

House Research Act Summary

CHAPTER: 232

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TOPIC: TANF Maintenance of Effort

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Overview

This act makes changes to the TANF MOE rider enacted in 2007. The act limits TANF MOE to the 75 percent standard, except under certain circumstances, and allows the commissioner to supplement the MOE claim with working family credit expenditures to the extent these expenditures are available.

The 2005 Federal Deficit Reduction Act included the reauthorization of the TANF program. Included in the reauthorization of TANF and subsequent federal regulations were changes to the work participation rates, caseload reduction credit, and definitions of work activities, making it more difficult for many states to meet the work participation rates. If a state fails to meet the TANF work participation rate, the state must claim a higher MOE percentage (80 percent as opposed to 75 percent) and may be penalized.

- 1 **Total appropriation.** Amends Laws 2007, ch. 147, art. 19, § 3, subd. 1. Modifies general fund and TANF appropriations. For federal fiscal year 2008, prohibits the commissioner from claiming more than the 75 percent federal standard in TANF MOE, unless:
 - (1) it is determined that the state will not meet the TANF work participation target rate for the current year,
 - (2) additional amounts are required under federal regulations to replace TANF funds due to the operation of TANF penalties, and

- (3) additional amounts may contribute to avoiding or reducing TANF work participation penalties through the operation of the excess MOE provisions under federal regulations.

Allows the commissioner to supplement the MOE claim with working family credit expenditures to the extent such expenditures are otherwise available. Allows the commissioner to claim excess MOE with respect to federal fiscal years 2006 and 2007 to the extent that working family credit expenditures are otherwise available to supplement the state's MOE for those years. Allows the commissioner to use other available qualified expenditures as excess MOE and requires the commissioner to report those expenditures to the legislature by April 15, 2008.