

# Benefit Cliff Mitigation in TENNESSEE

## THE SPARK

The journey towards mitigating benefit cliffs in Tennessee began with a significant push from both the state legislature and the governor's office. In 2019, a conservative think tank published a report highlighting Tennessee's large unobligated TANF reserve balance. This report caught the attention of the legislature, leading to the formation of a working group to study TANF and explore innovative ways to utilize these funds. This prompted a collaborative effort between the legislature and the administration to address benefit cliffs and modernize the TANF program.

## INITIATIVES

### TANF-Related Policy Changes

In 2018, Tennessee passed a comprehensive TANF bill that included several key components aimed at modernizing the program. The bill increased the TANF cash assistance amount, which had remained unchanged since 1996, and introduced a six-month transitional benefit to help families gradually adjust as they moved off TANF assistance. This legislation also included measures to prevent fraud, waste, and abuse, ensuring the integrity of the program.

### TANF Pilots

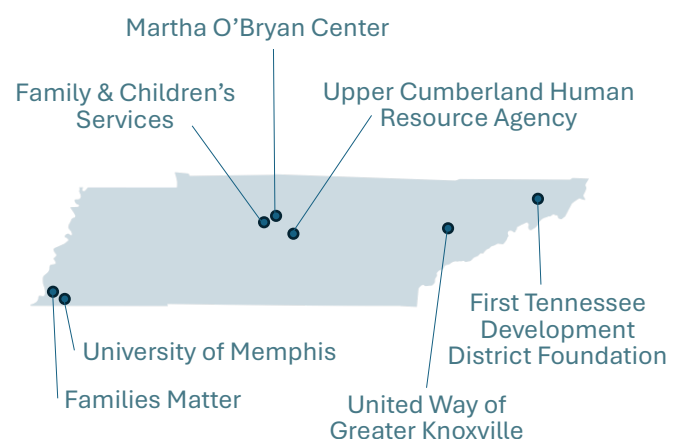
In 2021, the Tennessee legislature passed the 2021 TANF Opportunity Act, which included a Tennessee Opportunity Pilot Initiative. This initiative created seven TANF pilot projects, led by seven public-private groups represented on the right. These pilots were designed to test various approaches to disrupting poverty and enhancing family mobility across the state; two in the west, two in the east, and three in the middle. Four of the seven pilots specifically included transitional benefits as part of their service delivery, including the Martha O'Bryan Center's pilot explicitly targeting benefit cliffs.

The 2021 pilot projects involved the creation of a Families First Community Advisory Board comprising state agency commissioners, legislators, community representatives, and former TANF recipients. This board played a crucial role in selecting the pilot projects and ensuring they met the needs of the community. The pilots also required partnerships with multiple organizations to provide comprehensive services, including case management, mental health support, employment education, and financial coaching. The Federal Reserve of Atlanta's CLIFF tool was also utilized to train TANF case managers, enhancing their ability to support families effectively.

### TN Lesson Learned

Building an evidence-based agenda and using data to inform policy decisions is essential. By tracking outcomes and sharing best practices, states can make informed decisions that lead to meaningful change.

[Sign up here](#) to receive updates about TN's TANF pilot randomized-control trials.



## FINER DETAILS

### Funding

The initiatives were primarily funded through Tennessee's TANF reserves. The 2018 legislation reallocated existing TANF funds to increase cash assistance and introduce transitional benefits. The 2021 pilots utilized unobligated TANF reserves, with each pilot receiving substantial funding to test innovative approaches. Additionally, the randomized control trials (RCTs) associated with the pilots were funded with state dollars, specifically allocated for research purposes.

### Key Collaborators

The success of these initiatives relied heavily on collaboration between various stakeholders. In addition to the state legislature, governor's office, Family First Community Advisory Board, and the pilots' required partnerships, other collaborators included organizations involved in Martha O'Bryan's Beyond the Cliff Initiative and the Federal Reserve Bank of Atlanta.

## TIMELINE

This work didn't happen overnight! In fact, the state advanced the foundations for this body of work over a four-year period and has since been maintaining various projects for the last five years.

