

## Core Principles for TANF Modernization

April 2021

Americans strive to create communities where everyone has an opportunity for economic mobility and the tools we all need to support the physical, social, and emotional well-being of our families. Translating these aspirations into reality demands that we critically examine the ways in which our country invests in the building blocks of a society where all people can succeed and thrive for the long term. The Temporary Assistance for Needy Families (TANF) program plays an important role in constructing these conditions. TANF funds provide parents and caregivers with economic supports to help meet their basic needs; employment and training skills to earn family-sustaining wages; early childhood care that fosters development during children's formative years; and services that prevent and mitigate childhood stress and trauma.



TANF has the extraordinary potential to shift our human services system upstream and head off more costly and disruptive crises that threaten to anchor families in deep poverty. To realize this vision, we must build common ground on what families need to thrive and how TANF can align with other key building blocks to achieve the outcomes we desire. Furthermore, we must recognize the limitations in current TANF policy, particularly in redressing long-standing structural inequities, and be bold about embracing change that allows us to reach what we know works.

### Limitations in the Current Federal TANF Policy Framework

In the 25 years since TANF was created, the program has remained largely unchanged, with the last reauthorization in 2005 only further reinforcing an emphasis on work compliance and verification. This policy landscape has led to the diminished reach of TANF over time—for every 100 families in poverty, the number receiving TANF basic assistance has dropped from 68 when the program was first created to just 23 in 2019.<sup>1</sup>

While the program remains an essential support for families that receive it, TANF's limited reach and punitive design has reinforced structural racism and disproportionately impacted communities of color. Research supports that racial bias impacts both the overall resources invested in TANF as a tool for economic mobility<sup>2</sup> and the use of punitive measures, such as sanctions, against individuals and families.<sup>3</sup> Understanding both this historical context and the original foundations of TANF is an essential first

- 1 Hahn, H., & Simms, M. (February 16, 2021). Poverty results from structural barriers, not personal choices. Safety net programs should reflect that fact. Urban Wire. Retrieved from <https://www.urban.org/urban-wire/poverty-results-structural-barriers-not-personal-choices-safety-net-programs-should-reflect-fact>
- 2 Fusaro, V. (April 12, 2020). State politics, race, and “welfare” as a funding stream: Cash assistance spending under TANF. Policy Studies Journal. <https://doi.org/10.1111/psj.12390>
- 3 Monnat, S. (December 1, 2016). The color of welfare sanctioning: Exploring the individual and contextual roles of race on TANF case closures and benefit reduction. The Sociological Quarterly, 51(4), 678-707. <https://doi.org/10.1111/j.1533-8525.2010.01188.x>



step to reimagining TANF as a program that truly achieves its purpose of supporting and advancing family economic mobility.

TANF, as we know it today, was created by the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) in 1996 and established four broad purposes for the program:

1. Provide assistance to needy families so children can be cared for in their own homes or in the homes of relatives;
2. End the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
3. Prevent and reduce the incidence of out-of-wedlock pregnancies;
4. Encourage the formation and maintenance of two-parent families.

To achieve these core purposes, PRWORA sets forth a TANF policy framework that influences the way state and local agencies must design and implement their programs. Included in this framework are:

- **Work requirements** that people must meet as a condition for receiving cash assistance;
- **Employment and training activities** that are time-limited, prioritize immediate work over long-term career development, and require close monitoring by TANF agencies for compliance;
- **Lifetime limits** on assistance that cut-off benefits for individuals who do not transition to family-sustaining jobs, and;
- **Penalty and incentive structures** that reward reductions in the number of families receiving assistance, regardless of progress reducing poverty, and sanctioning families unable to meet program requirements.

Since the 2005 reauthorization, TANF has been renewed through a series of short-term extensions that have shut the door to reimagining the possibilities for strengthening and modernizing TANF. Despite this inertia, the roadmap for TANF reform is already within reach, hardcoded into the innovative practices that currently exist in state, local, and community work. With a clear North Star guiding us forward, these proof points

serve as a compass to help us define the path to lifting families out of poverty and on a course to economic mobility. By committing to a set of core principles that ground our vision of what TANF should achieve and using examples from the field that inform the strategies to get there, we can bridge the divisions that have stymied progress and create a modern TANF program that furthers its role as foundational to advancing social and economic mobility for all.



## Core Principles for TANF Modernization

The American Public Human Services Association's (APHSA) network of state and local human services agencies has developed a set of **TANF Modernization Core Principles** that lay the tracks for a renewed vision of what TANF can be. Embedded into these principles are the values of equity, inclusion, and the limitless possibilities of human potential as a clear North Star, guiding each of the Core Principles. These values serve as the foundation for building modern TANF programs to support child and family well-being for generations to come. To advance these values, each Core Principle is viewed through a race equity lens. We focus on advancing race equity, not to the exclusion of other groups that have been harmed, but because we believe that by first illuminating the structural root causes of racial inequities within the context of human services, we can drive broader systemic changes for other structural inequities, such as gender, gender identity, sexuality, disabilities, and socioeconomic status.

Using these Core Principles as a foundation, we can take a bold and systematic approach to reform that is rooted in evidence and outcomes rather than ideologies.



## CORE PRINCIPLE 1

**To help families achieve economic mobility, TANF must support the physical, social, and emotional well-being of individuals and their family.**

As a program that assists *families with children*, TANF policies must reflect the common-sense truth we all innately know—families are positioned to thrive when their physical, social, emotional, and economic needs are being met simultaneously. TANF policies must treat adults as both workers and caregivers and tend to the health and well-being of their children. Strengthening the physical, social, and emotional well-being of the whole family supports early childhood development and overall family stability, which bolsters intergenerational mobility. This is critical to address the root causes of poverty and to promote equity. In the United States, Black, Brown, and Indigenous children are less likely to experience upward mobility from deep poverty, and Black and Indigenous children are more likely to experience downward mobility.<sup>4</sup>

### ***TANF rules limit the ability to focus on family success beyond employment.***

The current emphasis on work requirements in federal TANF policies functions to the detriment of family-centered supports necessary to achieving upward mobility. The narrow set of allowable activities with which federal rules mandate TANF recipients comply, focus primarily on employment and limited education.<sup>5</sup>

Activities that get to the root of family stability and economic mobility—developing parenting skills, financial skills, childhood development, supporting mental and physical health, building broader communication skills, and more—are, at best, time-limited activities that must be layered on top of traditional work activities; many are not countable at all.

More broadly, federal TANF work participation rules are designed to compel families to conform to the program when the opposite should be



true. Families are forced to participate in ways that fulfill program rules rather than focus on their individual needs, strengths, and goals. Federal policies are also based on a limited understanding of “family”. Especially with an increasing share of TANF recipients including non-parent caretakers, parents receiving disability benefits, and working parents, we must dispel outdated notions of who receives assistance. There is an opportunity to reimagine what family means in TANF today as a tapestry of diverse community and familial relationships, which when strengthened lead to resilient individuals and communities.

### ***Moving forward with TANF we must emphasize supporting the physical, social, and emotional well-being of the whole family.***

The way in which federal policy limits the services offered through TANF has eroded its power as a flexible block grant that can address root causes of poverty. Yet, in spite of current constraints, public agencies and community partners are making strides to advance a whole family approach to economic mobility and well-being. Federal initiatives such as the Administration for Children and Families’ (ACF’s)

4 Akee, R., Jones, M. R., & Porter, S. R. (2017). Race matters: Income shares, income inequality, and income mobility for all U.S. races. *National Bureau of Economic Research*. <https://doi.org/10.3386/w23733> Retrieved from <https://www.nber.org/papers/w23733>

5 For a detailed explanation of TANF work-requirements, see The Urban Institute, The Office of Planning, Research and Evaluation (2012). TANF work requirements and state strategies to fulfill them. Retrieved from [https://www.acf.hhs.gov/sites/default/files/documents/opre/work\\_requirements\\_0.pdf](https://www.acf.hhs.gov/sites/default/files/documents/opre/work_requirements_0.pdf)



Integrated Approaches to Supporting Child Development and Improving Family Economic Security<sup>6</sup> acknowledge the importance of taking a human-centered, whole family approach in TANF. Efforts like this can be accelerated and expanded and achieve greater impact if we reorient federal TANF policy in ways that allow state and local agencies to develop human-centered strategies that reflect whole family approaches.

Moreover, we should be fostering opportunities for TANF to stand as a connecting point to the broader system—working with public health, child welfare, substance use, housing, nutrition, child care, and related systems—to promote economic mobility and move services upstream. Leveraging TANF’s flexibility to fill gaps and strengthen alignment across systems—centered on whole family supports and dismantling structural inequities—we can achieve transformative change in human services.

#### ***Addressing the Whole Family Needs of TANF Recipients: Rhode Island***

Rhode Island began a redesign of its TANF program in 2017 to shift the focus to a “holistic program”, emphasizing the family unit and stopping inter-generational poverty. They started by asking the question, “how do we serve families best?” Recently during the pandemic this played out with the use of remote services to intentionally integrate children into parent work-activities. Providers developed a summer camp program with alternating parent and child activities, such as parents teaching and modeling interview skills to their children, mailed or dropped off packets of activities to homes, and included well-being activities like exercise or outdoor activities.



#### ***CORE PRINCIPLE 2***

#### **TANF must prioritize tailored solutions that help families succeed for the long term.**

Life is a marathon, not a sprint. TANF policies must start with the understanding that overcoming the deeply rooted, multilayered barriers families face to achieving long-term economic well-being requires long-term solutions. Yet, federal TANF policies treat people’s economic success as a short-term transaction assuming it will result in long-term impact. Not surprisingly, this approach has resulted in uneven and inequitable outcomes—research has shown that TANF recipients with limited work history, low education, and poor health are all less likely to make long-term economic gains.<sup>7</sup>

#### ***TANF policies emphasize short-term accomplishments and place time limits on success.***

Complicated federal TANF rules tell parents what work activities they must comply with, and for how long, sending the message that a families’ success is entirely dependent on a timeline in which they have no say. Lifetime receipt of cash assistance is generally limited to a total of 60 months and parents must meet work participation requirements, typically requiring 30 hours a week

6 Administration for Children and Families’ Office of Planning, Research, and Evaluation. Integrated Approaches to Supporting Child Development and Improving Family Economic Security, 2015-2018. Retrieved from <https://www.acf.hhs.gov/opre/project/integrated-approaches-supporting-child-development-and-improving-family-economic>

7 Wood, R., Moore, Q., & Rangarajan, A. (2008). Two steps forward, one back: The uneven economic progress of TANF recipients. *Social Service Review*, 82(1), 3–28. <https://doi.org/10.1086/525035>





of work activities.<sup>8</sup> Work requirements for two-parent households are even more strict, requiring at least 90 percent of a state's two-parent households to comply with even higher weekly work activity targets.<sup>9</sup>

Collectively, these rules lead to unintended yet expected outcomes. The need to comply with time limits and work participation requirements emphasizes short-term job placement over long-term career pathways. And the pass-fail nature of work requirements means that families earnestly engaging in employment and training services, but unable to fulfill the minimum hours, are treated as if they made no effort at all. Furthermore, individuals participating in meaningful activities face artificial time

constraints that force them to abandon critical skill developments. For example, TANF recipients may only count 12 months of time in vocational education and no more than six weeks in a 12-month period for job search and readiness activities toward work requirements. Education directly related to employment and skills training is further constrained by the number of hours that participants may count toward work participation.

Because TANF's design is built on complex, compliance-driven rules rather than centered on an individual path to success, parents are put in a position of participating in activities that may not be suited to them and the whole needs of their family. Instead of progressing in ways that involve families as the architects of their family blueprint to economic mobility, we draw a narrow path they must follow or be subject to sanctions that further harm them. Correspondingly, states are put in a position of arbitrarily placing importance on some activities, while others, which might be instrumental to an individual's success, apparently "don't count."

### *Intergenerational Approaches to TANF: District of Columbia*

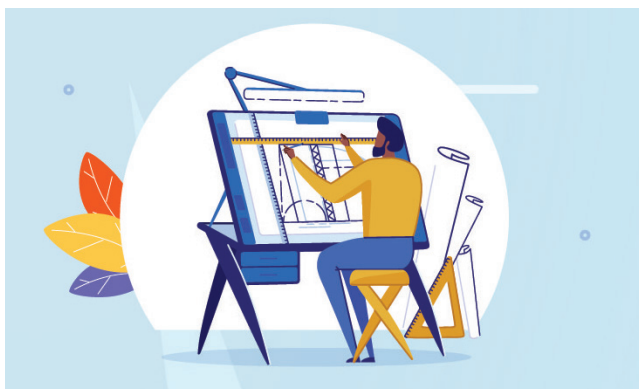
The District of Columbia's TANF program has shifted over the last three years to a two-generation, or "2Gen," approach with the goals of ensuring the enrichment, security, and safety of children, while providing meaningful engagement with caregivers. For D.C., facilitating meaningful engagement meant shifting away from time-bound policies, allowing caregivers to advance their personal well-being and the well-being of their children through personal growth and career development, education, and family goals. To support this change, in 2018, D.C. reduced the case manager to customer ratio, awarded performance-based contracts to providers who provide training in high-growth industries in D.C., and added financial incentives for job promotion and exit from TANF. Moreover, D.C. took further steps to reduce scarcity by eliminating the five-year time limit, increasing TANF benefit levels, and limiting sanctions.

### *TANF laws and policies must be refocused on the long-term stability and well-being of families.*

To help families succeed for the long-term, federal rules should enable TANF agencies to design programs that aim to achieve all the outcomes people need to achieve economic mobility and to focus their time advocating for families, not policing them. This kind of reframing of TANF calls on policymakers to shift program rules from their singular focus tracking compliance of piecemeal work requirements to measuring well-rounded outcomes. Additionally, we must re-examine where the current, narrow set of eligible activities falls short in supporting families with the tools needed to reach those outcomes, and the detrimental impact time limits have on stagnated intergenerational mobility. By confronting these issues, TANF can pave the road for families to get where they need to go for the long haul.

<sup>8</sup> For a detailed description of core and non-core activities, see <https://www.acf.hhs.gov/ofa/policy-guidance/tanf-acf-im-2016-05-supporting-career-pathways-tanf-recipients>

<sup>9</sup> Two-parent households that receive federal child care subsidies must meet 55-hour per week work requirements whereas two-parent households that do not receive federal child care subsidies must comply with 35-hour per week work requirements.



### CORE PRINCIPLE 3

**TANF should foster conditions that advance a person's sense of agency over their life and belonging within their community.**

People have an innate desire to acquire agency over their life's course, particularly through family-sustaining work. Since parents are the experts of their own lives, needs, and aspirations, the pathway to economic mobility must begin with advancing policies that allow them to shape their family's future. Parents must be the architects of their own life journey.

***Federal TANF rules impede personal autonomy in economic and educational decision making.***

As previously described, TANF is structured in a way that impedes participants' ability to choose activities that best fit their goals and needs. These policies are pervasive throughout the federal design of the program – narrowly prescribing to families what services they must participate in and how long they can engage in them. For those in our community with the greatest barriers to work, these rules further stack the deck against them, and for many communities of color the cumulative effect of these policies against structural and systemic racism further widens the gap. And in the context of the immense pressures brought forth by the COVID-19 pandemic—navigating the challenge of supporting their kids through remote learning while adjusting to fundamental shifts in the labor market—the need for reform has never been clearer.

Many parents have difficulty accomplishing plans created without meaningful choices or input, particularly when there is pressure to conform because of the looming threat of losing essential benefits for their family. And, when parents lose assistance for non-compliance there is a destabilizing effect on the family, which is further detrimental to long-term economic mobility. Despite some limited flexibility currently, the underlying structure of TANF uses complex rules that require states to ensure that a minimum percentage of families meets work requirements. This forces states to shift the focus from the individual needs of families to navigating strategies to manage overarching compliance targets for the entire caseload. For states that struggle to meet their minimum work requirement target, this can drive them towards more punitive sanctioning policies and caseload reductions, which, in turn, have a disparate impact on Black and Brown parents.<sup>10</sup>

#### ***Increasing Autonomy in TANF Services: Montana***

Over the past several years, Montana's TANF program has moved towards a person-centered universal service delivery model. At the outset, the Montana Family BRIDGE Assessment is used to identify potential barriers to family stability and employment. Montana's model allows TANF applicants to engage for up to 30 days (and more in the case of an emergency) in family stability activities such as identifying housing, arranging child care, or engaging in online education. Montana's program also uses a coaching model, working through providers to engage directly with the individuals and families, providing hands-on assistance and guidance to continue to address barriers to success. Montana has been able to disregard the distinction between core and non-core activities due to the caseload reduction credit, which allows participants greater opportunity to participate in activities that make the most sense for them.

<sup>10</sup> Camardelle, A. (October 1, 2020). Cash matters: Reimagining anti-racist TANF policies in Georgia. Georgia Budget and Policy Institute. Retrieved from <https://gbpi.org/cash-matters-reimagining-anti-racist-tanf-policies-georgia/>



***By fostering more autonomy for TANF participants, individuals can build the best pathways to economic mobility and well-being for themselves.***

Parents and families should be in the driver's seat of their own lives to best position themselves for success. Coaching models, like Montana's, are made possible when program structures prioritize autonomy over arbitrary program rules or compliance. In recent years, there has been bipartisan recognition of the need for individualized plans made in collaboration with TANF recipients, such as those described in the *JOBS for Success Act*.<sup>11</sup> The opportunity for this kind of direct planning, in partnership with families, must be accompanied by parallel shifts in state and local practice as well as redesigning the role of TANF in the workforce. Families must have meaningful opportunities to direct their path forward in TANF, removing artificial boundaries to participation that works for the whole family. Furthermore, we must counteract the historical effect of longstanding policies that have reduced trust between families and caseworkers, capitalizing on policy changes to reorient how TANF agencies interact with and in support of people.



#### **CORE PRINCIPLE 4**

**To best help families achieve their goals, TANF policies should be centered in evidence and promising practices that reflect the lived experiences of families.**

TANF programs should be centered in evidence of what works for families, informed by the perspectives, goals, and stated needs of individuals served. Reframing evidence as both traditional data and research as well as the lived experiences of families ensures that a diverse set of voices and ideas are at the table, creating a climate for innovation and equity.

***Federal performance metrics focus on short-term outcomes and point-in-time data in TANF programs that do not reflect participant experience.***

Under current TANF laws and policies, “work” and “success” have been defined for parents based on federal laws and regulations, without input from the participants themselves or the state and local agencies administering these programs. Although ACF collects a significant amount of information and funds research on the impact of different program models and services, ultimately the only statutorily established mechanism to assess TANF program effectiveness is the Work Participation Rate (WPR).

Yet, in the 25 years of implementing TANF, there is no evidence to indicate whether this measure has led to increases in employment and earnings.<sup>12</sup> What we do know is that current policies, such as time limits and sanctions, appear to be effective at reducing the number of families receiving assistance; however, whether these policies translate to increased economic stability for families that are targets of these policies is at best unproven.<sup>13</sup>

We must do better to hold ourselves accountable for outcomes in service of people and communities, not programs. In advancing

11 H.R.1753—Jobs and Opportunity with Benefits and Services for Success Act. Retrieved from <https://www.congress.gov/bills/116th-congress/house-bill/1753?q=%7B%22search%22%3A%5B%22H.+R.+83%22%5D%7D%7D&r=52&s=1>

12 Falk, G. (2018). Research evidence on the impact of work requirements on need-tested programs. Congressional Research Service. Retrieved from <https://fas.org/sgp/crs/misc/R45317.pdf>

13 Lindhorst, T., & Mancoske, R. J. (2006). The social and economic impact of sanctions and time limits on recipients of Temporary Assistance to Needy Families. *Journal of sociology and social welfare*, 33(1), 93–114.



evidence-based practices, we must consult families that face the greatest adversities and are the true subject matter experts—the strengths, needs, and goals of families must direct the use of evidence-based practices and not the reverse. Furthermore, evidence should be used to accelerate, not inhibit, innovation. When we narrow the pool of evidence to only what fits traditional methods, we risk directing investments away from culturally appropriate services and those in our communities with specialized needs.

***Federal laws and policies can encourage and invest in the use of effective outcome metrics and evidence-based practices in TANF.***

Alternative evaluation tools and structures already exist in some states, like the CalWORKs Outcomes and Accountability Review (Cal-OAR), and many others are making progress to lift client voices in individual, and organizational-level TANF plans. Similarly, tools like ACF's Pathways to Work Evidence Clearinghouse<sup>14</sup> provide important information on the effectiveness of employment and education services.

***Shifting Toward Outcomes: California***

In July 2019, California implemented CalWORKs, California's state TANF program, Outcomes and Accountability Review (Cal-OAR). Cal-OAR consists of three core components: performance indicators, a CalWORKs county self-assessment process, and a CalWORKs county system improvement plan, including a peer review component. Each county's self-assessment and system improvement plan must include the following process and outcome measures—participant engagement, service delivery, participation, employment, education attainment, program exits and re-entries, and may include other family and child well-being measures. The Cal-OAR process takes place over a five-year cycle and progress reports are completed annually.

Broader systems-level change can be accelerated by reassessing both what we measure and how we measure it. The transition towards a federal set of outcome measures rooted in whole person and whole family outcomes is an important first step. But we also must quickly close the gap in our understanding of what works for whom and when, increasing the capacity of local, state, and federal agencies to evaluate and continuously improve their services through an equity lens. We must integrate clients' perspectives and insights into the way we assess, develop, and implement services by establishing a policy framework that explicitly prioritizes personal autonomy in this process.



**CORE PRINCIPLE 5**

**The broader workforce system must provide a coordinated continuum of services that supports all jobseekers' strengths, goals, and needs.**

TANF is an important part of the larger workforce development system that should work across funding streams and agencies to ensure that when participants interact with different touch points, services stay centered on the specific needs of each jobseeker in the context of his or her family and span across programs without interruption. Aligning whole family approaches across agencies not only supports effective use of government resources, but also ensures that the interactions of parents are understood in their dual role as workers and caregivers. This work must be done at both the individual/family and systems levels and across agencies to help all people achieve upward mobility.

<sup>14</sup> Administration for Children and Families' Office of Planning, Research, and Evaluation (2021). Pathways to Work Evidence Clearinghouse. Retrieved from <https://pathwaystowork.acf.hhs.gov/>





***Initial progress has been made to align workforce programs across agencies, but there is still work to be done.***

The Workforce Innovation and Opportunity Act (WIOA)<sup>15</sup>, signed into law in 2014, has helped foster integrated planning and increased co-location of services across WIOA, TANF and other workforce programs. Yet, this is only a starting point to better coordinate a continuum of workforce development and supportive services that advance family stability and economic mobility. Differences in eligibility, reporting, allowable activities, supportive services, and service providers all present process challenges that must be reconciled to maximize cross-agency coordination and provide a human-centered experience. These points of intersection must be critically analyzed across a range of programs including TANF, WIOA, Supplemental Nutrition Assistance Program

Employment and Training (SNAP E&T), career and technical education under the Perkins Act, and employment and training activities carried out by the Department of Housing and Urban Development (HUD), to name a few.

The challenges to align these systems are both programmatic and cultural. While there have been continued inroads to expand employment services, such as registered apprenticeships and subsidized employment, these efforts have been slower to take hold for families experiencing deep poverty and with greater barriers to work. Further progress will require partnership between TANF and related funding streams to ensure opportunities are explicitly designed to support members of our community historically underserved by the workforce system, such as people with disabilities, older youth transitioning out of foster care, formerly incarcerated individuals, and individuals who have been out of the labor market for an extended time or need further time and support to build career readiness skills. Establishing an inclusive service array across workforce systems is an important step in advancing intergenerational mobility.

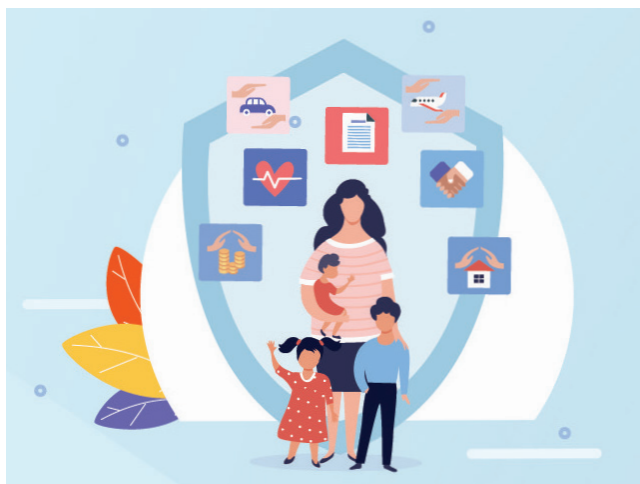
***Workforce System Alignment: Maryland***

In 2018, Maryland developed its first workforce plan that included the combined workforce development efforts of three agencies: The Maryland Department of Labor (MDL), the Maryland Department of Human Services (DHS), and the Maryland State Department of Education (MSDE) Division of Rehabilitation Services (DORS). In Maryland, the TANF program engages in a coordinated effort to allow the MDL to focus on developing and implementing workforce development programs and services to TANF participants. In many cases, offices are co-located, which helps relationship building and communication between the two agencies, resulting in better service provision to participants. Maryland takes a “no wrong door” approach, meaning all core program partners are trained on registering individuals in the Maryland Workforce Exchange and providing initial screening and system wide orientation. This way, individuals can access multiple programs from any access point.

***TANF rules should promote a system that aligns programs and services for the people it serves, leading to better outcomes.***

Further advancing an integrated workforce system that works for all will require progress on multiple fronts. Shifting TANF to a common set of work-related outcomes with WIOA and other core partners, while still preserving TANF’s parallel focus on child and family well-being, would have a powerful effect on broader workforce system alignment. Parallel to this, a comprehensive assessment of how eligibility and funding rules align across workforce programs is needed to fully reform policies to work in concert to advance economic mobility. Moreover, as state and local agencies and their partners continue to work toward building a seamless system, further technical assistance, guidance, and support to test innovations will help stitch the pieces together.

15 H.R.803—Workforce Innovation and Opportunity Act. Retrieved from <https://www.congress.gov/bill/113th-congress/house-bill/803/text>



### CORE PRINCIPLE 6

**Families must have access to adequate assistance and services that allow them to meet their basic needs while working to achieve their long-term goals.**

We all know that to invest in our family's future, we must first make sure our basic needs are met in the present. Without adequate supports to weather turbulent times, the path toward economic well-being will remain obstructed. To clear the path forward, TANF must be adequately resourced to invest in families meeting both short- and long-term goals. Particularly during times of crisis, TANF must be equipped to rise to the challenge of increased and evolving needs in the community, working as part of the larger human services infrastructure to support an equitable and resilient recovery.

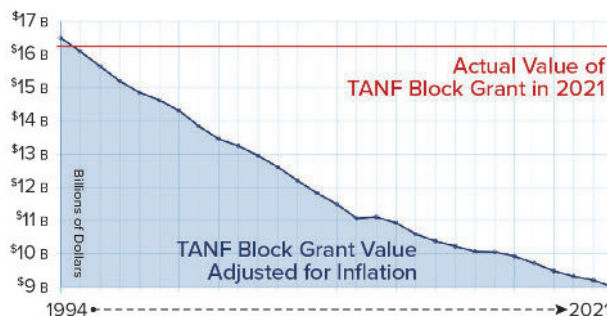
***TANF funding is inadequate and overly complex.***

To put it simply, we currently are falling short of providing the base level of assistance that families need to plan for the future; only one state currently provides a maximum cash assistance benefit that is more than half of the federal poverty level.<sup>16</sup> While states have broad discretion in setting their cash benefit amounts, the inadequacy of current benefits stems from the steady diminishing value of the TANF block grant and the irrational rules that govern its uses.

In the 25 years since TANF's inception, the block grant has remained level-funded at \$16.6 billion. However, with the depreciation of TANF due to inflation, the real value of the block grant has dropped by over 38 percent in this time.<sup>17</sup>

What's more, the increasing scarcity of TANF funds combined with complex funding rules contributes to underinvestment in critical services. The flexibility to deploy TANF in multiple ways is an asset and the program plays an important role helping states strategically fund essential services that remove barriers to social and economic mobility, including cash assistance, work supports, employment and training programs, emergency assistance, and child and family services. Yet, mandated state matching of the TANF block grant—known as maintenance of effort (MOE)—is determined based on spending requirements that are baselined to spending from 1994 on TANF's predecessor program. Rules related to MOE impact the percentage of TANF recipients that must comply with work requirements, states' access to supplemental emergency funds (known as the TANF Contingency Fund), and other important program decisions. These factors force states into a counting game to maximize the state match they can provide and creates a system of winners and losers where complex rules detach funding decisions from the most important conditions on the ground that should drive TANF investments in people and communities.

**Deflation of TANF Block Grant 1994-2021**



<sup>16</sup> Falk, G., & Landers, P. (January 25, 2021). *The temporary assistance for needy families (TANF) block grant: Responses to frequently asked questions*. Congressional Research Service. Retrieved from <https://fas.org/sgp/crs/misc/RL32760.pdf>

<sup>17</sup> *Ibid.*



***TANF funding rules should be structured in a way that harnesses the program's flexibility to help states invest in the essential programs and services families need to thrive.***

We are at an important turning point where we must reconcile the lessons learned from the past to drive the future investments in TANF. The COVID-19 public health crisis has revealed the fragile footing that families facing adversity stand on in times of crisis. Yet, we have also seen a willingness for bold and decisive action. Recent investments such as the expanded child tax credit create new opportunities to improve economic stability for families. TANF plays a pivotal role working in tandem with these investments to provide assistance, work supports, family services, training and education, case-management, and other services to bridge the gap between people's current reality and future potential.

Achieving this vision requires that TANF funding and the rules that govern it not remain stuck in the past. It is long past time we index the block grant to inflation and reauthorize funding at a level that enables states to provide meaningful assistance and supportive services in alignment with other economic supports. In doing so, we must help states transition from the current course being charted through federal policy, doubling down our focus on investments in people and services in a way that removes barriers to upward mobility and supports healthy, thriving families. Furthermore, we must make TANF policies more nimble and responsive, helping states quickly and efficiently access and deploy additional focused assistance when existing funding is insufficient in times of economic distress. Finally, we must advance race equity by directly working to get underneath policies that disproportionately impact communities of color. By grounding these critical funding questions in the relevant data on the needs of families, we can rise to the challenge and equip families with the supports they need to succeed.

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## CONCLUSION

Human services are the cornerstone to building well-being so that all families can thrive. With a resolute focus on: advancing race equity; building on the assets of families and communities; leveraging the many advancements in the field, and our members' long-standing experience administering these services on the ground, we can advance a recalibrated human services system that provides modern TANF programs to support child and family well-being for generations to come.

Access additional [Cornerstone](#) policy briefs highlighting how, together, we can foster conditions that enable equitable economic mobility and well-being for all Americans. When our work is centered on people and public service, building common ground, and partnering across sectors, there is no limit to what we can achieve together.

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