

2018 POLICY BRIEF

REAUTHORIZE THE TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) PROGRAM

QUICK FACTS

- TANF was designed to give states great flexibility in creating programs and determining eligibility, benefits and services. Program funds can be used for cash assistance, as well as non-cash assistance such as child care, education, job training and work support programs.
- Counties in Calif., Colo., Minn., N.J., N.Y., N.C., N.D., Ohio, Va. and Wisc., as well as Montgomery County, Md., operate TANF
- A long-term reauthorization of TANF would provide program continuity. Short-term extensions make planning and implementation more difficult
- Counties invest more than \$58 billion annually in human services

ACTION NEEDED:

Urge your members of Congress, particularly those who serve on the House Ways and Means Committee, the House Education and the Workforce Committee, the Senate Finance Committee and the Senate Health, Education, Labor and Pensions 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:

TANF was created in 1996 and replaced the Aid to Families with Dependent Children (AFDC) program. It is administered by the U.S. Department of Health and Human Services and features four program goals: providing assistance to needy families so that children can be cared for in their own homes; reducing the dependency of needy parents by promoting job preparation, work and marriage; preventing and reducing unplanned pregnancies among single young adults and encouraging the formation and maintenance of two-parent families.

TANF is an entitlement to states and is not subject to the annual appropriations process. The program has been funded at \$16.5 billion since its inception. Although TANF is a partnership between the federal government and states, the following states partner with counties to operate the program: California, Colorado, Minnesota, New Jersey, New York, North Carolina, North Dakota, Ohio, Virginia and Wisconsin. Additionally, Montgomery County, Maryland operates TANF.

TANF features a maintenance of effort (MOE) requirement that calls on each state to contribute at least 80 percent of what that state contributed to AFDC in 1994. In FY 2014, the total MOE contribution from states was \$15.3 billion.

TANF was designed to give states great flexibility in creating programs and determining eligibility, benefits and services. Program funds can be used for cash assistance, as well as non-cash assistance such as child care, education, job training and work support programs. While states have more flexibility under TANF than they did under AFDC, the program does impose certain requirements. For families to qualify for TANF, states must require recipients to participate in “work activities,” and a percentage of participating individuals must be required to do so for at least 30 hours a week. There is also a five-year limit for cash assistance to families that include an adult recipient, although states may exceed the time limit by up to 20 percent of the caseload based on hardship.

When TANF was created, it counted 12 activities as “work activities,” but the Deficit Reduction Act of 2005 (DRA, P.L. 109-171) changed 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 providing child care to 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 can only count toward work participation if the individual also participates in core activities for at least 20 hours a week.

TANF was reauthorized as part of the 2005 DRA, but expired in 2010 and has since been reauthorized through a series of short-term extensions. TANF is up for reauthorization in September 2018. Long-term reauthorization and adequate funding for this safety-net program is critical for counties, which invest over \$58 billion annually in human services.

- Many TANF families struggle with multiple barriers to self-sufficiency, such as disabilities, mental health issues, domestic violence and substance use disorders. As a result, these families may not always be able to meet the full participation requirements. States and counties should be given the flexibility to provide partial credit to these families with special needs.
- TANF funding should be increased annually by an amount commensurate with the rate of inflation to ensure that the program's actual value does not decrease each year.

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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. Additionally, sanctions that are imposed on the state for failure to meet program requirements are often passed down to counties.
- Long-term reauthorization of TANF will provide program continuity. Short-term extensions create uncertainty and difficulty in planning and implementing long-term program changes.
- TANF reauthorization should provide greater state flexibility in determining which activities count towards "work activities." For example, states should be allowed to count higher education as a "work activity."



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