

case study: Block Grant Review, TANF MOE Review



THE CLIENT

Commonwealth of Massachusetts
Executive Office for Health and Human Services (EOHHS)
Department of Transitional Assistance (DTA)

THE PROJECT(S)

1. Block Grant Review
2. Temporary Assistance for Needy Families (TANF) Maintenance of Effort (MOE) Review
3. TANF MOE Implementation

"It has been extremely valuable to have knowledgeable, dedicated resources to conduct the review and prepare the documentation needed to facilitate an accurate claim."

- Carin Kale
Assistant Commissioner for Administration and Finance
Massachusetts Department of Transition Assistance

THE CHALLENGE AND OPPORTUNITY

The Commonwealth of Massachusetts' numerous agencies had been involved in managing various federal block grants with limited coordination and cooperation among agencies. This led to lost opportunities and increased General Fund spending.

Public Consulting Group (PCG) performed a comprehensive review of the state's block grants to identify opportunities to help the Commonwealth improve cash flow and reduce General Fund expenditures. The initial engagement led to two additional PCG projects: the identification of additional state funding that could be claimed as TANF MOE and the actual claiming of identified TANF MOE.

THE PCG APPROACH

PCG has deep expertise in block grant cash management and views it as an opportunity for states to improve cash flow and reduce state expenditures. PCG has undertaken a number of block grant management engagements, ranging from a complete multi-year TANF cash management tracking project in North Carolina to MOE and TANF identification projects for the Chicago Public Schools. By taking a comprehensive overview of block grants from the macro level and considering all options allowable by law and regulation, PCG finds that cash management can nearly always be improved and new opportunities for using federal funds can be identified.

After identifying an opportunity to leverage existing state expenditures as TANF MOE, PCG conducted a comprehensive review of \$1.7 billion across 44 state programs to identify expenditures that might be eligible for MOE. PCG also considered the risk and implementation difficulty associated with claiming each item.

PCG is currently assisting Massachusetts in claiming a significant portion of the identified MOE. The firm also helped the state make substantial changes to its fiscal management processes in order to comply with the Deficit Reduction Act of 2005 (DRA) and avoid financial penalties.

THE RESULT

PCG has helped Massachusetts EOHHS/DTA significantly improve block grant management and management of the TANF grant, in particular. PCG assisted EOHHS/DTA in making significant claiming changes to avoid penalties associated with the implementation of the DRA. With PCG's assistance, EOHHS/DTA claimed the following excess MOE for FY2006 through FY 2010:

	Fiscal Year	PCG Identified Dollars
Massachusetts	2006	\$ 88,000,000
	2007	\$ 103,000,000
	2008	\$ 178,000,000
	2009	\$ 115,640,292
	2010	\$ 103,671,057