



Report Highlights

Temporary Assistance for Needy Families Department of Children and Family Services (DCFS)

MICHAEL J. "MIKE"
WAGUESPACK, CPA

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Why We Conducted This Audit

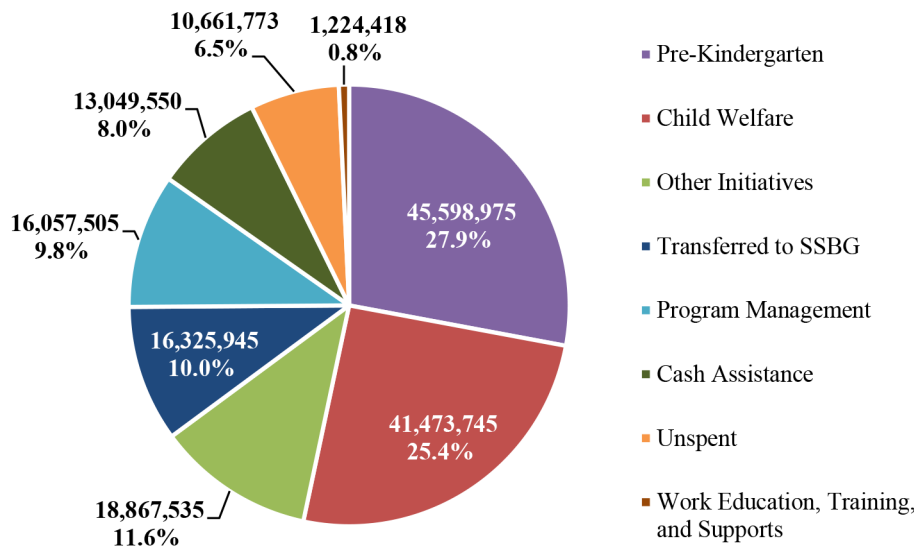
We conducted this audit in response to Senate Resolution 107 of the 2021 Regular Session, which requested the Louisiana Legislative Auditor's office to investigate the implementation and administration of the Temporary Assistance for Needy Families (TANF) program for the purpose of assessing the fiscal management of the program, efficiency of resource utilization, and effectiveness of state efforts at achieving the four goals of the program.

What We Found

States have broad flexibility regarding how to spend TANF dollars as long as the programs and initiatives meet at least one of the four TANF goals. Since fiscal year 2012, Louisiana has received approximately \$162.9 million each year, for a total of \$1.6 billion from fiscal year 2012 to fiscal year 2021.

- In fiscal year 2021, the state funded a variety of programs and initiatives through its \$163 million TANF award, including cash assistance and work programs, child welfare, and pre-Kindergarten, as well as other initiatives.

TANF Spending*
State Fiscal Year 2021



*The total federal TANF grant for state fiscal year 2021 was \$163,259,446.

Source: Prepared by legislative auditor's staff using information provided by DCFS.

The statutory purpose of TANF is to increase state flexibility to conduct a program to achieve the following four goals:

1. Provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;
2. End the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
3. Prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and
4. Encourage the formation and maintenance of two-parent families.

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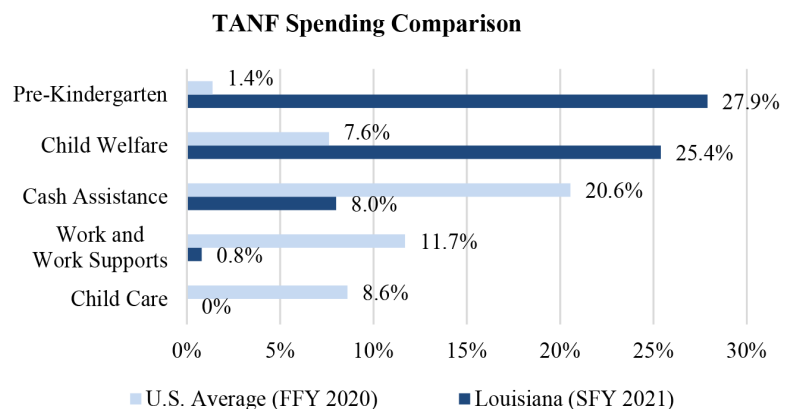
Temporary Assistance for Needy Families

Department of Children and Family Services

What We Found (Cont.)

- According to DCFS, in fiscal year 2021, \$16.1 million (9.8%) of TANF funds were spent on DCFS program management costs, including administrative (\$14.3 million, or 8.7%) and IT costs (\$1.8 million, or 1.1%), but this does not include management costs incurred by some TANF contractors because DCFS does not capture this information.
- To receive federal TANF funds, federal law requires states to contribute state funds toward TANF purposes, referred to as the maintenance of effort (MOE) requirement. In federal fiscal year 2020, Louisiana counted \$56.2 million towards its MOE requirement, \$50.6 million (90%) of which was from college scholarships to low-income students and the state Earned Income Tax Credit.

- Louisiana spends more TANF dollars on pre-Kindergarten and child welfare and less on cash assistance than many states. See exhibit at right.



- Louisiana only provides cash assistance to four out of every 100 families in the state living in poverty. In comparison, nationally, 23 families on average out of every 100 receive cash assistance. In Louisiana, eligibility for cash assistance is much lower than the federal poverty line, as recipients' total countable income cannot be greater than the monthly benefit amount.

Source: Prepared by legislative auditor's staff using information provided by DCFS and from the U.S. Office of Family Assistance.

For example, the income for a family of three cannot be greater than \$240 per month.

- Louisiana ranks 48th among states for the monthly amount of cash assistance provided, but DCFS is in the process of increasing cash assistance benefits because monthly benefit amounts have not increased since July 2000 and are far lower than the national average. The monthly benefit amount for cash assistance recipients in a three-person household will increase from \$240 to \$484 which is equivalent to the national average for a family of three in federal fiscal year 2020.
- Currently, 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 to monitor and evaluate TANF programs are mostly output and process measures which are not useful in determining whether programs are effective at meeting TANF goals.
- DCFS has not established annual numerical goals for preventing and reducing the incidence of out-of-wedlock pregnancies, which is a federal TANF goal. In fiscal year 2021, eight (42.1%) of the 19 TANF and MOE program and initiatives state that they meet TANF goal 3, which is to reduce out-of-wedlock pregnancies. However, DCFS does not collect information to determine if these programs have an effect on pregnancy rates.
- Louisiana has the lowest Work Participation Rate (WPR) in the nation at 3.5% for federal fiscal year 2020. Under the WPR, states must engage a certain percentage of families receiving cash assistance in specific work activities, such as employment, job searches, or vocational training.