+ million TANF reserve to the Department of Human Services' current budget without further approval from the legislature.** Each year, almost all \$191 million of the federal block grant is included in DHS' budget. Although DHS typically does not spend the entire grant, close to the full amount is included to give it the legal authority to draw down available funding, if needed. As such, DHS was authorized to spend nearly all of the \$700+ million TANF reserve – the unspent pieces of the annual block grant – in prior years. Language in the appropriations act allows F&A to add this money back to DHS' current budget, although it cannot transfer these funds to other state agencies without legislative approval.

Due to data issues, we are still looking into several aspects of the TANF reserve.

One of the complexities of the reserve amount is that Tennessee spends federal funding from multiple grant years at once. In the current fiscal year 2020, for example, the state is still spending money from grant year 2015. The amount of unspent funding left on grant year 2015, plus the unspent funds on later grant years, makes up the \$700+ million TANF reserve amount.

Prior to 2015, fiscal staff at the Department of Human Services did not accurately keep track of what grant years the state was spending from. As a result, DHS cannot use the information in the state's accounting system to tell whether early grant years were completely spent and closed out, or how much money may be left on those grant years.

Instead, DHS has been manually working off the log of individual payments from the federal government's payment system to calculate how much TANF funding is left on earlier grant years and the corresponding reserve amount. DHS is in the process of reconciling this information to the data in the state's accounting system. Due partly to these issues with earlier grant years, this memo only includes detailed expenditure information from 2017 onward, as we have more confidence in those figures.

## **While federal TANF funding has been accumulating, Tennessee has spent \$221 million more state funding than necessary since 2013, rather than using available federal money**

Like many federal grants, TANF contains a state maintenance of effort requirement – essentially, a state match, or a minimum level of state spending. The amount of this state spending depends on two things:

1. Whether a state meets its work requirements – that is, a specified percentage of its TANF recipients are employed; and
2. Whether the state receives federal contingency funding, or additional federal money that can be requested in years with high unemployment rates.

In general, if a state meets work requirements, it must spend 75 percent of the amount it spent in 1994 on the predecessor program to TANF. If the state does not meet work requirements, it must spend 80 percent of the 1994 amount. In Tennessee, this translates to approximately \$82.8 million and \$88.3 million of state funding, respectively.

If a state receives additional contingency funding in times of high unemployment, that maintenance of effort requirement increases to 100 percent of the amount spent in 1994, regardless of whether it meets work requirements. In Tennessee, this equates to about \$110.4 million.

| <b>75 percent MOE</b> | <b>80 percent MOE</b> | <b>100 percent MOE</b> |
|-----------------------|-----------------------|------------------------|
| \$82,809,878          | \$88,330,537          | \$110,413,171          |

During the 2008 recession and immediately after, TANF caseloads were high. In serving them, Tennessee spent all of the federal funding awarded each year, dipped into the federal funds rolled over from prior years, spent the required amount of state money, and still needed additional funding. Thus, to meet demand for TANF services, the state spent more state money than was required by federal law.

Beginning in 2013, however, TANF spending slowed down enough that the situation was reversed: the state began spending less federal funding than it was awarded each year. In later years, federal spending continued to drop, so that in some years, the state spent 35 percent of the federal funds it was awarded. At this time, the TANF reserve began to build up.

But as these federal funds accumulated, Tennessee continued spending more state funding than was needed to meet the maintenance of effort requirement. In short, rather than using the federal funding available for TANF, Tennessee spent extra state money. These state funds are unrestricted and could have been used for any purpose or state priority.

This extra state funding can be calculated under two scenarios. The difference lies in whether Tennessee chose to request and receive contingency funding in several years.

### Scenario 1: Receiving contingency funding

During the recession through 2016, Tennessee received contingency funds, and so was required to spend \$110 million of state funding in those years. Based on this scenario, Tennessee has spent an extra \$174 million of state funding since 2013, rather than using available federal money.

| Federal fiscal year | Federal funding |                      |                           | State funding |                    |                              |                                       |
|---------------------|-----------------|----------------------|---------------------------|---------------|--------------------|------------------------------|---------------------------------------|
|                     | Federal award   | Federal expenditures | Federal surplus (deficit) | State MOE     | State expenditures | State expenditures above MOE | State funding used instead of federal |
| 2011                | 215,365,684     | 304,135,688          | (88,770,004)              | 110,413,171   | 136,542,404        | 26,129,233                   | —                                     |
| 2012                | 208,364,535     | 241,109,591          | (32,745,056)              | 110,413,171   | 139,218,725        | 28,805,554                   | —                                     |
| 2013                | 208,273,474     | 178,622,439          | 29,651,035                | 110,413,171   | 140,302,878        | 29,889,707                   | 29,651,035                            |
| 2014                | 210,542,134     | 145,351,755          | 65,190,379                | 110,413,171   | 136,991,058        | 26,577,887                   | 26,577,887                            |
| 2015                | 212,859,869     | 119,727,165          | 93,132,704                | 110,413,171   | 129,984,631        | 19,571,460                   | 19,571,460                            |
| 2016                | 210,333,124     | 51,635,190           | 158,697,934               | 110,413,171   | 130,927,572        | 20,514,401                   | 20,514,401                            |
| 2017                | 190,891,768     | 66,223,917           | 124,667,851               | 88,330,537    | 115,282,277        | 26,951,740                   | 26,951,740                            |
| 2018                | 190,891,768     | 67,683,772           | 123,207,996               | 88,330,537    | 110,849,226        | 22,518,689                   | 22,518,689                            |
| 2019                | 190,891,768     | 73,431,775           | 117,459,993               | 88,330,537    | 116,260,465        | 27,929,928                   | 27,929,928                            |
|                     |                 |                      |                           | <b>Total</b>  |                    |                              | <b>173,715,140</b>                    |

The “Federal award” column includes Tennessee’s \$191 million annual block grant, plus any federal contingency funding. Tennessee received contingency funding in 2011 to 2016, and so was required to spend \$110.4 million of state funds. From 2017 onward, the state spending requirement is based on the \$88.3 million amount.

### Scenario 2: Not receiving contingency funding

The second scenario considers how Tennessee could have reduced its state maintenance of effort requirement by not receiving contingency funding from 2013 to 2016. In essence, this calculation has two moving parts: (1) spending extra state money instead of using federal funding, and (2) using one federal funding stream rather than the other.

Even after caseloads began to drop in 2013, Tennessee requested and still qualified for federal contingency funding. But from 2013 to 2016, the state did not need the extra contingency funding it requested and received. In each of those years, there was more block grant money left over than Tennessee received in contingency funds. In 2014, for example, the state received about \$19 million of contingency funding. That same year, it did not spend \$65 million of block grant money. Put another way, even if the state had not requested the contingency funds, it still would have had \$46 million of block grant funds left over at the end of the year.

All total, from 2013 to 2016, Tennessee received an extra \$76 million of federal contingency funds. At the same time, \$347 million from the annual block grants went unspent. In this case, the state could have instead spent the equivalent of \$76 million of contingency funding from its block grant money and still added \$271 million to the TANF reserve.

| Federal fiscal year | Federal block grant | Federal contingency | Total federal award | Federal expenditures | Federal surplus (deficit) | Surplus block grant without contingency |
|---------------------|---------------------|---------------------|---------------------|----------------------|---------------------------|---|
| 2013                | 191,523,797         | 16,749,677          | 208,273,474         | 178,622,439          | 29,651,035                | 12,901,358                              |
| 2014                | 191,523,797         | 19,018,337          | 210,542,134         | 145,351,755          | 65,190,379                | 46,172,042                              |
| 2015                | 191,523,797         | 21,336,072          | 212,859,869         | 119,727,165          | 93,132,704                | 71,796,632                              |
| 2016                | 191,523,797         | 18,809,327          | 210,333,124         | 51,635,190           | 158,697,934               | 139,888,607                             |
| <b>Total</b>        | <b>766,095,188</b>  | <b>75,913,413</b>   | <b>842,008,601</b>  | <b>495,336,549</b>   | <b>346,672,052</b>        | <b>270,758,639</b>                      |

If Tennessee had spent more of its block grant from 2013 to 2016, rather than using contingency funding, its required state match would have dropped. By using the block grant, it could have reduced state spending to \$88 million each year, rather than the \$110 million threshold tied to the contingency funds.

Even based on the higher \$110 million benchmark, Tennessee spent \$174 million more state money than needed from 2013 onward, as explained in scenario 1. If that \$110 million threshold had instead been \$88 million by using the block grant instead of contingency funds, even more of the state spending in those years would have been above and beyond the requirement.

In 2015, for example, Tennessee spent \$130 million of state money. Based on the \$110 million threshold in effect at the time, this equates to an additional \$20 million of state spending. But if the state had not received contingency funds that year, the threshold would have dropped to \$88 million. Based on that lower benchmark, Tennessee spent \$42 million more than needed, rather than \$20 million.

Under this scenario, Tennessee has spent \$221 million more state funding than necessary since 2013, rather than using available federal money.

| Federal fiscal year | Federal                |                      |                           | State              |                    |                              |                                       |
|---------------------|------------------------|----------------------|---------------------------|--------------------|--------------------|------------------------------|---------------------------------------|
|                     | Adjusted federal award | Federal expenditures | Federal surplus (deficit) | Adjusted state MOE | State expenditures | State expenditures above MOE | State funding used instead of federal |
| 2011                | 215,365,684            | 304,135,688          | (88,770,004)              | 110,413,171        | 136,542,404        | 26,129,233                   | —                                     |
| 2012                | 208,364,535            | 241,109,591          | (32,745,056)              | 110,413,171        | 139,218,725        | 28,805,554                   | —                                     |
| 2013                | 191,523,797            | 178,622,439          | 12,901,358                | 88,330,537         | 140,302,878        | 51,972,341                   | 12,901,358                            |
| 2014                | 191,523,797            | 145,351,755          | 46,172,042                | 88,330,537         | 136,991,058        | 48,660,521                   | 46,172,042                            |
| 2015                | 191,523,797            | 119,727,165          | 71,796,632                | 88,330,537         | 129,984,631        | 41,654,094                   | 41,654,094                            |
| 2016                | 191,523,797            | 51,635,190           | 139,888,607               | 88,330,537         | 130,927,572        | 42,597,035                   | 42,597,035                            |
| 2017                | 190,891,768            | 66,223,917           | 124,667,851               | 88,330,537         | 115,282,277        | 26,951,740                   | 26,951,740                            |
| 2018                | 190,891,768            | 67,683,772           | 123,207,996               | 88,330,537         | 110,849,226        | 22,518,689                   | 22,518,689                            |
| 2019                | 190,891,768            | 73,431,775           | 117,459,993               | 88,330,537         | 116,260,465        | 27,929,928                   | 27,929,928                            |
|                     |                        |                      |                           |                    |                    | <b>Total</b>                 | <b>220,724,886</b>                    |

For 2013 to 2016, the contingency funding Tennessee received has been removed from the “Adjusted federal award” column. For those years, the state maintenance of effort amount has correspondingly been lowered from \$110.4 million to \$88.3 million.

In reality, this \$221 million estimate is likely low. Because a state may not know whether it met work requirements until the end of the year, it is reasonable to plan to spend the higher \$88 million amount as a safeguard. As such, the \$221 million estimate is based on the \$88 million amount each year. In some of the years listed, however, Tennessee ultimately met its work requirements, and so could have spent the lower \$83 million figure.

In addition, in years where the state does not receive contingency funding, federal regulations allow Tennessee to count child support received by TANF recipients toward maintenance of effort.<sup>A</sup> In other words, when a TANF recipient, such as a single mother, receives child support, that amount counts toward Tennessee’s \$83 or \$88 million of required state funding.

Over the past two years, Tennessee has counted about \$6.8 million of child support payments toward maintenance of effort each year. In this case, if the maintenance of effort requirement was \$88 million, the state would need to spend closer to \$81 million of state funds on top of the child support payments. But because the amount of child support fluctuates from year to year and is outside the state’s control, these payments have not been included in the calculations above. As a result, the \$221 million figure is understated by the amount of child support payments in those years.

<sup>A</sup> Office of Family Assistance, Department of Health and Human Services, *Code of Federal Regulations*, Title 45, §263.2(a)(1), 2016 ed.

## **Compared proportionately to the rest of the Southeast, Tennessee spent roughly the same amount of federal money to administer one-third of the program services provided by other states**

Each quarter, states are required to report their TANF expenditures – both state and federal – to the federal government. For reporting purposes, these expenditures are grouped into 20 main categories, such as basic assistance, early care and education, and child welfare services.

One such category, program management, includes subcategories for administrative costs and system costs (i.e., the “costs related to monitoring and tracking under the program”). Within this category, federal law caps the amount of the annual TANF block grant that can be spent on administrative costs at 15 percent, not including system costs.<sup>b</sup> In Tennessee, the 15 percent cap translates to about \$29 million.

In 2018, Tennessee spent about \$21 million of federal funds on administration, or about 11 percent of its total block grant. The other states in the Southeast put a comparable amount of their federal money toward administrative costs: about 10 percent, in line with Tennessee’s 11 percent. Like Tennessee, the other states also spent a small portion of their block grants on other program management, such as systems: about 3 percent, on average, compared to 0.1 percent in Tennessee.

On the other hand, the other states spent a much larger portion of their *total* 2018 block grant than Tennessee – about 87 percent of their total award, on average, compared to Tennessee’s 35 percent. Two states – Kentucky and Mississippi – spent more federal funding than they received, and dipped into their own TANF reserves to make up the difference.

After accounting for program management – administration and systems – the other states spent a much larger portion of their total block grant on program services (e.g., cash assistance to families or workplace training). On average, the other states spent about 73 percent of their available federal funding on program services, compared to 24 percent in Tennessee.

When comparing proportionately, then, although Tennessee spent a similar amount of its total block grant on administrative costs compared to other states, the other states spent three times as much money on program services. In other words, it cost Tennessee roughly the same amount of federal money to administer one-third of the program services provided by other states.

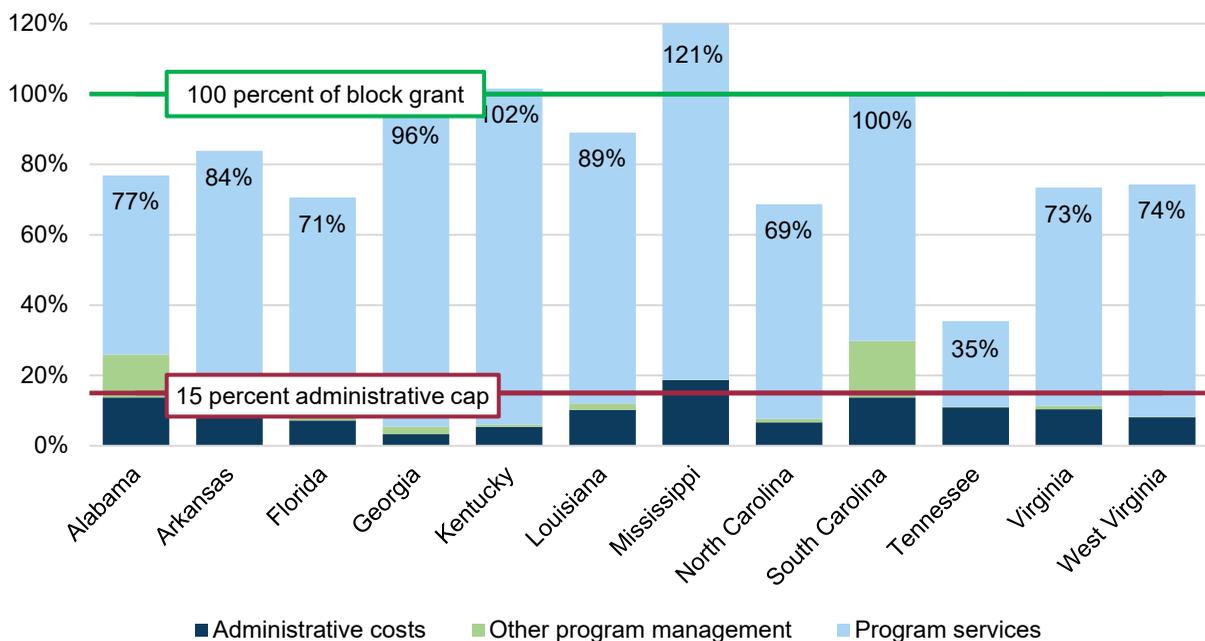
---

<sup>b</sup> 42 U.S.C. § 604(b) (2017).

| State                   | 2018 federal award | Total federal expenditures | Administration expenditures | Percent of block grant spent | Percent of block grant used for administration | Percent of spending used for administration |
|-------------------------|--------------------|----------------------------|-----------------------------|------------------------------|--|---|
| Alabama                 | 93,007,267         | 71,479,444                 | 12,783,612                  | 77%                          | 14%  | 18%   |
| Arkansas                | 56,545,640         | 47,426,485                 | 8,319,919                   | 84%                          | 15%  | 18%   |
| Florida                 | 560,484,398        | 395,352,506                | 40,192,609                  | 71%                          | 7%   | 10%   |
| Georgia                 | 329,650,291        | 315,595,540                | 10,850,713                  | 96%                          | 3%   | 3%  |
| Kentucky                | 180,689,420        | 183,403,783                | 9,800,417                   | 102%                         | 5%   | 5%  |
| Louisiana               | 163,430,877        | 145,536,359                | 16,723,671                  | 89%                          | 10%  | 11%   |
| Mississippi             | 86,481,245         | 104,424,460                | 16,100,448                  | 121%                         | 19%  | 15%   |
| North Carolina          | 300,437,627        | 206,388,294                | 19,902,516                  | 69%                          | 7%   | 10%   |
| South Carolina          | 99,637,930         | 99,637,930                 | 13,742,084                  | 100%                         | 14%  | 14%   |
| Virginia                | 157,762,831        | 115,733,001                | 16,458,861                  | 73%                          | 10%  | 14%   |
| West Virginia           | 109,812,728        | 81,646,001                 | 8,889,687                   | 74%                          | 8%   | 11%   |
| <b>Average other SE</b> |                    |                            |                             | <b>87%</b>                   | <b>10%</b>                                     | <b>12%</b>                                  |
| <b>Tennessee</b>        | <b>190,891,768</b> | <b>67,683,772</b>          | <b>20,914,309</b>           | <b>35%</b>                   | <b>11%</b>                                     | <b>31%</b>                                  |

For most states, the figure in the column on the far right, “Percent of *spending* used for administration,” is greater than the figure in the column immediately to the left (“Percent of *block grant* used for administration”). This is because these states did not spend their full federal block grant. Thus, the money put toward administration makes up a larger portion of what these states spent compared to the total funding available.

### Southeastern states: 2018 federal expenditures as percentage of annual block grant



“Other program management” includes system costs, along with assessment and service provision (e.g., the costs of screening or assessments, such as for substance abuse, or helping TANF recipients apply for SSI or SSDI.). In 2018, Mississippi spent about 19 percent of its total block grant on administrative costs, over the 15 percent cap. Mississippi also spent the equivalent of an extra 21 percent of its block grant out of its TANF reserve that year.

***Because Tennessee spends a small portion of its block grant, nearly 30 percent of federal TANF spending goes toward administrative costs at the Department of Human Services***

In 2018 and 2019, Tennessee spent about \$68 and \$73 million of its \$191 million annual block grant, respectively. For each of those years, over \$20 million of that spending went toward administrative costs at the state Department of Human Services. As such, administrative costs accounted for about 29 percent, on average, of Tennessee’s total federal spending over the past two years (31 percent in 2018 and 27 percent in 2019). Put another way, for every \$100 of federal funding drawn down, \$29 went toward administration.

About \$247,000 and \$463,000 of federal funding went toward systems costs, the other subcategory of program management, in 2018 and 2019.

**Total administrative spending**

On top of the \$20 million of federal funds used for administrative costs, DHS spent an additional \$5 and \$6 million of state funding in 2018 and 2019, respectively. With the added state money, administrative spending totaled about \$26 million in both years.

In 2017, DHS spent about 20 percent less overall on administration: around \$21 million, compared to \$26 million. That year, a much larger portion of these administrative costs – 64 percent – came from state dollars. Thus, in 2018 and 2019, it appears that a large portion of administrative spending was shifted from state to federal money.

| Federal Category   | 2017              |                    |                    | 2018              |                    |                    | 2019              |                    |                    |
|--|-------------------|--------------------|--------------------|-------------------|--------------------|--------------------|-------------------|--------------------|--------------------|
|  | Federal           | State              | Total              | Federal           | State              | Total              | Federal           | State              | Total              |
| Basic Assistance: cash benefits to families  | 41,231,289        | 13,401,901         | 54,633,190         | 35,177,599        | 11,779,545         | 46,957,144         | 41,299,811        | 13,804,843         | 55,104,654         |
| Additional Work Activities: Two-Generation services  | 15,808,268        | 1,527,365          | 17,335,633         | 10,785,336        | 7,592,026          | 18,377,362         | 10,624,019        | 9,753,630          | 20,377,649         |
| Work Supports: transportation assistance   | 723,067           | 41,407             | 764,474            | 360,381           | 120,127            | 480,508            | 548,573           | 182,858            | 731,431            |
| Pre-K/Head Start   | —                 | 86,297,152         | 86,297,152         | —                 | 85,989,536         | 85,989,536         | —                 | 85,906,187         | 85,906,187         |
| Supportive Services: dental and optical services, uniforms, tools for training program, etc. | 195,791           | 10,014             | 205,806            | 199,426           | 66,475             | 265,901            | 475,832           | 158,611            | 634,443            |
| Administrative Costs   | 7,652,805         | 13,395,650         | 21,048,455         | 20,914,309        | 5,056,888          | 25,971,197         | 20,020,884        | 6,177,825          | 26,198,709         |
| Systems  | 610,840           | 608,788            | 1,219,628          | 246,722           | 244,629            | 491,350            | 462,655           | 276,512            | 739,167            |
| <b>Total</b>   | <b>66,222,060</b> | <b>115,282,277</b> | <b>181,504,338</b> | <b>67,683,772</b> | <b>110,849,226</b> | <b>178,532,998</b> | <b>73,431,775</b> | <b>116,260,465</b> | <b>189,692,239</b> |

Total federal expenditures for 2017 are short \$1,857 from the total reported on page 4 and page 6 as it is not clear which category this money falls under.

| Federal Category   | 2017          |               |               | 2018          |               |               | 2019          |               |               |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  | Federal       | State         | Total         | Federal       | State         | Total         | Federal       | State         | Total         |
| Basic Assistance: cash benefits to families  | 62.3%         | 11.6%         | 30.1%         | 52.0%         | 10.6%         | 26.3%         | 56.2%         | 11.9%         | 29.0%         |
| Additional Work Activities: Two-Generation services  | 23.9%         | 1.3%          | 9.6%          | 15.9%         | 6.8%          | 10.3%         | 14.5%         | 8.4%          | 10.7%         |
| Work Supports: transportation assistance   | 1.1%          | < 0.1%        | 0.4%          | 0.5%          | 0.1%          | 0.3%          | 0.7%          | 0.2%          | 0.4%          |
| Pre-K/Head Start   | —             | 74.9%         | 47.5%         | —             | 77.6%         | 48.2%         | —             | 73.9%         | 45.3%         |
| Supportive Services: dental and optical services, uniforms, tools for training program, etc. | 0.3%          | < 0.1%        | 0.1%          | 0.3%          | 0.1%          | 0.1%          | 0.6%          | 0.1%          | 0.3%          |
| Administrative Costs   | 11.6%         | 11.6%         | 11.6%         | 30.9%         | 4.6%          | 14.5%         | 27.3%         | 5.3%          | 13.8%         |
| Systems  | 0.9%          | 0.5%          | 0.7%          | 0.4%          | 0.2%          | 0.3%          | 0.6%          | 0.2%          | 0.4%          |
| <b>Total</b>   | <b>100.0%</b> |

Totals may not sum due to rounding.

Two-thirds of the federally funded administrative costs in 2018 and 2019 went toward employee salaries and benefits at DHS (\$14.5 million, or 69 percent, in 2018 and \$13.2 million, or 66 percent, in 2019). Another 19 percent was paid to other state agencies, such as lease payments to the Facilities Revolving Fund or data processing services through Strategic Technology Solutions (STS).

| Account | Description                          | 2017      |           |           | 2018      |           |            | 2019      |           |            |
|---------|--------------------------------------|-----------|-----------|-----------|-----------|-----------|------------|-----------|-----------|------------|
|         |                                      | Federal   | State     | Total     | Federal   | State     | Total      | Federal   | State     | Total      |
| 65007   | Refund of PY Expenditures            |           | (6,880)   | (6,880)   |           | (4,746)   | (4,746)    |           | (6,338)   | (6,338)    |
| 68012   | Refund of PY Federal Expenditures    | (11,562)  |           | (11,562)  | (10,545)  |           | (10,545)   | (14,269)  |           | (14,269)   |
| 70100   | Salaries and Wages                   | 3,043,970 | 6,888,981 | 9,932,951 | 9,176,512 | 1,862,439 | 11,038,952 | 8,537,979 | 2,847,870 | 11,385,849 |
| 70102   | Longevity and Bonuses                | 151,660   | 223,096   | 374,756   | 378,610   | 80,501    | 459,111    | 355,157   | 118,384   | 473,541    |
| 70104   | Overtime                             | 4,005     | 8,351     | 12,356    | 48,501    | 15,157    | 63,658     | 34,267    | 11,424    | 45,691     |
| 70200   | Employee Benefits                    | 1,986,092 | 3,580,283 | 5,566,376 | 4,912,887 | 983,532   | 5,896,419  | 4,294,794 | 1,432,657 | 5,727,451  |
| 70300   | Travel                               | 99,389    | 113,735   | 213,124   | 121,879   | 19,914    | 141,793    | 116,204   | 38,837    | 155,041    |
| 70400   | Printing and Duplicating             | 133       | 133       | 265       | 29        | (66)      | (37)       | 9         | 3         | 12         |
| 70500   | Utilities and Fuel                   |           |           |           | 158       | 159       | 317        |           |           |            |
| 70600   | Communications                       | 179,707   | 371,587   | 551,294   | 352,544   | 66,553    | 419,097    | 369,004   | 123,003   | 492,007    |
| 70700   | Maintenance and Repairs              | 17,368    | 17,306    | 34,673    | 2,218     | (2,973)   | (755)      | 191       | 64        | 254        |
| 70800   | Court Reporter Services              |           |           |           | 11        | 4         | 14         |           |           |            |
| 70802   | Document Destruction Services        | 3,792     | 3,792     | 7,584     | 12,350    | 3,393     | 15,744     | 8,817     | 2,939     | 11,756     |
| 70803   | General Business Consulting Services | 468,776   | 468,775   | 937,551   | 168,984   | 53,751    | 222,736    | 150,686   | 108,001   | 258,686    |
| 70804   | Medical Services                     | 30,283    | 44,860    | 75,143    | 22,519    | 13,469    | 35,988     | 14,578    | 4,766     | 19,344     |
| 70805   | Attorney Fees                        | 385       | 385       | 769       | 36        | 12        | 48         | 27        | 9         | 36         |
| 70806   | Advertising Services                 | 50        | 50        | 99        | 289       | 73        | 363        | 727       | 242       | 969        |
| 70807   | Organization Memberships and Dues    | 3,983     | 2,727     | 6,710     | 1,269     | 417       | 1,686      | 3,261     | 1,087     | 4,348      |
| 70808   | Publication Subscriptions            | 59,747    | 59,747    | 119,494   | 144,341   | 39,592    | 183,933    | 348,914   | 116,271   | 465,185    |
| 70811   | Interpreting Services                | 39,638    | 36,858    | 76,495    | 53,178    | 15,930    | 69,107     | 48,800    | 13,402    | 62,201     |
| 70812   | Architects and Engineers             |           |           |           | 2         | 1         | 3          | (2)       | (1)       | (3)        |
| 70814   | Travel by Third Party Vendors        | 5         | 5         | 10        | 34        | 11        | 45         | 19        | 7         | 26         |
| 70816   | Other Legal Services                 | 1,250     | 1,250     | 2,500     | 1,101     | 178       | 1,278      | 144       | 48        | 192        |

| Account | Description                                      | 2017             |                   |                   | 2018              |                  |                   | 2019              |                  |                   |
|---------|--|------------------|-------------------|-------------------|-------------------|------------------|-------------------|-------------------|------------------|-------------------|
|         |  | Federal          | State             | Total             | Federal           | State            | Total             | Federal           | State            | Total             |
| 70899   | Other Third Party Professional Services          | 14,197           | 13,977            | 28,174            | 453,995           | 172,733          | 626,728           | 170,724           | 46,583           | 217,307           |
| 70900   | Supplies and Materials                           | 34,014           | 36,782            | 70,796            | 63,464            | 16,180           | 79,644            | 59,948            | 19,892           | 79,841            |
| 71000   | Rentals and Insurance                            | 10,690           | 10,917            | 21,607            | 13,966            | 2,795            | 16,761            | 70,024            | 23,230           | 93,254            |
| 71100   | Motor Vehicle Operation                          | 5                | 5                 | 9                 | 11                | 3                | 14                | 9                 | 3                | 12                |
| 71200   | Awards and Indemnities                           | 2,125            | 2,125             | 4,250             | 3,940             | 1,153            | 5,093             | 2,101             | 700              | 2,802             |
| 71300   | Subsidies to Other State Agencies                |                  |                   |                   | 1,643             | 548              | 2,191             | 940,909           |                  | 940,909           |
| 71304   | Grants and Subsidies to 501(c)(3) Org            | 10               | 30                | 40                | 17                | (21)             | (4)               |                   |                  |                   |
| 71306   | Payments to Individuals                          |                  |                   |                   | 185               | 185              | 370               |                   |                  |                   |
| 71307   | Non-medical Payments                             | 16               | 24                | 40                |                   |                  |                   | 1,278             | 426              | 1,704             |
| 71312   | Payments for Foster Child Care and Adoption Asst |                  |                   |                   | (22)              | (7)              | (29)              | 890               | 297              | 1,186             |
| 71400   | Unclassified                                     | 3,624            | 3,624             | 7,247             |                   |                  |                   |                   |                  |                   |
| 71600   | Equipment  | 9,332            | 9,332             | 18,663            | (931)             | (931)            | (1,862)           |                   |                  |                   |
| 72100   | Training   | 37,915           | 12,447            | 50,362            | 12,296            | 8,858            | 21,154            | 24,225            | 7,011            | 31,236            |
| 72200   | Third Party Data Processing                      | 508,354          | 470,689           | 979,043           | 738,846           | 239,426          | 978,272           | 790,763           | 42,547           | 833,310           |
| 72500   | Professional Services by State Agency            | 942,091          | 1,020,660         | 1,962,751         | 4,215,650         | 1,468,664        | 5,684,315         | 3,675,378         | 1,224,461        | 4,899,838         |
| 89040   | Indirect Cost                                    | 11,766           |                   | 11,766            | 24,340            |                  | 24,340            | 15,331            |                  | 15,331            |
|         | <b>Total</b>                                     | <b>7,652,805</b> | <b>13,395,650</b> | <b>21,048,455</b> | <b>20,914,309</b> | <b>5,056,888</b> | <b>25,971,197</b> | <b>20,020,884</b> | <b>6,177,825</b> | <b>26,198,709</b> |

89040 Indirect Cost includes expenses for facilities and administration, such as maintenance or depreciation of state buildings, interest on debt tied to state buildings, or costs related to accounting or human resources. Although these costs apply generally to TANF, an exact dollar amount cannot be attributed to the grant, and so an estimate is used instead. These costs are not paid directly by DHS, but since TANF is a reimbursement grant, the federal government will not disburse funds for these costs unless a specific amount is billed. As such, 89040 Indirect Cost is used to draw down the estimated indirect cost of facilities and administration, and is included in this table because DHS received federal funding for those amounts.

As outlined in federal law, states cannot spend more than 15 percent of their annual block grant on administration, which equates to about \$29 million in Tennessee. Thus, the \$20 million spent on administrative costs in 2018 and 2019 represented about 11 percent of the state's block grant, on average. As such, Tennessee used up 71 percent of the amount allowed for administrative costs, even though it spent only 37 percent of the total federal funding available in those years.

### **Currently, there is no publicly available way to track or monitor TANF spending**

Three sources of information contain data related to Tennessee's TANF spending:

1. The expenditures Tennessee reports to the federal government each year, which are published on the website for the Administration for Children and Families;
2. The state's budget document, which provides estimated revenues and expenditures for the upcoming year, as well as actual expenditures from the year that just ended; and
3. The state's Comprehensive Annual Financial Report (CAFR), which reports Tennessee's expenditures in a format required by the Governmental Accounting Standards Board (GASB).

Due to data issues or limitations, these options are either not timely, not accurate, or not detailed enough to monitor Tennessee's TANF spending. Instead, the only way to access such information is through Edison, the state's accounting system.

### ***The information published by the federal government is slow to become available, and may not be accurate***

Each quarter, states must report their TANF expenditures to the federal government. Although this information provides a detailed breakdown of how states spent their money, there is a significant lag before the data is published on the Administration for Children and Families website.

States have 45 days after the end of the quarter to report their expenditures from that quarter. Data through the end of the federal fiscal year on September 30, for instance, is due on November 14. Even after that deadline, states may correct or update the information they submitted for a previous quarter. For example, a state may revise the original numbers submitted on November 14 when the next quarterly report is due on February 14.

To allow for such corrections, the federal government waits three to six months to publish the year's TANF expenditures on its website. Consequently, data related to the year ending on September 30 may not be publicly available until May of the next year.

Furthermore, because states may make further corrections to the expenditures they previously reported, the federal government republishes the data after an additional six months. As a result, the updated, corrected information may not be publicly available for more than a year after the federal fiscal year ended.



In addition, due to data issues at the state level, DHS has been revising some of the information it previously submitted. In 2018, DHS spent federal TANF money from multiple grant years: 2014, 2015, 2016, and 2017. Because DHS was working through data issues at the time, it did not report any of the expenditures from grant year 2015. Correspondingly, Tennessee reported spending \$21 million of federal TANF funding in 2018, as opposed to \$68 million.

DHS plans to submit the additional expenditures from grant year 2015 to the federal government in February 2020. But because the federal government’s typical window for updating the 2018 information has passed, the federal website may not be updated to reflect the correct expenditures for Tennessee. This affects not only the breakdown of TANF spending available to the public, but also the publicly posted figure for the TANF reserve (if more money has been spent, then less money is left over, resulting in a lower reserve amount).

With these limitations in mind, the information published by the federal government may not be a viable way of monitoring the TANF program. For one, it may not be timely enough to be useful, and perhaps more importantly, it may not be accurate.

***The state’s budget document does not go into enough detail to single out the TANF program***

The Governor’s budget document contains estimates of Tennessee’s revenues and expenditures for the upcoming fiscal year. It also provides actual expenditures for the year most recently ended (2019 in the 2021 budget).

Such information for individual state agencies and departments is broken down into allotment codes, 5-digit numbers that represent a general program area or initiative. DHS has 11 allotment codes that cover broad areas, such as Temporary Cash Assistance, Family Assistance Services, and Community Services. Because of the way the department is organized, the TANF program is spread across multiple allotment codes.

In fiscal year 2019 and 2020, for example, TANF fell under 7 of the 11 allotment codes for DHS in the budget document. While the bulk of TANF is included under 34523 Temporary Cash Assistance, another large part of the program falls under 34530 Family Assistance Services. Additional money is included in yet other areas, such as 34501 Administration and 34531 Appeals and Hearings.

**DHS allotment codes – blue highlights include part of the TANF program**

| Allotment code | Description                               |
|----------------|---|
| 34501          | Administration                            |
| 34513          | Child Support                             |
| 34517          | County Rentals                            |
| 34520          | Child Care Benefits                       |
| 34523          | Temporary Cash Assistance                 |
| 34525          | Supplemental Nutrition Assistance Program |
| 34530          | Family Assistance Services                |
| 34531          | Appeals and Hearings                      |
| 34549          | Community Services                        |
| 34570          | Rehabilitation Services                   |
| 34571          | Disability Determination                  |

One allotment code, 34523 Temporary Cash Assistance, is specific to TANF. Conversely, others contain a mixture of programs in addition to TANF, such as the Supplemental Nutrition Assistance Program (SNAP) and initiatives funded through the Child Care Development Fund (CCDF) and the Social Services Block Grant (SSBG).

**345.30 Family Assistance Services**

The Family Assistance Services program provides eligibility determination for Families First, SNAP, and administrative support to TennCare for Medicaid eligibility determination. In addition, SNAP recipients receive nutrition education and outreach services. Families First clients receive job training, employment career services, and counseling. Family Assistance Services also provides supervision and administrative support to the Department of Human Services offices in each of Tennessee's 95 counties.

|              |                      |                      |                      |            |                      |
|--------------|----------------------|----------------------|----------------------|------------|----------------------|
| Full-Time    | 2,085                | 2,084                | 2,083                | 0          | 2,083                |
| Part-Time    | 0                    | 0                    | 0                    | 0          | 0                    |
| Seasonal     | 0                    | 0                    | 0                    | 0          | 0                    |
| <b>Total</b> | <b>2,085</b>         | <b>2,084</b>         | <b>2,083</b>         | <b>0</b>   | <b>2,083</b>         |
| Payroll      | 104,390,900          | 114,730,300          | 115,970,100          | 0          | 115,970,100          |
| Operational  | 43,399,600           | 70,375,400           | 65,880,000           | 0          | 65,880,000           |
| <b>Total</b> | <b>\$147,790,500</b> | <b>\$185,105,700</b> | <b>\$181,850,100</b> | <b>\$0</b> | <b>\$181,850,100</b> |
| State        | 61,697,600           | 78,435,900           | 72,773,300           | 0          | 72,773,300           |
| Federal      | 83,303,200           | 102,866,800          | 105,247,300          | 0          | 105,247,300          |
| Other        | 2,789,700            | 3,803,000            | 3,829,500            | 0          | 3,829,500            |

Source: State of Tennessee Budget, fiscal year 2019-20, p. B-168, <https://www.tn.gov/finance/fa/fa-budget-information/fa-budget-archive/fa-budget-publication-2019-2020.html> (accessed Feb. 2, 2020).

The state funding for pre-K that counts toward the state’s maintenance of effort is similarly mixed in with other money in the budget. Along with pre-K services through TANF, the Department of Education’s 33132 Early Childhood Education allotment code also houses family resource centers, school-based support services, and other initiatives.

As a result, it is not possible to isolate information for the TANF program in the budget document.

***The state’s Comprehensive Annual Financial Report (CAFR) does not include enough detail to pinpoint TANF spending***

Every year, Tennessee prepares a Comprehensive Annual Financial Report, or CAFR. The CAFR contains the state’s financial statements, which show the government equivalent of net income and net worth. As required by the Governmental Accounting Standards Board (GASB), it also includes various statistics, trends, and economic information.

The CAFR contains all expenditures related to TANF; however, like the budget document, it does not provide enough detail to single out the TANF program. The two government analogues to a company’s income statement – the Statement of Activities and the Statement of Revenues, Expenditures, and Changes in Fund Balances – show only one line for “Health and social services.” This line contains all expenditures related to these services across all state agencies, including DHS, TennCare, the Department of Children’s Services, the Department of Intellectual and Developmental Disabilities, and several others.

One supplementary schedule breaks down spending for “Health and social services” into more detail, but only to the agency level. Consequently, all relevant expenditures for DHS are on one line, so that it is not possible to track spending for the TANF program through the state’s CAFR.

**STATE OF TENNESSEE**  
**Comparative Schedules of Expenditures by**  
**Function and Department**  
**General Fund**  
**For the Fiscal Years Ended June 30, 2019 and 2018**  
**(Expressed in Thousands)**

Schedule 6

| <u>Expenditures by Function and Department</u> | <u>For the Year Ended</u> |                      |
|--|---------------------------|----------------------|
|  | <u>June 30, 2019</u>      | <u>June 30, 2018</u> |
| <b>General government:</b>                     |                           |                      |
| Legislative                                    | \$ 46,996                 | \$ 44,561            |
| Secretary of State                             | 42,978                    | 40,474               |
| Comptroller                                    | 102,358                   | 100,707              |
| Treasurer                                      | 53,491                    | 82,618               |
| Governor                                       | 5,109                     | 5,156                |
| Commissions                                    | 82,786                    | 74,780               |
| Finance and Administration                     | 183,751                   | 163,660              |
| General Services                               | 27,080                    | 26,998               |
| Revenue  | 117,209                   | 118,777              |
| Miscellaneous Appropriations                   | -                         | 134                  |
| Total general government                       | 661,758                   | 657,865              |
| <b>Health and social services:</b>             |                           |                      |
| Veterans Services                              | 10,789                    | 14,355               |
| Labor and Workforce Development                | 178,882                   | 175,505              |
| TennCare                                       | 11,618,602                | 11,457,653           |
| Mental Health                                  | 387,679                   | 356,865              |
| Intellectual Disabilities                      | 151,892                   | 145,421              |
| Health   | 633,847                   | 636,809              |
| Human Services                                 | 2,107,597                 | 2,214,804            |
| Children's Services                            | 918,364                   | 874,448              |
| Total health and social services               | 16,007,652                | 15,875,860           |

Like the Statement of Revenues, Expenditures, and Changes in Fund Balances, this supporting statement is on a modified accrual basis of accounting. By contrast, the Statement of Activities is on an accrual basis of accounting. In this context, the most significant difference relates to capital assets, such as buildings or expensive equipment that will last for many years. On the Statement of Activities, the cost of these assets – e.g., the purchase price or the cost to build them – is gradually expensed each year as depreciation. On this supporting statement, the entire cost of these assets is recorded as an expenditure in the first year, rather than being periodically depreciated over the life of the asset.

Source: Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2019, Tennessee State Government, Dec. 2019, p. 223, <https://www.tn.gov/finance/rd-doa/fa-accfin-cafr.html> (accessed Feb. 2, 2020).

Due to the limited detail provided by the CAFR and the budget document, plus the issues with the numbers published by the federal government, there is no publicly available way to monitor Tennessee's TANF spending. The only way to see detailed information in a timely way is by getting more granular data out of Edison, the state's accounting system.

**The Department of Finance and Administration already has the authority to add nearly all of the \$700+ million TANF reserve to the Department of Human Services' current budget without further approval from the legislature**

Each year, almost all \$191 million of the federal TANF block grant is included in DHS' budget, although it is spread across multiple allotment codes. After the legislature passes the appropriations act in the spring, the Department of Finance and Administration (F&A) allots this money via the work program, an agency's working budget, so that DHS may spend it in the upcoming year.

In recent years, DHS has spent less than half of the federal block grant. Nevertheless, close to the full amount is allotted to give DHS the legal authority to draw down the additional funding, if needed. In other words, if the TANF caseload was high, DHS would be authorized to spend close to the full amount of the federal grant.

As such, almost all of the “leftover” federal TANF funds – the estimated \$732 million TANF reserve – were allotted to DHS in prior years as pieces of the annual \$191 million block grant. And, based on language in the annual appropriations act, F&A has the authority to add this money back to DHS’ current budget without further approval from the legislature.

Section 15 of the annual appropriations act states:

Item 15. The Commissioner of Finance and Administration is hereby authorized to adjust departmental revenue and related expenditures to recognize **(a) the carry-over of federal funds and other departmental revenues that were budgeted and allotted but unexpended or unobligated at June 30;** (b) an increase in the federal rate of reimbursement or match in federal programs so that there is less state expense or the additional federal funds are available to meet increasing costs without improving programs; and (c) an unexpected increase in federal grant funds so that there is less state expense or the additional federal funds are available to meet increasing costs without improving programs (emphasis added).<sup>c</sup>

Unlike similar adjustments made under Section 23 of the appropriations act, there is no requirement to notify parties in the legislature (e.g., the Finance, Ways, and Means Committees).

F&A’s authority is limited, however, in that it can only add this money to DHS’ budget. Transferring part of this federal TANF funding to another agency, such as the Department of Health, would require legislative approval.

---

<sup>c</sup> Public Chapter 405, 2019.

**Appendix A: 2017 through 2019 TANF expenditures – Department of Human Services and Department of Education combined**

| Account | Description                          | 2017      |           |           | 2018      |           |            | 2019      |           |            |
|---------|--------------------------------------|-----------|-----------|-----------|-----------|-----------|------------|-----------|-----------|------------|
|         |                                      | Federal   | State     | Total     | Federal   | State     | Total      | Federal   | State     | Total      |
| 65007   | Refund of PY Expenditures            |           | (13,435)  | (13,435)  |           | (83,366)  | (83,366)   |           | (16,538)  | (16,538)   |
| 68012   | Refund of PY Federal Expenditures    | (11,562)  |           | (11,562)  | (18,361)  |           | (18,361)   | (14,269)  | -         | (14,269)   |
| 70100   | Salaries and Wages                   | 1,233,715 | 7,504,080 | 8,737,796 | 9,289,247 | 2,361,786 | 11,651,033 | 8,606,726 | 3,310,803 | 11,917,528 |
| 70102   | Longevity and Bonuses                | 156,148   | 230,137   | 386,284   | 382,989   | 98,946    | 481,935    | 358,768   | 127,867   | 486,635    |
| 70104   | Overtime                             | 4,056     | 8,403     | 12,459    | 48,501    | 15,157    | 63,658     | 34,267    | 11,424    | 45,691     |
| 70200   | Employee Benefits                    | 2,055,768 | 3,766,917 | 5,822,685 | 4,959,709 | 1,172,073 | 6,131,782  | 4,322,198 | 1,595,452 | 5,917,651  |
| 70300   | Travel                               | 106,130   | 132,475   | 238,605   | 130,127   | 50,958    | 181,085    | 117,415   | 46,249    | 163,663    |
| 70400   | Printing and Duplicating             | 133       | 133       | 265       | 38        | (56)      | (18)       | 145       | 141       | 287        |
| 70500   | Utilities and Fuel                   |           |           |           | 158       | 159       | 317        |           |           |            |
| 70600   | Communications                       | 179,752   | 372,853   | 552,604   | 357,782   | 72,931    | 430,713    | 369,079   | 124,177   | 493,256    |
| 70700   | Maintenance and Repairs              | 18,891    | 18,829    | 37,720    | 2,218     | (2,929)   | (711)      | 191       | 68        | 259        |
| 70800   | Court Reporter Services              |           |           |           | 11        | 323       | 334        |           |           |            |
| 70802   | Document Destruction Services        | 3,792     | 3,813     | 7,605     | 12,363    | 3,430     | 15,794     | 8,824     | 2,983     | 11,807     |
| 70803   | General Business Consulting Services | 468,853   | 468,853   | 937,706   | 168,994   | 53,761    | 222,755    | 154,511   | 111,826   | 266,337    |
| 70804   | Medical Services                     | 30,283    | 44,860    | 75,143    | 22,519    | 13,469    | 35,988     | 14,578    | 4,766     | 19,344     |
| 70805   | Attorney Fees                        | 385       | 385       | 769       | 36        | 12        | 48         | 27        | 9         | 36         |
| 70806   | Advertising Services                 | 50        | 50        | 99        | 292       | 76        | 369        | 727       | 243       | 970        |
| 70807   | Organization Memberships and Dues    | 3,983     | 3,700     | 7,683     | 1,277     | 934       | 2,211      | 3,262     | 1,088     | 4,350      |
| 70808   | Publication Subscriptions            | 59,747    | 60,326    | 120,073   | 144,344   | 39,594    | 183,938    | 348,927   | 116,550   | 465,476    |
| 70811   | Interpreting Services                | 41,971    | 37,001    | 78,972    | 54,137    | 16,479    | 70,616     | 48,952    | 13,532    | 62,484     |
| 70812   | Architect and Engineers              |           |           |           | 2         | 1         | 3          | (1)       | 1         | —          |
| 70814   | Travel by Third Party Vendors        | 5         | 6         | 11        | 34        | 11        | 45         | 19        | 7         | 26         |
| 70816   | Other Legal Services                 | 102,641   | 29,269    | 131,911   | 66,498    | 132,953   | 199,451    | 71,123    | 144,157   | 215,280    |

| Account | Description                                      | 2017              |                    |                    | 2018              |                    |                    | 2019              |                    |                    |
|---------|--|-------------------|--------------------|--------------------|-------------------|--------------------|--------------------|-------------------|--------------------|--------------------|
|         |  | Federal           | State              | Total              | Federal           | State              | Total              | Federal           | State              | Total              |
| 70899   | Other Third Party Professional Services          | 11,826,466        | 1,024,941          | 12,851,407         | 4,951,747         | 1,678,840          | 6,630,587          | 2,377,020         | 1,155,019          | 3,532,039          |
| 70900   | Supplies and Materials                           | 34,156            | 47,170             | 81,327             | 63,961            | 19,104             | 83,064             | 60,049            | 21,899             | 81,948             |
| 71000   | Rentals and Insurance                            | 11,319            | 12,311             | 23,630             | 15,008            | 4,312              | 19,320             | 70,415            | 24,389             | 94,804             |
| 71100   | Motor Vehicle Operation                          | 5                 | 5                  | 9                  | 11                | 3                  | 14                 | 9                 | 3                  | 12                 |
| 71200   | Awards and Indemnities                           | 2,125             | 2,125              | 4,250              | 3,943             | 1,156              | 5,099              | 2,110             | 709                | 2,818              |
| 71300   | Subsidies to Other State Agencies                | 4,840,336         | 957,625            | 5,797,961          | 2,789,763         | 2,191,076          | 4,980,840          | 3,982,565         | 2,298,568          | 6,281,133          |
| 71301   | Grants and Subsidies to Counties                 |                   |                    |                    |                   |                    |                    |                   | 132                | 132                |
| 71303   | Grants and Subsidies to School Districts         |                   | 85,234,807         | 85,234,807         |                   | 84,920,480         | 84,920,480         |                   | 84,609,466         | 84,609,466         |
| 71304   | Grants and Subsidies to 501(c)(3) Org            | 2,725,342         | 755,768            | 3,481,110          | 2,433,076         | 3,825,814          | 6,258,891          | 3,358,496         | 6,140,790          | 9,499,286          |
| 71306   | Payments to Individuals                          | 41,180,028        | 13,384,813         | 54,564,842         | 35,141,332        | 11,767,580         | 46,908,912         | 41,293,295        | 13,800,095         | 55,093,389         |
| 71307   | Non-medical Payments                             | 16                | 24                 | 40                 | 903,217           | 301,072            | 1,204,289          | 53,016            | 105,471            | 158,487            |
| 71312   | Payments for Foster Child Care and Adoption Asst | 1,857             |                    | 1,857              | (22)              | (7)                | (29)               | 890               | 297                | 1,186              |
| 71313   | Other Reportable Payments                        |                   |                    |                    | 4,125             | 8,375              | 12,500             | 44,687            | 12,916             | 57,603             |
| 71399   | Other Grant Payments                             | 51,108            | 17,036             | 68,144             | 561,291           | 187,097            | 748,388            | 2,651,322         | 883,774            | 3,535,096          |
| 71400   | Unclassified                                     | 3,624             | 3,624              | 7,247              |                   |                    |                    |                   |                    |                    |
| 71600   | Equipment  | 9,334             | 9,334              | 18,667             | 1,955             | 1,955              | 3,911              |                   |                    |                    |
| 72100   | Training   | 37,915            | 18,947             | 56,862             | 12,397            | 10,034             | 22,431             | 24,255            | 7,331              | 31,586             |
| 72200   | Third Party Data Processing                      | 538,668           | 503,133            | 1,041,801          | 774,160           | 275,338            | 1,049,498          | 911,407           | 120,570            | 1,031,977          |
| 72500   | Professional Services by State Agency            | 495,115           | 641,962            | 1,137,077          | 4,380,530         | 1,710,296          | 6,090,825          | 4,141,432         | 1,484,232          | 5,625,664          |
| 89040   | Indirect Cost                                    | 11,766            |                    | 11,766             | 24,363            |                    | 24,363             | 15,339            |                    | 15,339             |
|         | <b>Total</b>                                     | <b>66,223,917</b> | <b>115,282,277</b> | <b>181,506,195</b> | <b>67,683,772</b> | <b>110,849,226</b> | <b>178,532,998</b> | <b>73,431,775</b> | <b>116,260,465</b> | <b>189,692,239</b> |

89040 Indirect Cost includes expenses for facilities and administration, such as maintenance or depreciation of state buildings, interest on debt tied to state buildings, or costs related to accounting or human resources. Although these costs apply generally to TANF, an exact dollar amount cannot be attributed to the grant, and so an estimate is used instead. These costs are not paid directly by DHS, but since TANF is a reimbursement grant, the federal government will not disburse funds for these costs unless a specific amount is billed. As such, 89040 Indirect Cost is used to draw down the estimated indirect cost of facilities and administration, and is included in this table because DHS received federal funding for those amounts.

## Appendix B: 2017 through 2019 TANF expenditures – separated by agency

### Department of Human Services

| Account | Description                             | 2017       |           |            | 2018      |           |            | 2019      |           |            |
|---------|---|------------|-----------|------------|-----------|-----------|------------|-----------|-----------|------------|
|         |   | Federal    | State     | Total      | Federal   | State     | Total      | Federal   | State     | Total      |
| 65007   | Refund of PY Expenditures               |            | (6,880)   | (6,880)    |           | (7,351)   | (7,351)    |           | (6,338)   | (6,338)    |
| 68012   | Refund of PY Federal Expenditures       | (11,562)   |           | (11,562)   | (18,361)  |           | (18,361)   | (14,269)  |           | (14,269)   |
| 70100   | Salaries and Wages                      | 1,233,715  | 7,058,752 | 8,292,468  | 9,289,247 | 1,917,978 | 11,207,225 | 8,606,726 | 2,876,680 | 11,483,406 |
| 70102   | Longevity and Bonuses                   | 156,148    | 226,184   | 382,332    | 382,989   | 82,570    | 465,560    | 358,768   | 119,815   | 478,583    |
| 70104   | Overtime                                | 4,056      | 8,403     | 12,459     | 48,501    | 15,157    | 63,658     | 34,267    | 11,424    | 45,691     |
| 70200   | Employee Benefits                       | 2,055,768  | 3,623,849 | 5,679,617  | 4,959,709 | 1,006,915 | 5,966,624  | 4,322,198 | 1,444,047 | 5,766,245  |
| 70300   | Travel                                  | 106,130    | 116,049   | 222,180    | 130,127   | 22,751    | 152,878    | 117,415   | 39,260    | 156,674    |
| 70400   | Printing and Duplicating                | 133        | 133       | 265        | 38        | (56)      | (18)       | 145       | 139       | 285        |
| 70500   | Utilities and Fuel                      |            |           |            | 158       | 159       | 317        |           |           |            |
| 70600   | Communications                          | 179,752    | 371,632   | 551,384    | 357,782   | 71,790    | 429,572    | 369,079   | 123,076   | 492,155    |
| 70700   | Maintenance and Repairs                 | 18,891     | 18,829    | 37,720     | 2,218     | (2,973)   | (755)      | 191       | 64        | 254        |
| 70800   | Court Reporter Services                 |            |           |            | 11        | 4         | 14         |           |           |            |
| 70802   | Document Destruction Services           | 3,792      | 3,792     | 7,584      | 12,363    | 3,406     | 15,769     | 8,824     | 2,946     | 11,770     |
| 70803   | General Business Consulting Services    | 468,853    | 468,853   | 937,706    | 168,994   | 53,761    | 222,755    | 154,511   | 111,826   | 266,337    |
| 70804   | Medical Services                        | 30,283     | 44,860    | 75,143     | 22,519    | 13,469    | 35,988     | 14,578    | 4,766     | 19,344     |
| 70805   | Attorney Fees                           | 385        | 385       | 769        | 36        | 12        | 48         | 27        | 9         | 36         |
| 70806   | Advertising Services                    | 50         | 50        | 99         | 292       | 76        | 369        | 727       | 243       | 970        |
| 70807   | Organization Memberships and Dues       | 3,983      | 2,727     | 6,710      | 1,277     | 425       | 1,702      | 3,262     | 1,088     | 4,350      |
| 70808   | Publication Subscriptions               | 59,747     | 59,747    | 119,494    | 144,344   | 39,594    | 183,938    | 348,927   | 116,284   | 465,210    |
| 70811   | Interpreting Services                   | 41,971     | 36,891    | 78,862     | 54,137    | 16,350    | 70,487     | 48,952    | 13,532    | 62,484     |
| 70812   | Architect and Engineers                 |            |           |            | 2         | 1         | 3          | (1)       | 1         | —          |
| 70814   | Travel by Third Party Vendors           | 5          | 5         | 10         | 34        | 11        | 45         | 19        | 7         | 26         |
| 70816   | Other Legal Services                    | 102,641    | 29,269    | 131,911    | 66,498    | 132,953   | 199,451    | 71,123    | 144,157   | 215,280    |
| 70899   | Other Third Party Professional Services | 11,826,466 | 1,024,516 | 12,850,982 | 4,951,747 | 1,678,630 | 6,630,376  | 2,377,020 | 1,154,126 | 3,531,146  |
| 70900   | Supplies and Materials                  | 34,156     | 36,924    | 71,081     | 63,961    | 16,676    | 80,637     | 60,049    | 19,993    | 80,042     |

| Account                                   | Description                                      | 2017              |                   |                   | 2018              |                   |                   | 2019              |                   |                    |
|---|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
|   |  | Federal           | State             | Total             | Federal           | State             | Total             | Federal           | State             | Total              |
| 71000                                     | Rentals and Insurance                            | 11,319            | 11,173            | 22,492            | 15,008            | 3,143             | 18,151            | 70,415            | 23,368            | 93,782             |
| 71100                                     | Motor Vehicle Operation                          | 5                 | 5                 | 9                 | 11                | 3                 | 14                | 9                 | 3                 | 12                 |
| 71200                                     | Awards and Indemnities                           | 2,125             | 2,125             | 4,250             | 3,943             | 1,156             | 5,099             | 2,110             | 709               | 2,818              |
| 71300                                     | Subsidies to Other State Agencies                | 4,840,336         | 593,269           | 5,433,605         | 2,789,763         | 1,787,278         | 4,577,041         | 3,982,565         | 1,676,282         | 5,658,847          |
| 71301                                     | Grants and Subsidies to Counties                 |                   |                   |                   |                   |                   |                   |                   | 132               | 132                |
| 71304                                     | Grants and Subsidies to 501(c)(3) Org            | 2,725,342         | 753,087           | 3,478,429         | 2,433,076         | 3,825,814         | 6,258,891         | 3,358,496         | 6,140,790         | 9,499,286          |
| 71306                                     | Payments to Individuals                          | 41,180,028        | 13,384,813        | 54,564,842        | 35,141,332        | 11,767,580        | 46,908,912        | 41,293,295        | 13,800,095        | 55,093,389         |
| 71307                                     | Non-medical Payments                             | 16                | 24                | 40                | 903,217           | 301,072           | 1,204,289         | 53,016            | 105,471           | 158,487            |
| 71312                                     | Payments for Foster Child Care and Adoption Asst | 1,857             |                   | 1,857             | (22)              | (7)               | (29)              | 890               | 297               | 1,186              |
| 71313                                     | Other Reportable Payments                        |                   |                   |                   | 4,125             | 8,375             | 12,500            | 44,687            | 12,916            | 57,603             |
| 71399                                     | Other Grant Payments                             | 51,108            | 17,036            | 68,144            | 561,291           | 187,097           | 748,388           | 2,651,322         | 883,774           | 3,535,096          |
| 71400                                     | Unclassified                                     | 3,624             | 3,624             | 7,247             |                   |                   |                   |                   |                   |                    |
| 71600                                     | Equipment  | 9,334             | 9,334             | 18,667            | 1,955             | 1,955             | 3,911             |                   |                   |                    |
| 72100                                     | Training   | 37,915            | 12,447            | 50,362            | 12,397            | 8,959             | 21,356            | 24,255            | 7,041             | 31,296             |
| 72200                                     | Third Party Data Processing                      | 538,668           | 500,824           | 1,039,491         | 774,160           | 272,676           | 1,046,836         | 911,407           | 112,519           | 1,023,926          |
| 72500                                     | Professional Services by State Agency            | 495,115           | 572,396           | 1,067,510         | 4,380,530         | 1,632,281         | 6,012,811         | 4,141,432         | 1,413,738         | 5,555,170          |
| 89040                                     | Indirect Cost                                    | 11,766            |                   | 11,766            | 24,363            |                   | 24,363            | 15,339            |                   | 15,339             |
| <b>Total Department of Human Services</b> |  | <b>66,223,917</b> | <b>28,985,125</b> | <b>95,209,042</b> | <b>67,683,772</b> | <b>24,859,690</b> | <b>92,543,463</b> | <b>73,431,775</b> | <b>30,354,278</b> | <b>103,786,052</b> |

89040 Indirect Cost includes expenses for facilities and administration, such as maintenance or depreciation of state buildings, interest on debt tied to state buildings, or costs related to accounting or human resources. Although these costs apply generally to TANF, an exact dollar amount cannot be attributed to the grant, and so an estimate is used instead. These costs are not paid directly by DHS, but since TANF is a reimbursement grant, the federal government will not disburse funds for these costs unless a specific amount is billed. As such, 89040 Indirect Cost is used to draw down the estimated indirect cost of facilities and administration, and is included in this table because DHS received federal funding for those amounts.

## Department of Education

| Account                              | Description                              | 2017              | 2018              | 2019              |
|--------------------------------------|--|-------------------|-------------------|-------------------|
|                                      |  | State             | State             | State             |
| 65007                                | Refund of PY Expenditures                | (6,555)           | (76,015)          | (10,200)          |
| 70100                                | Salaries and Wages                       | 445,328           | 443,808           | 434,123           |
| 70102                                | Longevity and Bonuses                    | 3,953             | 16,375            | 8,052             |
| 70200                                | Employee Benefits                        | 143,068           | 165,157           | 151,405           |
| 70300                                | Travel                                   | 16,426            | 28,208            | 6,989             |
| 70400                                | Printing and Duplicating                 |                   |                   | 2                 |
| 70600                                | Communications                           | 1,221             | 1,140             | 1,101             |
| 70700                                | Maintenance and Repairs                  |                   | 43                | 4                 |
| 70800                                | Court Reporter Services                  |                   | 319               |                   |
| 70802                                | Document Destruction Services            | 21                | 24                | 38                |
| 70807                                | Organization Memberships and Dues        | 973               | 509               |                   |
| 70808                                | Publication Subscriptions                | 579               |                   | 266               |
| 70811                                | Interpreting Services                    | 110               | 129               |                   |
| 70814                                | Travel by Third Party Vendors            | 1                 |                   |                   |
| 70899                                | Other Third Party Professional Services  | 425               | 210               | 893               |
| 70900                                | Supplies and Materials                   | 10,246            | 2,427             | 1,906             |
| 71000                                | Rentals and Insurance                    | 1,138             | 1,169             | 1,021             |
| 71300                                | Subsidies to Other State Agencies        | 364,356           | 403,798           | 622,286           |
| 71303                                | Grants and Subsidies to School Districts | 85,234,807        | 84,920,480        | 84,609,466        |
| 71304                                | Grants and Subsidies to 501(c)(3) Org    | 2,681             |                   |                   |
| 72100                                | Training                                 | 6,500             | 1,075             | 290               |
| 72200                                | Third Party Data Processing              | 2,310             | 2,662             | 8,051             |
| 72500                                | Professional Services by State Agency    | 69,566            | 78,015            | 70,494            |
| <b>Total Department of Education</b> |  | <b>86,297,152</b> | <b>85,989,536</b> | <b>85,906,187</b> |