

DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES

Temporary Assistance for Needy Families

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ADMINISTRATION FOR CHILDREN AND FAMILIES
 Temporary Assistance for Needy Families

Amounts Available for Obligation

	<u>2002</u>	<u>2003</u>	<u>2004</u>
	<u>Actual</u>	<u>President's</u>	<u>Estimate</u>
		<u>Budget</u>	
Appropriation			
Permanent.....	\$17,008,625,000	\$19,008,625,000	\$17,608,625,000
Unobligated balance start of year.....	600,000,000	400,000,000	2,000,000,000
Unobligated balance lapsing	0	0	0
Unobligated balance end of year.....	-400,000,000	-2,000,000,000	-2,400,000,000
Total obligations	\$17,208,625,000	\$17,408,625,000	\$17,208,625,000

Temporary Assistance for Needy Families

SUMMARY OF CHANGES

FY 2003 President's Budget Request	\$19,008,625,000
Total estimated budget authority	\$19,408,625,000
(Obligations)	\$17,408,625,000
FY 2004 Estimate Budget Authority	\$17,608,625,000
(Obligations).....	\$17,208,625,000
Net change budget authority.....	-\$1,400,000,000
Net change (Obligations).....	-\$200,000,000

	<u>FY 2003 President's Budget Base</u>	<u>Change from Base</u>
Increases:		
A. <u>Program</u>		
1. Bonus to Reward High Performance ¹	[\$300,000,000]	+\$500,000,000 ²
2. TANF Research, Demonstration and Technical Assistance activities ¹	[\$100,000,000]	+\$100,000,000 ³
Decreases:		
A. <u>Program</u> :		
1. Contingency Fund	\$2,000,000,000	-\$2,000,000,000 ⁴
Net Change.....		-\$1,400,000,000

¹ Budget Authority originally appropriated in FY 1999; grants in FY 2003 for both High Performance Bonus and TANF Research are made from unobligated balances carried forward.

² The FY 2003 President's reauthorization proposal includes \$500,000,000 for the Employment Achievement Bonus for fiscal years 2004 through 2008. The average annual total amount of the grants for each bonus year equals \$100,000,000.

³ The FY 2003 President's reauthorization proposal includes \$100,000,000 annually beginning in FY 2003 for this program. (Unobligated balances carried forward will fund this effort in FY 2003, and in FY 2004 and beyond the reauthorization proposes to appropriate \$100,000,000 annually for this activity).

⁴ The FY 2003 Presidents reauthorization proposal includes \$2,000,000,000 for the Contingency fund, available over a five-year period.

Temporary Assistance for Needy Families

Budget Authority by Activity

	<u>FY 2002 Actual</u>	<u>FY 2003 President's Budget</u>	<u>FY 2004 Request Budget</u>
State Family Assistance Grants	\$16,488,667,000	\$16,488,667,000	\$16,488,667,000
Territories – Family Assistance grants	77,875,000	77,875,000	77,875,000
Matching Grants to Territories	15,000,000	15,000,000	15,000,000
Bonus to Reward Decrease in Illegitimacy	100,000,000	0	0
TANF Research, Demonstration and Technical Assistance Activities	0	[100,000,000]	100,000,000
Promotion of Healthy Marriage and Family Formation Grants	0	100,000,000	100,000,000
Supplemental Grants for Population Increases	319,450,000	319,450,000	319,450,000
Bonus to Reward High Performance States – Obligations non-add -	[200,000,000]	[300,000,000]	500,000,000
Tribal Work Programs	7,633,000	7,633,000	7,633,000
Contingency Fund	[1,958,000,000]	2,000,000,000	[2,000,000,000]
Total, Budget Authority	\$17,008,625,000	\$19,008,625,000	\$17,608,625,000

Note: Bracketed budget authority indicates that these activities will be funded from unobligated balances carried forward from prior years.

Budget Authority by Object

	<u>2003 President's Budget</u>	<u>2004 Estimate</u>	<u>Increase or Decrease</u>
Advisory and assistance services (25.1).....	\$20,000,000	\$20,000,000	\$0
Grants, subsidies and contributions (41.0).....	<u>\$18,988,625,000</u>	<u>\$17,588,625,000</u>	<u>-\$1,400,000,000</u>
Total, Budget Authority	\$19,008,625,000	\$17,608,625,000	-\$1,400,000,000

Temporary Assistance to Needy Families

Authorizing Legislation

	<u>2003 Amount Authorized</u>	<u>2003 President's Budget</u>	<u>2004 Amount Authorized</u>	<u>2004 Budget Request</u>
State Family Assistance Grants: Section 403(a)(1)(E) of the Social Security Act, as amended (less State penalties)	Such sums	\$16,488,667,235	Such sums	\$16,488,667,235
Territories – Family Assistance Grants: Section 403(a)(1)E of the Social Security Act, as amended ¹	Such sums	77,875,765	Such sums	77,875,765
Matching Grants to Territories	Such sums	15,000,000	Such sums	15,000,000
Bonus to Reward Employment Achievement (prev. High Performance)	²	[300,000,000]	500,000,000	500,000,000
TANF Research, Demonstration and Technical Assistance Activities	²	[100,000,000]	100,000,000	100,000,000
Promotion of Healthy Marriage and Family Formation Grants		100,000,000	100,000,000	100,000,000

¹ Section 1108 (a) of the Social Security Act provides for a limitation on payments to Puerto Rico, Guam, the Virgin Islands and American Samoa under titles I, X, XIV, XVI, parts A and E of title IV, and subsection 1108(b) (Matching grants). The limitations, which became permanent with the enactment of Public Law 96-272, were established by P.L. 104-193 and most recently amended by Section 5512 of P.L. 105-33, are as follows: \$107,255,000 for Puerto Rico, \$4,686,000 for Guam, \$3,554,000 for the Virgin Islands and \$1,000,000 for American Samoa. The limitations do not apply to the Bonus to Reward Decrease in Illegitimacy, the Bonus to Reward High Performance States, or Loans for State Welfare Programs.

² Proposed reauthorization includes \$500,000,000 beginning in FY 2004 for the Bonus to reward employment achievement (average annual amount \$100,000,000). Reauthorization also includes redirection of High Performance Bonus funding in FY 2003 for TANF Research (thereafter \$100,000,000 annually) and the elimination of the Illegitimacy Bonus in order to fund the Family Formation matching grant program for \$100,000,000 annually.

	2003 Amount <u>Authorized</u>	2003 President's <u>Budget</u>	2004 Amount <u>Authorized</u>	2004 Budget <u>Request</u>
Supplemental Grants for Population Increases: Section 403(a)(3)(E) of the Social Security Act, as amended	Such sums	319,450,226	Such sums	319,450,226
Tribal Work Programs: Section 412(a)(2)(D) of the Social Security Act, as amended	7,633,000	7,633,287	7,633,287	7,633,287
Contingency Fund: The Personal Responsibility and Work Opportunity Act of 1996, PL 104-193.	2,000,000,000	2,000,000,000	[2,000,000,000]	[2,000,000,000]
Total Appropriations		\$19,008,625,513		\$17,608,625,513

APPROPRIATIONS HISTORY TABLE
Temporary Assistance for Needy Families

<u>Year</u>	<u>Budget Estimate to Congress</u>	<u>House Allowance</u>	<u>Senate Allowance</u>	<u>Appropriation</u>
1998				\$13,410,374,513
1999				16,672,243,513
2000				17,692,795,513
2001				16,689,175,513
2002				16,689,175,513
2003				19,008,625,513
2004				\$17,608,625,513

Temporary Assistance for Needy Families

Justification

	<u>2003 President's Budget¹</u>	<u>2004 Estimate</u>	<u>Increase or Decrease</u>
State Family Assistance Grants	\$16,488,667,000	\$16,488,667,000	\$0
Territories – Family Assistance Grants	77,875,000	77,875,000	0
Matching Grants to Territories	15,000,000	15,000,000	0
Promotion of Healthy Marriage and Family Formation Grants	100,000,000	100,000,000	0
TANF Research, Demonstration and Technical Assistance Activities	[100,000,000]	100,000,000	+100,000,000
Supplemental Grants for Population Increases	319,450,000	319,450,000	0
Bonus to Reward Employment Achievement	[300,000,000]	500,000,000	+500,000,000
Tribal Work Programs	7,633,000	7,633,000	
Contingency Fund	2,000,000,000	[2,000,000,000]	-2,000,000,000
Total, BA	\$19,008,625,000	\$17,608,625,000	-\$1,400,000,000

¹ Bracketed Budget authority in FY 2003 for these activities was originally appropriated in FY 1999 for High Performance Bonuses hence the grants are made from unobligated balances. The FY 2003 President's Budget requests a five year reauthorization of \$500,000,000 for the Employment Achievement Bonus, providing \$100,000,000 per year on average for these grants.

General Statement

Title I of P. L. 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) created the Temporary Assistance for Needy Families (TANF) program. The legislation repealed the Aid to Families with Dependent Children (AFDC) and related programs and replaced them with a single fixed block grant. Reauthorization requested for 2003 is pending congressional action.

The purpose of TANF is to increase State flexibility in operating programs designed to: (1) provide assistance to needy families so that children may be cared for in their own homes; (2) reduce dependency by promoting job preparation, work, and marriage; (3) prevent and reduce the incidence of out-of-wedlock pregnancies; and (4) encourage the formation and maintenance of two-parent families.

Building on the success of the 1996 welfare reform program, the FY 2004 budget follows the framework proposed in the President's FY 2003 budget request which includes reauthorization of PRWORA. The reauthorization maintains current program funding levels for the following activities: Family Assistance Grants to States, Tribes and Territories; Matching Grants to Territories; and Tribal Work Programs. Authority for both the Contingency Fund and Supplemental Grants for Population Increases would be reinstated. In addition, a new TANF Research, Demonstration and Technical Assistance program which will include promotion of family formation and healthy two-parent marriages activities would be established, as well as a new matching grant program focused on marriage promotion. Finally, the Bonus to Reward High Performance States would be re-focused to provide for bonuses on employment achievement.

The President's appropriation request for this account assumes passage of pending legislation included in the President's FY 2003 request.

Purpose and Method of Operation

State Family Assistance Grants: Funding under the TANF program is provided primarily through State Family Assistance Grants, which are authorized and pre-appropriated at \$16.5 billion each year. State allocations are based on historic levels of welfare spending. While States must meet certain work, participation, and maintenance of effort requirements, they have enormous flexibility with their TANF funds to design programs that promote work, responsibility and self-sufficiency, and strengthen families.

There has been a dramatic increase in employment of current and former welfare recipients. The percentage of working recipients remains high. In FY 2001, 33 percent of adult recipients were working, compared to less than 7 percent in FY 1992, and 11 percent in FY 1996. Thus, about one in three recipients was working in a typical month, the highest level ever recorded and nearly a five-fold increase since FY 1992. In FY 2001 the vast majority or 83 percent of recipients who were working were in paid employment; others were engaged in work experience and community service.

States have wide flexibility under TANF to determine their own eligibility criteria, benefit levels, and the type of services and benefits available to TANF recipients. However, States must maintain a historical level of State spending on behalf of eligible families (the maintenance of effort requirement) and must meet minimum work participation rate requirements. The proposed reauthorization also would increase flexibility for States by allowing them to spend TANF funds carried over from previous years for activities other than assistance. These activities may include spending for preventing and reducing the incidence of out-of-wedlock births, encouraging formation and maintenance of healthy, two-parent married families, or encouraging responsible fatherhood. In FY 2001, all 50 States, the District of Columbia and Puerto Rico met the overall work participation rates for all families. Additionally, of the 35 jurisdictions that have two-parent family programs subject to a work participation rate, 30 jurisdictions met the standard.

In addition, families who have received federally funded assistance under TANF for five cumulative years (or less at State option) are not eligible for federally funded assistance. States may continue to exempt up to 20 percent of their cases from this rule.

Under current law States may transfer up to a total of 30 percent of their TANF funds to either the Child Care and Development Block Grant program or the Social Services Block Grant (SSBG) program, with not more than 4.25 percent transferable to SSBG. (FY 2002 Appropriations language modified current law allowing for 10 percent transfer to SSBG). Under the proposed reauthorization, the allowable SSBG transfer would be restored to 10 percent.

Tribes are eligible to operate their own TANF programs and those that choose to do so receive their own Family Assistance Grants. The number of approved TANF plans has steadily increased since the first three tribal TANF programs started in July 1997. As of January 2003, 38 tribal TANF grantees covering 178 Tribes and Alaska Native Villages had been approved, all of which are fully operational. Thirty of the approved plans involve individual Tribes and eight are multi-tribal TANF operations.

Territories -- Family Assistance Grants: These grants provide funding to Guam, Puerto Rico and the Virgin Islands to operate their own TANF programs. Territories are subject to the same State plan, work and maintenance of effort requirements as the fifty States and the District of Columbia. A Territory's allocation is based on historic funding levels.

Matching Grants to Territories: These grants are an additional source of funding to the Territories. These Matching Grants are subject to a ceiling under Section 1108 of the Social Security Act and additional maintenance of effort requirements. Matching Grant funds may be used for the TANF program and the Foster Care, Adoption Assistance, and Independent Living programs. The Federal-matching rate for these funds is 75 percent. Use of the Matching Grant is optional.

Supplemental Grants for Population Increases: These grants were authorized to provide additional TANF funding in FYs 1998-2001 to States that experienced increases in their populations and or had low levels of welfare spending per capita. A State qualified for a grant in years after FY 1998 only if it qualified in FY 1998. Territories and Tribes were not eligible.

Seventeen States received these grants in FY 2002, after the 2002 Economic Recovery Act provided an additional year's worth of funding.

Bonus to Reward High Performance States: These grants provide bonus funds to States that meet certain performance measures reflecting how well they are achieving the goals of TANF. A total of \$1 billion was available for awards for FY 1999-2003 and the total amount awarded each year averaged \$200 million. In July 2002 twenty-six States received high performance bonuses.

Under the proposed reauthorization, these bonuses would be restructured to focus on employment achievement, and would average \$100 million per year.

Healthy Marriage Promotion Grants: The FY 2003 Budget proposes a new matching grant program targeted to effective family formation activities.

Tribal Work Programs: These grants are available to Indian Tribes and Alaska Native organizations that conducted a Job Opportunities and Basic Skills Training (JOBS) program in FY 1995. The purpose of these grants is to allow Indian Tribes and Alaska Native organizations to operate a program to make work activities available to their members. Funding is authorized and pre-appropriated at \$7,633,000 for each fiscal year.

Contingency Fund: The Contingency Fund was established to provide a funding reserve which could be used to assist States that experience unexpected economic downturns, resulting in larger than expected numbers of families receiving Temporary Assistance for Needy Families (TANF) services. In order to be eligible to receive Contingency Funds, a State must meet one of two criteria:

- 1) The State's unemployment rate for the most recent 3-month period for which data are available must exceed 6.5 percent and this rate must be at least 10 percent higher than the unemployment rate for the same 3-month period in either or both of the last two calendar years or;
- 2) The number of food stamp participants in the State must exceed by at least 10 percent the number of food stamp participants in the State in the comparable quarter of either FY 1994 or FY 1995.

The reauthorization proposal will reinstate the Contingency Fund, which would retain the above triggers, but would include a modification to the definition of maintenance of effort and simplify the annual reconciliation process.

TANF Research, Demonstration and Technical Assistance Activities: This proposed new authority would fund research, demonstration, and technical assistance activities including those that are targeted to family formation strategies and healthy marriages and reducing the incidence of out of wedlock birth. A portion of the research effort would be directed to child welfare issues in lieu of reauthorizing children's welfare research under the Children's Research and Technical Assistance account.

Rationale for the Budget Request

Welfare reform has been a major success. The number of dependent families has been cut in half. The child poverty rate has fallen substantially. The poverty rate of both black children and children in single mother families is now at the lowest point in U.S. history. The growth in out-of-wedlock births has slowed for the first time in three decades.

But even with this notable progress, much remains to be done, and States still face daunting challenges. The tasks of promoting marriage and two-parent families, of addressing the educational and growth potential of the next generation, of fully engaging fathers in the emotional and economic lives of their children, and of reducing out-of-wedlock pregnancies has hardly begun. Building on the early success of work programs, the recent emphasis on identifying and addressing barriers of work, on moving families to stable jobs, enhancing skills and wage growth is far from finished.

The past success of the first wave of welfare reform efforts provides a unique opportunity to move to the next phase of welfare reform as evidenced in the Administration's welfare reform legislation and the on going efforts of the Congress to enact welfare reform legislation.

Resource and Program Data
State Family Assistance Grant

	2002 Actual	2003 President's Budget	2004 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$16,488,667,235	\$16,488,667,235	\$16,488,667,235
Discretionary			
Research			
Demonstration			
Development			
Training/Technical Assistance			
Evaluation			
Program Support			
Other			
TOTAL PROGRAM	\$16,488,667,235	\$16,488,667,235	\$16,488,667,235
<u>Program Data:</u>			
Number of Grants ¹	89	89	89
New Starts:			
# ¹	3		
\$	18,056,438		
Continuations:			
# ¹	86	89	89
\$	16,470,610,562	16,488,667,235	16,488,667,235
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

¹ Includes Tribal plans receiving Family Assistance Grants.

Resource and Program Data
Matching Grants to Territories

	2002 Actual	2003 President's Budget	2004 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$5,632,227	\$15,000,000	\$15,000,000
Discretionary			
Research			
Demonstration			
Development			
Training/Technical Assistance			
Evaluation			
Program Support			
Other			
TOTAL PROGRAM	\$5,632,227	\$15,000,000	\$15,000,000
<u>Program Data:</u>			
Number of Grants	1	1	1
New Starts:			
#			
\$			
Continuations:			
#	1	1	1
\$	\$5,632,227	15,000,000	15,000,000
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

Resource and Program Data
 Bonus to Reward Decrease in Illegitimacy

	2002 Actual	2003 President's Budget	2004 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$100,000,000		
Discretionary			
Research			
Demonstration			
Development			
Training/Technical Assistance			
Evaluation			
Program Support			
Other			
TOTAL PROGRAM	\$100,000,000		
<u>Program Data:</u>			
Number of Grants	6		
New Starts:			
#	6		
\$	\$100,000,000		
Continuations:			
#			
\$			
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

Resource and Program Data
TANF Research, Demonstration and Technical Assistance Activities

	2002 Actual	2003 President's Budget	2004 Estimate
<u>Resource Data:</u>			
Formula			
Discretionary			
Research		\$25,000,000	\$25,000,000
Demonstration		60,000,000	60,000,000
Development			
Training/Technical Assistance		10,000,000	10,000,000
Evaluation		5,000,000	5,000,000
Program Support			
Other			
TOTAL PROGRAM		\$100,000,000	\$100,000,000
<u>Program Data:</u>			
Number of Applicants		TBD	TBD
Number of Grants		TBD	TBD
New Starts:			
#			
\$		\$80,000,000	\$80,000,000
Continuations:			
#			
\$			
Contracts:			
#			
\$		\$20,000,000	\$20,000,000
Interagency Agreements:			
#			
\$			

Resource and Program Data
TANF Family Formation Matching Grant Program

	2002 Actual	2003 President's Budget	2004 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula			
Discretionary		\$100,000,000	\$100,000,000
Research			
Demonstration			
Development			
Training/Technical Assistance			
Evaluation			
Program Support			
Other			
TOTAL PROGRAM		\$100,000,000	\$100,000,000
<u>Program Data:</u>			
Number of Grants		TBD	TBD
New Starts:			
#			
\$		\$100,000,000	\$100,000,000
Continuations:			
#			
\$			
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

Resource and Program Data
Bonus to Reward Employment Achievement (Obligations)

	2002 Actual	2003 President's Budget	2004 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$200,000,000	\$300,000,000	100,000,000
Discretionary			
Research			
Demonstration			
Development			
Training/Technical Assistance			
Evaluation			
Program Support			
Other			
TOTAL PROGRAM	\$200,000,000	\$300,000,000	\$100,000,000
<u>Program Data:</u>			
Number of Applicants	51	n.a. ¹	n.a.
Number of Grants	26	n.a. ¹	n.a. ¹
New Starts:			
#	26	n.a.	n.a. ¹
\$	\$200,000,000	\$300,000,000	\$100,000,000
Continuations:			
#			
\$			
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

¹ The number of applicants and grantees is not known at this time, FY's 2002 and 2003 represent obligations for High Performance Bonuses, reauthorization proposes to modify this program into the Bonus to reward employment achievement.

Resource and Program Data
Tribal Work Programs

	2002 Actual	2003 Pres. Budget	2004 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$7,633,287	\$7,633,287	\$7,633,287
Discretionary			
Research			
Demonstration			
Development			
Training/Technical Assistance			
Evaluation			
Program Support			
Other			
TOTAL PROGRAM	\$7,633,287	\$7,633,287	\$7,633,287
<u>Program Data:</u>			
Number of Grants	78	78	78
New Starts:			
#			
\$			
Continuations:			
#	78	78	78
\$	\$7,633,287	\$7,633,287	\$7,633,287
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES**

FY 2004 MANDATORY STATE/FORMULA GRANTS

PROGRAM: Temporary Assistance for Needy Families (CFDA #93.558)

STATE/TERRITORY	FY 2002 Actual*	FY 2003 Pres. Budget	FY 2004 Estimate	Difference +/- 2003
Alabama	\$124,230,761	\$104,408,461	\$104,408,461	\$0
Alaska	60,264,911	60,264,911	60,264,911	0
Arizona	228,672,071	226,130,536	226,130,536	0
Arkansas	62,927,768	62,951,233	62,951,233	0
California	3,739,843,439	3,694,299,021	3,693,193,885	-1,105,136
Colorado	169,448,681	149,626,381	149,626,381	0
Connecticut	280,127,512	266,788,107	266,788,107	0
Delaware	32,290,981	32,290,981	32,290,981	0
District of Columbia	117,062,606	92,609,815	92,609,815	0
Florida	622,745,788	622,745,788	622,745,788	0
Georgia	368,024,967	368,024,967	368,024,967	0
Hawaii	103,850,027	98,904,788	98,904,788	0
Idaho	34,991,342	33,910,608	33,910,608	0
Illinois	585,056,960	585,056,960	585,056,960	0
Indiana	217,139,064	206,799,109	206,799,109	0
Iowa	138,101,207	131,524,959	131,524,959	0
Kansas	101,931,061	101,931,061	101,931,061	0
Kentucky	190,352,052	181,287,669	181,287,669	0
Louisiana	189,197,596	180,998,997	180,998,997	0
Maine	78,120,889	78,120,889	78,120,889	0
Maryland	229,098,032	229,098,032	229,098,032	0
Massachusetts	459,371,116	459,371,116	459,371,116	0
Michigan	795,175,158	775,352,858	775,352,858	0
Minnesota	270,154,377	267,161,347	267,161,347	0
Mississippi	95,803,252	95,803,252	95,803,252	0
Missouri	227,904,327	217,051,740	217,051,740	0
Montana	46,386,171	44,109,471	44,109,471	0
Nebraska	58,417,483	57,769,382	57,769,382	0
Nevada	49,909,122	47,710,284	47,710,284	0
New Hampshire	38,951,492	38,521,261	38,521,261	0
New Jersey	404,034,823	404,034,823	404,034,823	0
New Mexico	121,924,983	117,131,204	117,131,204	0
New York	2,442,930,602	2,442,930,602	2,442,930,602	0
North Carolina	338,349,547	338,349,547	338,349,547	0
North Dakota	27,719,799	26,399,809	26,399,809	0

STATE/TERRITORY	FY 2002 Actual*	FY 2003 Pres. Budget	FY 2004 Estimate	Difference +/- 2003
Ohio	727,968,260	727,968,260	727,968,260	0
Oklahoma	147,594,230	147,594,230	147,594,230	0
Oregon	166,798,629	166,798,629	166,798,629	0
Pennsylvania	719,499,305	719,499,305	719,499,305	0
Rhode Island	99,772,666	95,021,587	95,021,587	0
South Carolina	99,967,824	99,967,824	99,967,824	0
South Dakota	22,020,494	21,279,651	21,279,651	0
Tennessee	213,088,938	213,088,938	213,088,938	0
Texas	583,099,664	538,964,526	538,964,526	0
Utah	88,155,332	84,313,871	84,313,871	0
Vermont	49,720,840	47,353,181	47,353,181	0
Virginia	158,285,172	158,285,172	158,285,172	0
Washington	411,437,305	392,570,385	389,069,040	-3,501,345
West Virginia	115,685,126	110,176,310	110,176,310	0
Wisconsin	330,996,906	316,603,208	316,603,208	0
Wyoming	19,589,602	18,500,530	18,500,530	0
Subtotal	17,004,190,260	16,697,455,576	16,692,849,095	-4,606,481
Tribe Family Asst.	102,791,857	110,134,595	114,741,076	4,606,481
Guam	3,992,703	3,992,703	3,992,703	0
Puerto Rico	66,918,319	71,562,501	71,562,501	0
Virgin Islands	3,735,064	2,846,564	2,846,564	0
Subtotal	177,437,943	188,536,363	193,142,844	4,606,481
Total States/Territories	17,181,628,203	16,885,991,939	16,885,991,939	0
Tribal New Program	7,633,287	7,633,287	7,633,287	0
Employment Achieve	0	300,000,000	100,000,000	-200,000,000
TANF Research & TA	0	100,000,000	100,000,000	0
Family Formation Match	0	100,000,000	100,000,000	0
Contingency Fund	0	2,000,000,000	0	-2,000,000,000
Territories Matching	5,632,227	15,000,000	15,000,000	0
Subtotal adjustments	13,265,514	2,522,633,287	322,633,287	-2,200,000,000
TOTAL RESOURCES	\$17,194,893,717	\$19,408,625,513	\$17,208,625,513	-\$2,200,000,000

* State levels include State Family Assistance Grants, High Performance bonuses, Illegitimacy bonuses and Supplemental Grants in FY 2002. State levels for FY's 2003 and 2004 include only State Family Assistance Grants and Supplemental Grants.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES

Child Care Entitlement to States

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ADMINISTRATION FOR CHILDREN AND FAMILIES

Child Care Entitlement to States

Amounts Available for Obligation

	<u>2002 Actual</u>	<u>2003 President's Budget</u>	<u>2004 Estimate</u>
Appropriation:			
Annual	\$2,717,000,000	\$2,717,000,000	\$2,717,000,000
Re-appropriation of prior year funds.....	\$41,000,000		
Subtotal, Adjusted Appropriation.....	<u>2,758,000,000</u>	<u>2,717,000,000</u>	<u>2,717,000,000</u>
Total Obligations.....	\$2,758,000,000	\$2,717,000,000	\$2,717,000,000

Child Care Entitlement to States

SUMMARY OF CHANGES

FY 2003 President's Budget Request	\$2,717,000,000
Total estimated budget authority.....	\$2,717,000,000
(Obligations)	\$2,717,000,000
FY 2004 Estimate.....	\$2,717,000,000
(Obligations)	\$2,717,000,000
Net change.....	\$0
(Obligations)	\$0

Child Care Entitlement to States

Budget Authority by Activity

	<u>2002 Actual</u>	<u>2003 President's Budget</u>	<u>2004 Estimate</u>
State Mandatory Funds..	\$1,177,524,781	\$1,177,524,781	\$1,177,524,781
Matching Child Care.....	1,519,342,719	1,478,342,719	1,478,342,719
Tribal Mandatory Funds.....	54,340,000	54,340,000	54,340,000
Training and Technical Assistance	6,792,500	6,792,500	6,792,500
Total, Budget Authority.	\$2,758,000,000	\$2,717,000,000	\$2,717,000,000

Budget Authority by Object

	<u>2003 President's Budget</u>	<u>2004 Estimate</u>	<u>Increase or Decrease</u>
Advisory and assistance services.....	\$6,792,500	\$6,792,500	\$6,792,500
Grants, subsidies, and contributions.....	2,751,207,500	2,710,207,500	2,710,207,500
Total, Budget Authority.	\$2,758,000,000	\$2,717,000,000	\$2,717,000,000

Child Care Entitlement to States

Authorizing Legislation

	<u>2003 Amount Authorized</u>	<u>2003 President's Budget*</u>	<u>2004 Amount Authorized</u>	<u>2004 Budget Request</u>
Section 418 of the Social Security Act	\$2,717,000,000	\$2,717,000,000	\$2,717,000,000	\$2,717,000,000

* Legislation pending Congressional action to reauthorize this program at this level.

Child Care Entitlement to States

APPROPRIATIONS HISTORY TABLE

<u>Year</u>	<u>Budget Estimate To Congress</u>	<u>House Allowance</u>	<u>Senate Allowance</u>	<u>Appropriation</u>
1997				\$1,967,000,000
1998				\$2,070,387,000
1999				\$2,166,938,000
2000				\$2,367,000,000
2001				\$2,567,000,000
2002				\$2,717,000,000
2003	\$2,717,000,000			
2004	\$2,717,000,000			

Child Care Entitlement to States

Justification

	2002 Enacted	2003 President's Budget	2004 Estimate	Increase or Decrease
State Mandatory Funds	\$1,177,524,781	\$1,177,524,781	\$1,177,524,781	\$0
Matching Child Care	1,519,342,719	1,478,342,719	1,478,342,719	0
Tribal Mandatory Funds	54,340,000	54,340,000	54,340,000	0
Training and Technical Assistance	6,792,500	6,792,500	6,792,500	0
Total, BA	\$2,758,000,000	\$2,717,000,000	\$2,717,000,000	\$0

General Statement

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 (P.L. 104-193) combined child care entitlement programs with different target populations (AFDC Child Care, Transitional Child Care and At-Risk Child Care) with the Child Care and Development Block Grant (CCDBG) Act of 1990, as amended. Effective October 1, 1996, the discretionary and mandatory child care funding under this Act, designated the Child Care and Development Fund, allows States maximum flexibility in developing child care programs and enables States to use resources more effectively to meet local needs. The Child Care and Development Fund includes Mandatory, Matching, and Discretionary components. (See also discussion in the Child Care and Development Block Grant section.)

CHILD CARE ENTITLEMENT

Authorizing Legislation – Legislation to reauthorize Title IV-A, section 418 of the Social Security Act, as amended is pending congressional action.

2002 Enacted	2003 President's Budget	2004 Estimate	Increase or Decrease
\$2,758,000,000	\$2,717,000,000	\$2,717,000,000	\$0

2004 Authorization.....\$2,717,000,000 (reflects reauthorization level for this program as proposed in the President's FY 2003 Budget Request)

Purpose and Method of Operation

The Child Care Entitlement Fund provides grants to States and federally recognized Tribes for the purposes of providing low-income families with financial assistance for child care, improving the quality and availability of child care, and establishing or expanding and conducting early childhood programs and before-and-after school programs.

In conjunction with the Child Care and Development Block Grant, these funds will:

- Allow each State maximum flexibility in developing child care programs and policies that best suit the needs of children and parents within each State;
- Promote parental choice to empower working parents to make their own decisions on the child care that best suits their family's needs;
- Encourage States to provide consumer education information to help parents make informed choices about child care;
- Assist States in providing child care to parents trying to achieve and maintain independence from public assistance and assist other low-income working parents to maintain quality child care services for their children; and
- Assist States in implementing the health, safety, licensing, and registration standards established in State regulations.

Mandatory Child Care -- Mandatory funds are allocated to Grantees based on historic levels of Title IV-A child care expenditures.

Matching Child Care -- Matching funds are those remaining after Mandatory funds and the two percent of the appropriation set aside for Tribes and tribal organizations are allocated. Matching

funds are available to States if three conditions are met by the end of the fiscal year in which Matching funds are awarded: (1) all Mandatory funds are obligated; (2) the State's maintenance-of-effort funds are expended; and (3) the State provides its share of Matching funds at the FMAP rate. Unobligated funds not spent by States will be available for reappropriation in the next fiscal year.

Training and Technical Assistance -- In accordance with 45 CFR paragraph 98.60(b)(1), the Secretary may withhold no more than $\frac{1}{4}$ of one percent of Child Care Development funds made available for a fiscal year for the provision of training and technical assistance to States.

Rationale for the Budget Request

The FY 2004 request of \$2,717,000,000 -- the same level as the President's FY 2003 budget request -- will provide funding to assist States in meeting the critical child care needs of families. The Child Care Entitlement Fund helps States and communities to build the supply of high quality, affordable child care. The funds will continue ACF's commitment to providing resources that allow families to become and remain self-sufficient and productive members of society. These funds also allow families to access quality child care, which promotes child development, literacy, and school readiness. All segments of society -- parents, schools, employers, health providers, faith-based institutions and other charitable agencies, States and the Federal government -- must be involved to ensure access to quality child care.

Resource and Program Data
Mandatory Child Care

	2002 Actual	2003 President's Budget	2004 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$1,177,524,781	\$1,177,524,781	\$1,177,524,781
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$1,177,524,781	\$1,177,524,781	\$1,177,524,781
<u>Program Data:</u>			
Number of Grants	293	290	290
New Starts:			
#			
\$			
Continuations:			
#	293	290	290
\$	\$1,177,524,781	\$1,177,524,781	\$1,177,524,781
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

Resource and Program Data
Matching Child Care

	2002 Actual	2003 President's Budget	2004 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$1,519,342,719	\$1,519,342,719	\$1,519,342,719
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$1,519,342,719	\$1,519,342,719	\$1,519,342,719
<u>Program Data:</u>			
Number of Grants	51	51	51
New Starts:			
#			
\$			
Continuations:			
#	51	51	51
\$	\$1,519,342,719	\$1,519,342,719	\$1,519,342,719
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

Resource and Program Data
Training and Technical Assistance

	2002 Actual	2003 President's Budget	2004 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula			
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance	\$6,792,500	\$6,792,500	\$6,792,500
Program Support			
Total, Resources	\$6,792,500	\$6,792,500	\$6,792,500
<u>Program Data:</u>			
Number of Grants			
New Starts:			
#			
\$			
Continuations:			
#	5	5	5
\$	\$6,792,500	\$6,792,500	\$6,792,500
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES**

FY 2004 MANDATORY STATE/FORMULA GRANTS

PROGRAM: CCDF Mandatory (CFDA # 93.596)

STATE/TERRITORY	2002 Actual	2003 Pres. Budget	2004 <u>1</u>/ Estimate	Difference +/- 2003
Alabama	\$16,441,707	\$16,441,707	\$16,441,707	\$0
Alaska	3,544,811	3,544,811	3,544,811	0
Arizona	19,827,025	19,827,025	19,827,025	0
Arkansas	5,300,283	5,300,283	5,300,283	0
California	85,593,217	85,593,217	85,593,217	0
Colorado	10,173,800	10,173,800	10,173,800	0
Connecticut	18,738,357	18,738,357	18,738,357	0
Delaware	5,179,330	5,179,330	5,179,330	0
District of Columbia	4,566,974	4,566,974	4,566,974	0
Florida	43,026,524	43,026,524	43,026,524	0
Georgia	36,548,223	36,548,223	36,548,223	0
Hawaii	4,971,633	4,971,633	4,971,633	0
Idaho	2,867,578	2,867,578	2,867,578	0
Illinois	56,873,824	56,873,824	56,873,824	0
Indiana	26,181,999	26,181,999	26,181,999	0
Iowa	8,507,792	8,507,792	8,507,792	0
Kansas	9,811,721	9,811,721	9,811,721	0
Kentucky	16,701,653	16,701,653	16,701,653	0
Louisiana	13,864,552	13,864,552	13,864,552	0
Maine	3,018,598	3,018,598	3,018,598	0
Maryland	23,301,407	23,301,407	23,301,407	0
Massachusetts	44,973,373	44,973,373	44,973,373	0
Michigan	32,081,922	32,081,922	32,081,922	0
Minnesota	23,367,543	23,367,543	23,367,543	0
Mississippi	6,293,116	6,293,116	6,293,116	0
Missouri	24,668,568	24,668,568	24,668,568	0
Montana	3,190,691	3,190,691	3,190,691	0
Nebraska	10,594,637	10,594,637	10,594,637	0
Nevada	2,580,422	2,580,422	2,580,422	0
New Hampshire	4,581,870	4,581,870	4,581,870	0
New Jersey	26,374,178	26,374,178	26,374,178	0
New Mexico	8,307,587	8,307,587	8,307,587	0
New York	101,983,998	101,983,998	101,983,998	0
North Carolina	69,639,228	69,639,228	69,639,228	0
North Dakota	2,506,022	2,506,022	2,506,022	0

STATE/TERRITORY	2002 Actual	2003 Pres. Budget	2004 Estimate	Difference +/- 2003
Ohio	70,124,656	70,124,656	70,124,656	0
Oklahoma	24,909,979	24,909,979	24,909,979	0
Oregon	19,408,790	19,408,790	19,408,790	0
Pennsylvania	55,336,804	55,336,804	55,336,804	0
Rhode Island	6,633,774	6,633,774	6,633,774	0
South Carolina	9,867,439	9,867,439	9,867,439	0
South Dakota	1,710,801	1,710,801	1,710,801	0
Tennessee	37,702,188	37,702,188	37,702,188	0
Texas	59,844,129	59,844,129	59,844,129	0
Utah	12,591,564	12,591,564	12,591,564	0
Vermont	3,944,887	3,944,887	3,944,887	0
Virginia	21,328,766	21,328,766	21,328,766	0
Washington	41,883,444	41,883,444	41,883,444	0
West Virginia	8,727,005	8,727,005	8,727,005	0
Wisconsin	24,511,351	24,511,351	24,511,351	0
Wyoming	2,815,041	2,815,041	2,815,041	0
Subtotal	1,177,524,781	1,177,524,781	1,177,524,781	0
Tribes	54,340,000	54,340,000	54,340,000	0
Subtotal	54,340,000	54,340,000	54,340,000	0
Total States/Territories	1,231,864,781	1,231,864,781	1,231,864,781	0
Technical Assistance	3,529,600	3,532,100	3,532,100	0
Subtotal	3,529,600	3,532,100	3,532,100	0
Adjustments				
TOTAL RESOURCES	\$1,235,394,381	\$1,235,396,881	\$1,235,396,881	\$0

1/ The FY 2003 allotment calculation used Census 2000 data because 2001 estimates have not been published by the Census Bureau.

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES**

FY 2004 MANDATORY STATE/FORMULA GRANTS

PROGRAM: CCDF Matching (CFDA # 93.596)

STATE/TERRITORY	2002 Actual	2003 Pres. Budget	2004 Estimate	Difference +/- 2003
Alabama	\$22,803,334	\$22,803,334	\$22,803,334	\$0
Alaska	4,041,917	3,837,458	3,837,458	0
Arizona	29,867,432	28,414,982	28,414,982	0
Arkansas	13,918,143	13,742,062	13,742,062	0
California	202,345,010	192,511,470	192,511,470	0
Colorado	23,346,084	22,505,791	22,505,791	0
Connecticut	18,325,536	17,434,124	17,434,124	0
Delaware	4,194,685	3,996,796	3,996,796	0
District of Columbia	2,532,376	2,419,898	2,419,898	0
Florida	74,315,596	74,315,596	74,315,596	0
Georgia	46,969,407	44,737,387	44,737,387	0
Hawaii	6,391,035	6,077,437	6,077,437	0
Idaho	7,687,126	7,416,544	7,416,544	0
Illinois	70,164,324	66,742,424	66,742,424	0
Indiana	33,404,663	32,195,509	32,195,509	0
Iowa	14,671,371	14,671,371	14,671,371	0
Kansas	14,387,106	14,387,106	14,387,106	0
Kentucky	21,286,383	20,268,911	20,268,911	0
Louisiana	24,347,811	24,347,811	24,347,811	0
Maine	6,220,317	5,924,903	5,924,903	0
Maryland	29,279,003	27,869,137	27,869,137	0
Massachusetts	32,528,105	30,946,749	30,946,749	0
Michigan	53,067,749	53,067,749	53,067,749	0
Minnesota	27,153,654	25,839,064	25,839,064	0
Mississippi	15,814,248	15,614,179	15,614,179	0
Missouri	30,244,097	28,781,184	28,781,184	0
Montana	4,707,222	4,482,336	4,482,336	0
Nebraska	9,431,220	8,973,691	8,973,691	0
Nevada	11,345,185	10,804,203	10,804,203	0
New Hampshire	6,577,515	6,259,901	6,259,901	0
New Jersey	45,576,393	43,390,811	43,390,811	0
New Mexico	10,636,452	10,117,111	10,117,111	0
New York	101,291,573	96,439,140	96,439,140	0
North Carolina	42,875,908	40,785,626	40,785,626	0
North Dakota	3,295,271	3,134,709	3,134,709	0

STATE/TERRITORY	2002 Actual	2003 Pres. Budget	2004 Estimate	Difference +/- 2003
Ohio	61,571,001	58,587,556	58,587,556	0
Oklahoma	11,502,467	17,896,095	17,896,095	0
Oregon	17,957,396	17,090,771	17,090,771	0
Pennsylvania	61,888,243	58,901,198	58,901,198	0
Rhode Island	5,348,500	5,090,091	5,090,091	0
South Carolina	21,613,855	20,591,295	20,591,295	0
South Dakota	4,187,868	3,985,399	3,985,399	0
Tennessee	29,774,488	28,705,941	28,705,941	0
Texas	122,569,631	120,569,631	120,569,631	0
Utah	7,800,000	14,732,285	14,732,285	0
Vermont	3,047,752	2,904,885	2,904,885	0
Virginia	36,888,539	35,556,003	35,556,003	0
Washington	30,720,798	30,720,798	30,720,798	0
West Virginia	8,412,231	8,000,675	8,000,675	0
Wisconsin	28,648,757	27,266,251	27,266,251	0
Wyoming	2,487,341	2,487,341	2,487,341	0
Subtotal	1,519,462,118	1,478,342,719	1,478,342,719	0
Technical Assistance	3,257,900	3,260,400	3,260,400	0
Subtotal	3,257,900	3,260,400	3,260,400	0
Adjustments				
TOTAL RESOURCES	\$1,522,720,018	\$1,481,603,119	\$1,481,603,119	\$0

1/ The FY 2003 allotment calculation used Census 2000 data because 2001 estimates have not been published by the Census Bureau.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES

Children's Research and Technical Assistance

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Children's Research and Technical Assistance

Amounts Available for Obligation

	<u>2002 Actual</u>	<u>2003 President's Budget</u>	<u>2004 Estimate</u>
Appropriation:			
Permanent.....	\$57,953,000	\$50,370,000	\$49,680,000
Enacted rescission.....	<u>-21,026,000</u>		
Subtotal, adjusted appropriation	36,927,000	50,370,000	49,680,000
Offsetting collections....	9,093,000	9,100,000	9,300,000
Subtotal, adjusted budget authority gross).....	46,020,000	59,470,000	58,980,000
Unobligated balance start of Year.....	1,459,000	1,436,000	0
Adjustment.....		-880,000	
Recovery of prior-year obligations.....	0	400,000	0
Unobligated balance, end of year.....	<u>1,436,000</u>	<u>0</u>	<u>0</u>
Total, gross obligations..	\$46,268,000	\$60,426,000	\$58,980,000

Children's Research and Technical Assistance

SUMMARY OF CHANGES

FY 2003 Estimated Appropriation.....	\$50,370,000
(Gross Obligations)	60,426,000
 FY 2004 Estimate	 49,680,000
(Obligations).....	58,980,000
Net change	-690,000
(Obligations).....	-1,446,000

	<u>2003 President's Budget Base</u>	<u>Change from Base</u>
Decreases:		
A. Built-in:		
1. Decrease due to lower child support collections estimated in FY 2003.....	35,370,000	-690,000
Total Decreases.....		-\$690,000
Net Change.....		-\$690,000

Children's Research and Technical Assistance

Budget Authority by Activity

	<u>2002 Actual</u>	<u>2003 President's Budget</u>	<u>2004 Estimate</u>
Training and Technical Assistance	\$12,318,000	\$11,790,000	\$11,560,000
Federal Parent Locator Service	24,609,000	23,580,000	23,120,000
Child Welfare Study ¹	0	0	0
Welfare Research ¹	0	15,000,000	15,000,000
	-----	-----	-----
Total, Budget Authority.....	\$36,927,000	\$50,370,000	\$49,680,000

¹ Amounts for FY 2002 were rescinded and reappropriated in the discretionary side of the budget.

Children's Research and Technical Assistance

Budget Authority by Object

	2003 President's Budget	2004 Estimate	Increase or Decrease
Travel and transportation of persons.....	1,068,000	961,000	(107,000)
Transportation of things.....	15,000	15,000	-
Rental payments to GSA.....	674,000	674,000	-
Communications, utilities and misc.....	10,000	10,000	-
Printing and reproduction.....	107,000	107,000	-
Consulting services.....	14,506,000	14,406,000	(100,000)
Other services.....	681,000	681,000	-
Purchases of goods and services from government accounts.....	21,656,000	21,309,000	(347,000)
Supplies and materials.....	498,000	450,000	(48,000)
Equipment.....	874,000	786,000	(88,000)
Grants, subsidies and contributions.....	<u>10,281,000</u>	<u>10,281,000</u>	<u>-</u>
Total, budget authority by object class.....	50,370,000	49,680,000	(690,000)
Total, obligations ¹	60,426,000	58,980,000	(1,446,000)

¹ Obligations include fees offset from the States to repay costs associated with offset notice preparation and Federal Parent Locator Service and fees from other federal agencies to repay costs associated with the Federal Parent Locator Services. FY 2003 also includes unobligated funds.

Children's Research and Technical Assistance

Authorizing Legislation

	<u>2003 Amount Authorized</u>	<u>2003 President's Budget</u>	<u>2004 Amount Authorized</u>	<u>2004 Estimate</u>
1. Training and Technical Assistance: Section 452(j) of the Social Security Act ¹	Indefinite	\$11,790,000	Indefinite	\$11,560,000
2. Federal Parent Locator Service: Section 453(o) of the Social Security Act ²	Indefinite	23,580,000	Indefinite	23,120,000
3. Child Welfare Study: Section 429 A of the Social Security Act	0	0	0	0
4. Welfare Research: Section 413 (h) of the Social Security Act	15,000,000	15,000,000	15,000,000	15,000,000
Total Appropriation	Indefinite	\$50,370,000	Indefinite	\$49,680,000

¹ The amount authorized and appropriated is equal to 1 percent of the total amount paid to the federal government for its share of child support collections for the preceding year.

² The amount authorized and appropriated is equal to 2 percent of the total amount paid to the federal government for its share of child support collections for the preceding year.

Children's Research and Technical Assistance

APPROPRIATIONS HISTORY TABLE

<u>Fiscal Year</u>	<u>Appropriation</u>
1996	36,711,000
1997	59,548,000
Rescission	(21,000,000)
1998	76,440,000
Rescission	(21,000,000)
1999	72,816,000
Rescission	(21,000,000)
2000	59,992,000
Rescission	(21,000,000)
2001	60,627,000
Rescission	(21,000,000)
2002	57,953,000
Rescission	(21,026,000)
2003	50,370,000
2004	49,680,000

Children's Research and Technical Assistance

Justification

	2002 Actual	2003 President's Budget	2004 Estimate	Increase Or Decrease
Training and Technical Assistance [obligations]	\$12,318,000 [12,095,000]	\$11,790,000 [12,391,000]	\$11,560,000 [11,560,000]	-\$230,000 [-831,000]
Federal Parent Locator Service [obligations]	24,609,000 [34,173,000]	23,580,000 [33,035,000]	23,120,000 [32,420,000]	-460,000 [-615,000]
Welfare Research	0	15,000,000	15,000,000	0
Total, net budget authority	\$36,927,000	\$50,370,000	\$49,680,000	-690,000
[Total, obligations]	[\$46,268,000]	[\$60,426,000]	[\$58,980,000]	[-\$1,446,000]

General Statement

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) authorizes and appropriates funds for welfare research and technical support for States implementing welfare reform. In addition, the Balanced Budget Act of 1997 (P.L. 105-33) authorizes and appropriates funds for welfare research.

The following activities are supported:

- Training and Technical Assistance - to support the dissemination of information and technical assistance to the States on child support enforcement activities. It is supported by an amount equal to one percent of the amount paid to the federal government for its share of child support collections during the immediately preceding fiscal year.
- Federal Parent Locator Service - to assist States in locating non-custodial parents. It is supported by an amount equal to two percent of the amount paid to the federal government for its share of child support collections during the immediately preceding fiscal year.
- Welfare Research - to conduct research and demonstrations relating to State welfare reform efforts. The budget request includes pending FY 2003 reauthorization of these funds.

Purpose and Method of Operation

Section 345 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 includes two provisions which target funding to the Department to strengthen the federal government's capacity to influence the effectiveness of the child support enforcement program.

The first provision, earmarking an amount equivalent to one percent of the federal share of child support collections in the prior year, has a two-fold purpose: to cover the Department's costs in providing technical assistance to States (including technical assistance related to State automated systems), training of State and federal staff, staffing studies, information dissemination and related activities; and, to support research, demonstration, and special projects of regional or national significance relating to the operation of State child support programs. These activities are key to successful State outcomes in implementing welfare reform and attaining the anticipated benefits of the statute. Amounts under this provision are available until expended.

The second, pertaining to an amount equal to two percent of the federal share of child support collections in the prior year, is directed to cover the Department's costs in operating the Federal Parent Locator Service to the extent that these costs are not recovered through fees. Under welfare reform the mission and scope of the Federal Parent Locator Service was significantly expanded to add two new components--a Federal Child Support Case Registry and a National Directory of New Hires. This expansion has had a significant impact on the program's ability to collect support in interstate child support cases. Interstate cases comprise about one-third of the caseload and are among the hardest for States to work. Amounts under this provision are available on an annual basis.

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 also includes funding for welfare reform research. Specifically, funding is authorized for the cost of conducting research; the cost of developing and evaluating innovative approaches for reducing welfare dependency and increasing the well-being of minor children; the federal share of any State-initiated study; the operation and evaluation of demonstrations that were in effect under section 1115 as of September 30, 1995. The FY 2003 President's budget includes reauthorization of PRWORA and also reflects funding for Child Welfare research activities within the TANF Research, Demonstration and Technical Assistance Activities budget request.

Resource and Program Data
CSE Training and Technical Assistance (Obligations)

	2002 Actual	2003 President's Budget	2004 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula			
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance	\$6,538,000	\$6,356,000	\$5,385,000
Program Support ¹	5,557,000	6,035,000	6,175,000
Total, Resources	\$12,095,000	\$12,391,000	\$11,560,000
<u>Program Data:</u>			
Number of Grants		8	8
New Starts:			
#		8	8
\$		\$1,500,000	\$1,500,000
Continuations:			
#			
\$			
Contracts:			
#	10	10	10
\$	\$2,566,000	\$2,589,000	\$2,450,000
Interagency Agreements:			
#	8	8	8
\$	\$1,316,000	\$1,316,000	\$1,000,000

¹ Includes funding for information technology, salaries/benefits and associated overhead costs.

Resource and Program Data
CSE Federal Parent Locator Services (Obligations)

	2002 Actual	2003 President's Budget	2004 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula			
Discretionary			
Research/Evaluation			
Demonstration/Development	\$6,270,000	\$7,084,000	\$7,000,000
Training/Technical Assistance			
Program Support ¹	27,903,000	25,951,000	25,420,000
Total, Resources	\$34,173,000	\$33,035,000	\$32,420,000
<u>Program Data:</u>			
Number of Grants		4	4
New Starts:			
#		4	4
\$		\$814,000	\$800,000
Continuations:			
#			
\$			
Contracts:			
#	4	4	4
\$	\$23,129,000	\$22,050,000	\$21,000,000
Interagency Agreements:			
#	6	5	5
\$	\$4,755,000	\$4,534,000	\$4,500,000

¹ Includes funding for information technology, salaries/benefits and associated overhead, program development, modernization, enhancements, and maintenance costs.

Resource and Program Data
Welfare Research

	2002 Actual	2003 President's Budget	2004 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula			
Discretionary			
Research/Evaluation		\$11,000,000	\$11,000,000
Demonstration/Development		3,000,000	3,000,000
Training/Technical Assistance			
Program Support ¹		1,000,000	1,000,000
Total, Resources		\$15,000,000	\$15,000,000
<u>Program Data:</u>			
Number of Grants		40	40
New Starts:			
#		10	10
\$		\$2,000,000	\$2,000,000
Continuations:			
#		20	20
\$		\$6,000,000	\$6,000,000
Contracts:			
#		8	8
\$		\$4,000,000	\$4,000,000
Interagency Agreements:			
#		5	5
\$		\$2,000,000	\$2,000,000

¹ Includes funding for information technology and administrative fees.