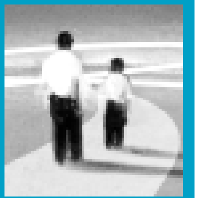
FINANCING FATHERHOOD PROGRAMS

What Policymakers Need to Know	What Policymakers Can Do
Welfare funds can be used to provide services to fathers—even if they do not live in the same house as their children—without affecting time limit and work participation requirements for mothers. Welfare funds can be used to provide services to fathers and their families even if they never received welfare benefits. Welfare funds can be used to assist never-married parents to develop joint parenting plans, develop marriage and relationship building skills, or for mediation services.	4 Create eligibility categories for services that include fathers. 4 Include fathers in definitions of families to allow eligibility. 4 Ensure state agencies maximize this flexibility to provide services to working poor fathers and their families to minimize the risk they will go on welfare. 4 Direct funding to provide employment and parenting and relationship services to fathers.
State legislatures have authority over TANF, state MOE and portions of WtW block grant funds.	4 Use the budget process to direct resources to specific programs or services that help fathers. 4 Direct agencies to spend money on expanded services or contract with local providers for services. 4 Direct resources for state grants to allow counties to apply for funds to provide services to fathers.
Welfare caseload decline means states have more available resources.	4 Reinvest in services that assist fathers to become the financial providers for their families to prevent a return to welfare. 4 Provide services to fathers whose families have never been on welfare to ensure long-term self-sufficiency.
States are not spending millions of dollars in TANF resources.	4 Establish oversight mechanisms that create accountability measures to ensure that state agency officials are spending appropriated funds. 4 Require state agencies give legislators the quarterly spending reports at the same time they send them to federal officials.
States have other resources like WtW and Title XX block grants that can be used to fund fatherhood services.	4 Coordinate funding resources between local providers and state agencies that receive various forms of funding. 4 Coordinate funding and programming with entities that receive the access and visitation grants.

What Policymakers Need to Know and What They Can Do



Financing Fatherhood Programs (Continued)

Q: Won't directing funds to fathers reduce the amount of money that goes to programs that serve mothers and children?

A: No. All states can provide services to both mothers and fathers without affecting the eligibility of mothers. Caseloads have declined by more than 40 percent nationally, leaving resources that would have been spent on cash assistance available to reinvest in other types of programs or services. Additionally, the new welfare allows states to target resources to poor families—including fathers—to reduce the likelihood that mothers and children will sink deeper into poverty once they leave welfare, or to prevent them from going on welfare in the first place.

Q: If states spend money on starting new programs or increase funding for existing programs using federal money, once caseloads begin to rise won't they have to cut support for these programs?

A: With current caseload declines, states have accumulated enough reserves to absorb a 30 percent caseload increase with enough resources left over to continue current spending levels. Additionally, one of the challenges for states is to ensure that those families that leave welfare are able to stay off welfare if the economy goes bad. One way to do that is to increase the earning capacity of fathers who can provide financial support for their children.

Q: There are always strings attached to the receipt of federal funds. Doesn't a state have to increase its spending to get more federal welfare money?

A: Welfare reform in 1996 changed the financing structure for federal welfare funds. States no longer have to provide a match to get federal welfare funds. States get the same amount in a block grant every year and must maintain state spending at 80 percent of what they spent in 1994. Whether welfare caseloads increase or decrease, federal funding levels stay the same.

Q: Is unspent federal money returned to the federal treasury or is tucked away in state coffers?

A: Unspent federal money remains in the federal treasury until states draw it down. Current law allows states to draw down this money beyond the fiscal year in which it was allocated and currently there is no expiration of these funds. However, if states consider this money as part of their "rainy-day" fund, it is not actually retained at the state level.

Q: How do I know exactly how much money my state has left unspent?

A: Ask your state agency to provide you with quarterly reports of its obligated and unobligated funds at the same time it submits its spending report to the federal government.