*Welcome to LLA Reports, a podcast produced by the Louisiana Legislative Auditor’s office. This podcast is intended to be an oral representation of the written report it highlights and is primarily for the use of the Louisiana Legislature.*

This is Kristen Jacobs. I’m a senior auditor for LLA Performance Audit Services.

This episode of LLA Reports focuses on our new report titled “Temporary Assistance for Needy Families.”

This report provides the results of our review of the Temporary Assistance for Needy Families – or TANF – program. We examined the Department of Children and Family Services’ implementation and administration of TANF to assess the fiscal management of the program, the efficiency of resource utilization, and the effectiveness of state efforts in achieving the program’s four goals.

Those four goals are:

* Providing assistance to needy families so children can be cared for in their own homes or in the homes of relatives
* Ending the dependence of needy parents on government benefits by promoting job preparation, work, and marriage
* Preventing and reducing the number of out-of-wedlock pregnancies and establishing annual numerical goals for preventing and reducing the incidence of these pregnancies
* Encouraging the formation and maintenance of two-parent families

Between fiscal year 2012 and fiscal year 2021, Louisiana received a total of $1.6 billion dollars in TANF money, or approximately $163 million dollars per year. Under the program’s rules, states have broad flexibility in terms of how the money is spent as long as they meet at least one of the four goals.

In fiscal year 2021, Louisiana funded a variety of programs and initiatives through its $163 million award, including cash assistance and work programs, child welfare, and pre-kindergarten.

According to the Department of Children and Family Services – or DCFS – in fiscal year 2021, 9.8 percent of its TANF funds were spent on the agency’s program management costs, including administration and information technology. However, this figure did not include management costs incurred by some TANF contractors because DCFS does not capture that information.

We found that between federal fiscal years 2019 and 2021, DCFS had surplus TANF funds that it carried over to the next fiscal year, ranging from $45.5 million dollars to $65.4 million dollars.States are allowed to save unspent funds or carry them over to future years. Other states commonly have carryover funds from the previous fiscal year.

In addition, we found that Louisiana spends more TANF dollars on pre-kindergarten and child welfare and less on cash assistance than many states.

For fiscal year 2021, Louisiana spent 27.9 percent of its TANF award on pre-kindergarten and 25.4 percent on child welfare, including emergency assistance. The state also spent 8 percent of its TANF award on cash assistance and less than 1 percent on work programs.

In contrast, we found that, on average, states across the country spent 20.6 percent of their TANF grants on cash assistance and 11.7 percent on work activities, such as education, training, and transportation.

Louisiana provides cash assistance to four out of every 100 families in the state living in poverty. In comparison, nationally, 23 families out of every 100 families receive cash assistance.

We found as well that Louisiana ranks 48th among states for the amount of cash assistance provided, but DCFS is in the process of increasing the benefits because they have not changed since July 2000 and are far lower than the national average.

The monthly benefit amount for cash assistance for a three-person household will increase from $240 dollars to $484 dollars, which is equivalent to the national average for a family of three in federal fiscal year 2020.

In addition, we found that DCFS does not collect sufficient outcome information to determine the overall effectiveness of TANF-funded programs and initiatives. The current performance measures that DCFS uses are mostly output and process measures, which are not useful in determining whether programs are effective at meeting TANF goals.

We also found that DCFS has not established annual numerical goals for preventing and reducing the number of out-of-wedlock pregnancies, which is a federal TANF goal. The department also does not collect information on its programs and initiatives to determine if they have an effect on pregnancy rates.

We found, too, that Louisiana has the lowest Work Participation Rate in the nation at 3.5 percent for federal fiscal year 2020. Under the Work Participation Rate, states must engage a certain percentage of families receiving cash assistance in specific work activities, such as employment, job searches, or vocational training.

As a result of our review, we developed four recommendations.

We recommended that DCFS determine the amount of administrative costs associated with each contract and subcontract to capture the complete amount of TANF dollars spent on administrative costs.

We also recommended that DCFS establish and track outcome-based measures to determine whether its TANF programs are effective at meeting the federal goals.

In addition, we recommended that DCFS establish outcome measures specific to the reduction of out-of-wedlock pregnancies for those programs contracted to meet TANF goal #3. Once the measures are established, DCFS should require contractors to measure and evaluate these outcomes. Finally, we recommended that the agency ensure it can meet a higher Work Participation Rate if it expands its cash assistance programs.

As part of its response to our report, which is detailed in the report’s appendix, DCFS agreed with all four of our recommendations.

*We hope you found this podcast informative, and that you’ll follow future episodes of LLA Reports.*

*This podcast was created as part of the audit report just discussed and is intended primarily for the use of the Louisiana Legislature. Both the full report and the podcast can be found on the LLA’s website at* [*www.lla.la.gov*](http://www.lla.la.gov)*.*

*Thank you for listening.*