Reauthorize the Temporary Assistance for Needy Families (TANF) Program

ACTION NEEDED:

Urge your members of Congress – particularly those who serve on the House Ways and Means Committee and the Senate Finance Committee – to enact a long-term reauthorization of the Temporary Assistance for Needy Families Block Grant (TANF) and protect funding for the TANF Contingency Fund.

BACKGROUND:

Congress created TANF in 1996 to replace the Aid to Families with Dependent Children (AFDC) program, which primarily provided cash assistance to low-income individuals. The U.S. Department of Health and Human Services (HHS) Administration for Children and Families (ACF) administers TANF, which features four program goals: 1) providing assistance to low-income families so they can care for children in their own homes; 2) reducing the dependency of parents by promoting job preparation, work and marriage; 3) preventing and reducing unplanned pregnancies among single young adults; and 4) encouraging the formation and maintenance of two-parent families.

Although TANF is a partnership between the federal government and states, counties in the following states are responsible for operating the program: California, Colorado, Minnesota, New Jersey, New York, North Carolina, North Dakota, Ohio, Virginia and Wisconsin. Additionally, Montgomery County, Maryland operates TANF. As an entitlement to states, TANF is not subject to the annual appropriations process. However, as a capped federal block grant, TANF funding has remained at $16.5 billion annually since its inception, with no growth for inflation.

Congress last reauthorized TANF in the Deficit Reduction Act of 2005 (P.L. 109-171) and has renewed the program through a series of short-term extensions since its expiration in 2010. In December 2019, President Trump signed Fiscal Year (FY) 2020 appropriations legislation that included an extension of TANF and several other programs through May 2020.

A long-term reauthorization with substantive program improvements and adequate funding for this safety-net program is critical for all counties, which invest over $58 billion annually in

TANF features four program goals:

1. Provide assistance to needy families so that they can care for children in their own homes
2. Reduce the dependency of needy parents by promoting job preparation, work and marriage
3. Prevent and reducing unplanned pregnancies among single young adults
4. Encourage the formation and maintenance of two-parent families

Source: NACo Analysis of U.S. Census Bureau, Small Area Income and Poverty Estimates 2017

2017 Child Poverty Rate, by County
TANF features a maintenance of effort (MOE) requirement for each state to contribute at least 80 percent of what that state contributed to AFDC in 1994. In FY 2018, the MOE contribution from states totaled $14.7 billion.

TANF’s design aims to give states great flexibility in creating programs and determining eligibility, benefits and services. TANF can fund cash assistance as well as non-cash assistance such as childcare, education, job training and work support programs. While states have more flexibility under TANF than under AFDC, the program does impose certain limitations. Families do not qualify for cash assistance under TANF unless states require recipients to participate in “work activities” as well as require a share of participating individuals to meet a minimum weekly work threshold of 30 hours. There is also a five-year limit for cash assistance to families that include an adult recipient, although states may exceed the time limit for up to 20 percent of their caseloads based on hardship. In FY 2017, states spent 22.7 percent of TANF and MOE funds on basic cash assistance.

TANF originally counted 12 activities as “work activities,” but the Deficit Reduction Act of 2005 (DRA, P.L. 109-171) split these into nine core activities and three non-core activities. The nine core activities are unsubsidized employment, subsidized private-sector employment, work experience, on-the-job training, job search and job readiness, community service, vocational education and childcare for an individual participating in community service. The non-core activities are job skills training directly related to employment, education directly related to employment and satisfactory attendance at a secondary school or high school equivalency (GED) program. Non-core activities may only count toward work participation if the individual also participates in core activities for at least 20 hours a week.

KEY TALKING POINTS

TANF provides funding to states to help families reduce welfare dependency and allows states to design and implement the program according to their needs

Counties that operate TANF have a direct stake in the program because they share administrative costs and may also fund part of the state MOE requirements

When states are directed to sanction TANF participants for failing to meet program requirements, the reduced benefit can lead to county residents facing increased economic hardship, new barriers to employment, and increased reliance on other county support programs

A long-term TANF reauthorization will provide program continuity and represents an opportunity to make substantive improvements to the program. Short-term extensions create uncertainty and make it difficult to plan and implement long-term program changes

TANF reauthorization should provide states greater flexibility in determining which activities count as “work activities.” For example, states should be allowed to count higher education as a “work activity”

Many TANF families struggle with multiple barriers to self-sufficiency, such as disabilities, mental health issues, domestic violence and substance use disorders, making it difficult for them to meet the full participation requirements. TANF should provide states and counties with flexibility to provide partial credit to families with special needs

TANF funding should increase annually commensurate with the rate of inflation to ensure that the program’s actual value does not erode over time

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