



**The President's Fiscal Year 2017 Budget
Strengthening the Temporary Assistance for Needy Families
(TANF) Program**

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February 12, 2016



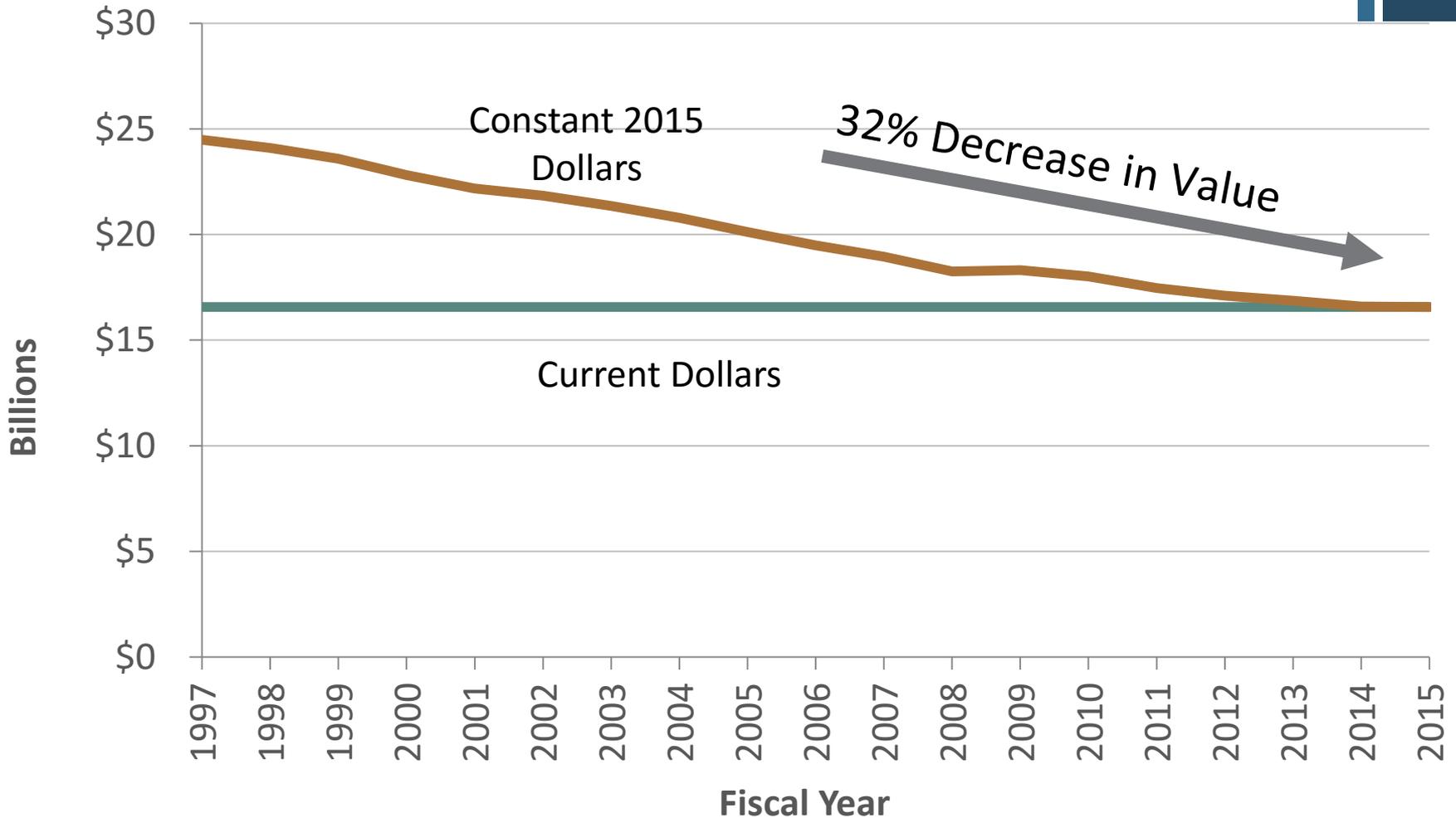
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+ Themes of TANF Proposals in the FY 2017 President's Budget

- Increase resources and accountability
- Refocus the program on economic stability and employment
- Address child and family poverty
- Build on evidence and support innovation



Background: Value of the TANF Block Grant Has Decreased Significantly

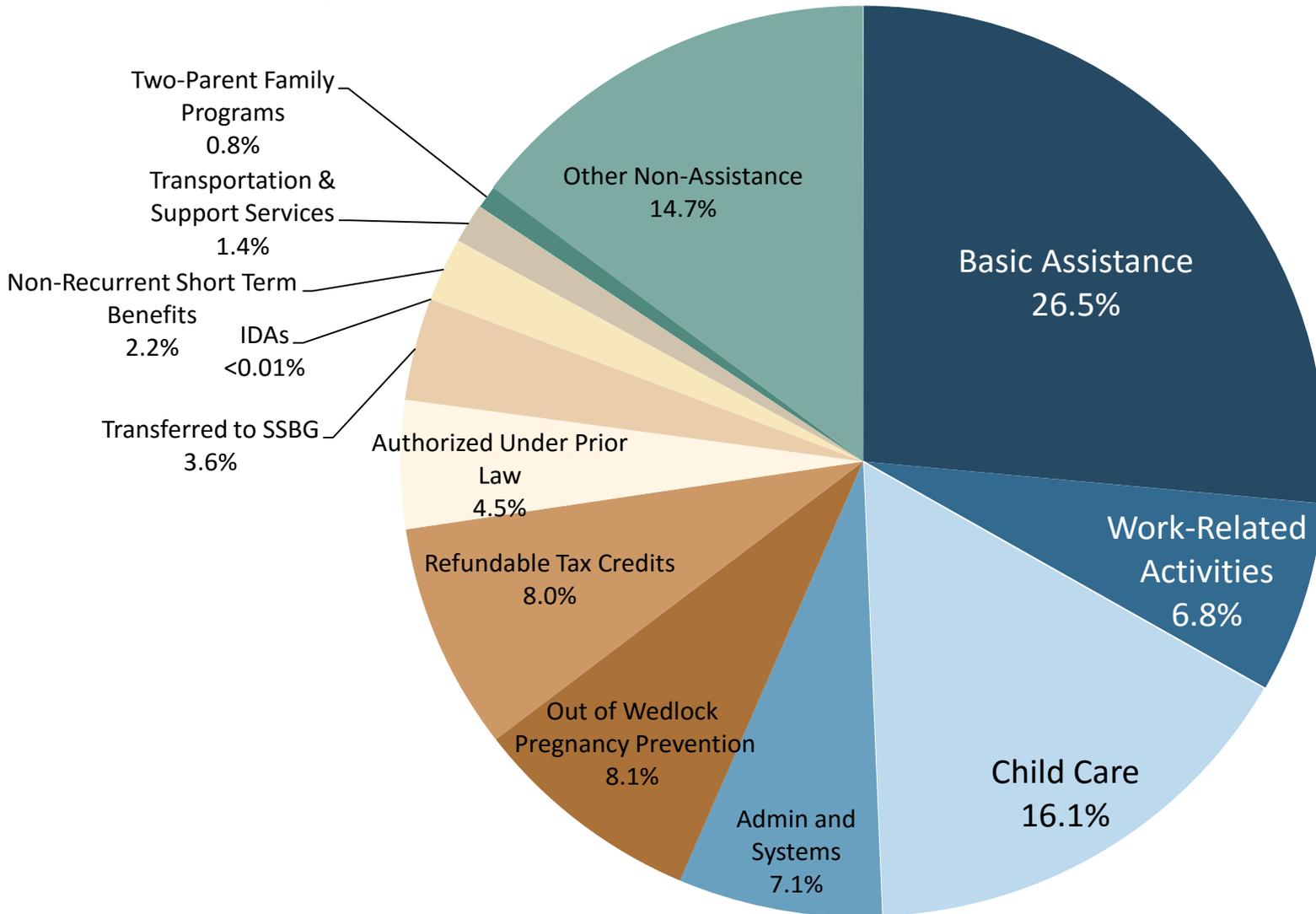


+ *Proposal: Increase Resources and Accountability*

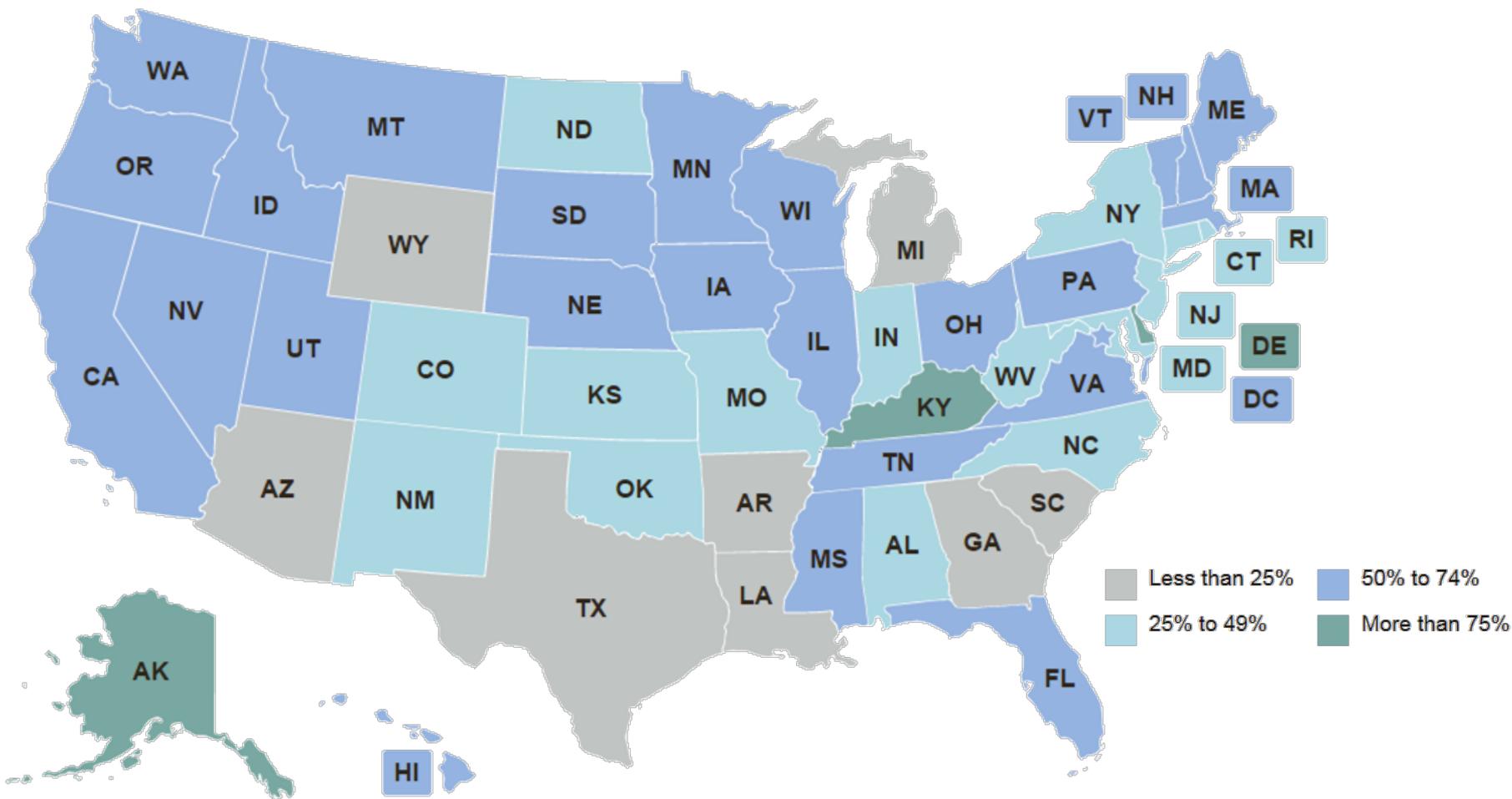
- \$8 billion over 5 years: \$750 million in FY 2017, increasing to \$2.25 billion by FY 2021.
- Additional funding would be allocated based on a new formula, such as states' share of children in poverty.
- A state's basic Maintenance of Effort (MOE) requirement would also increase by the same percentage increase in the block grant.
- Tribal TANF Family Assistance Grants would increase by the same proportion as the increase in the associated State Family Assistance Grants.



Background: Federal TANF & State MOE Spending by Activity, FY 2014



+ **Background: Share of TANF & MOE Funds Spent on Basic Assistance, Work-Related Activities, and Child Care, FY 2014**



+ ***Proposal: Refocus the Program on Economic Stability and Employment***

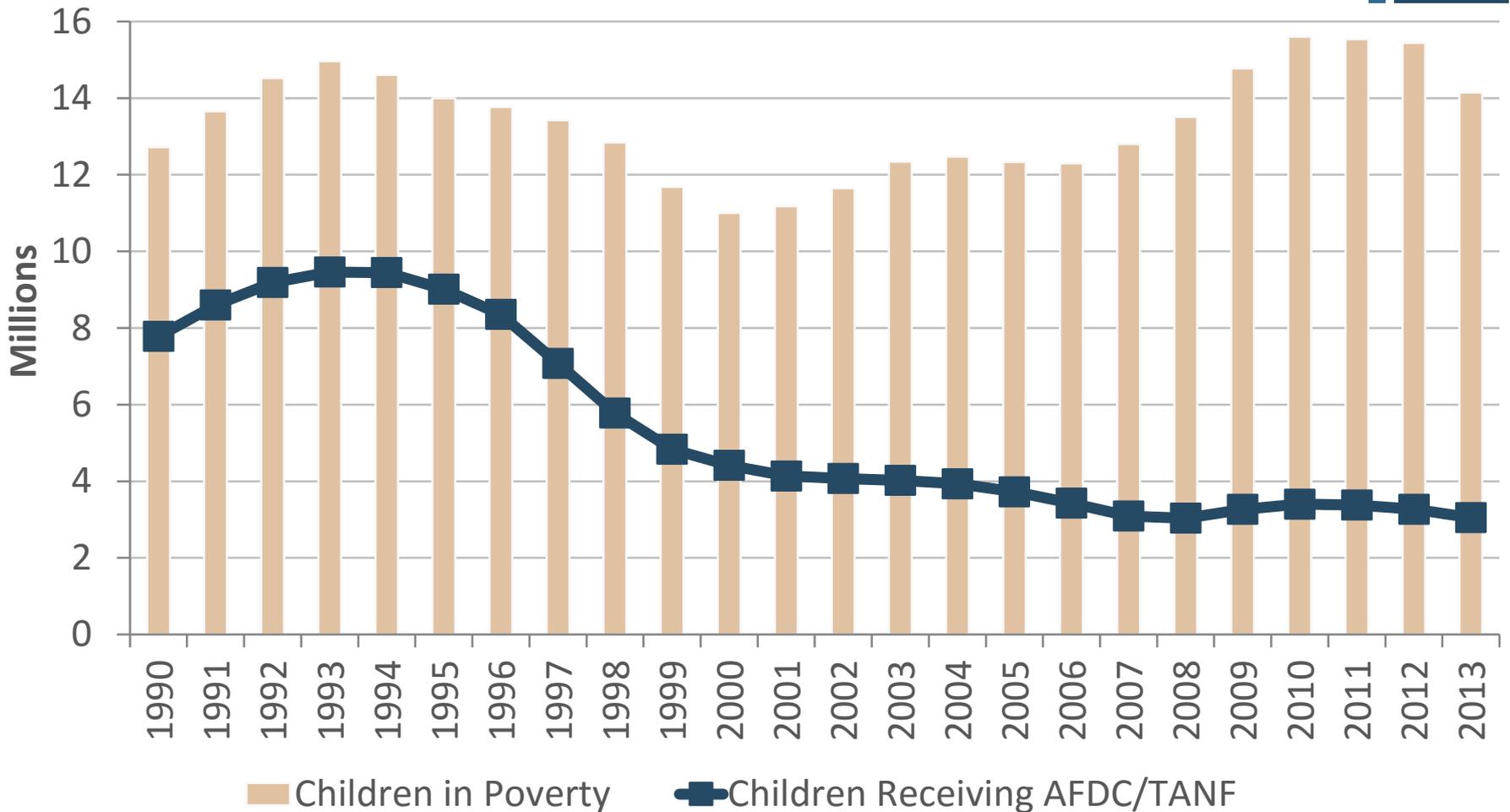
- Sets minimum thresholds for spending on **core benefits and services**:
 - basic assistance
 - work-related activities for needy families
 - child care
- Threshold would start in **FY 2017 at 55%** of a state's TANF State Family Assistance Grants and basic MOE amount, including additional funding. Threshold would increase to **60% by FY 2021**.

+ ***Proposal:* Refocus the Program on Economic Stability and Employment**

- Encourages a better **accountability structure** for TANF that focuses on helping families get jobs, keep jobs, and make progress in the labor market.
- Promotes **increased flexibility to develop individualized approaches** to work with families with the most serious barriers to employment – and **to effectively coordinate TANF with other state workforce efforts** under the Workforce Innovation and Opportunity Act (WIOA).

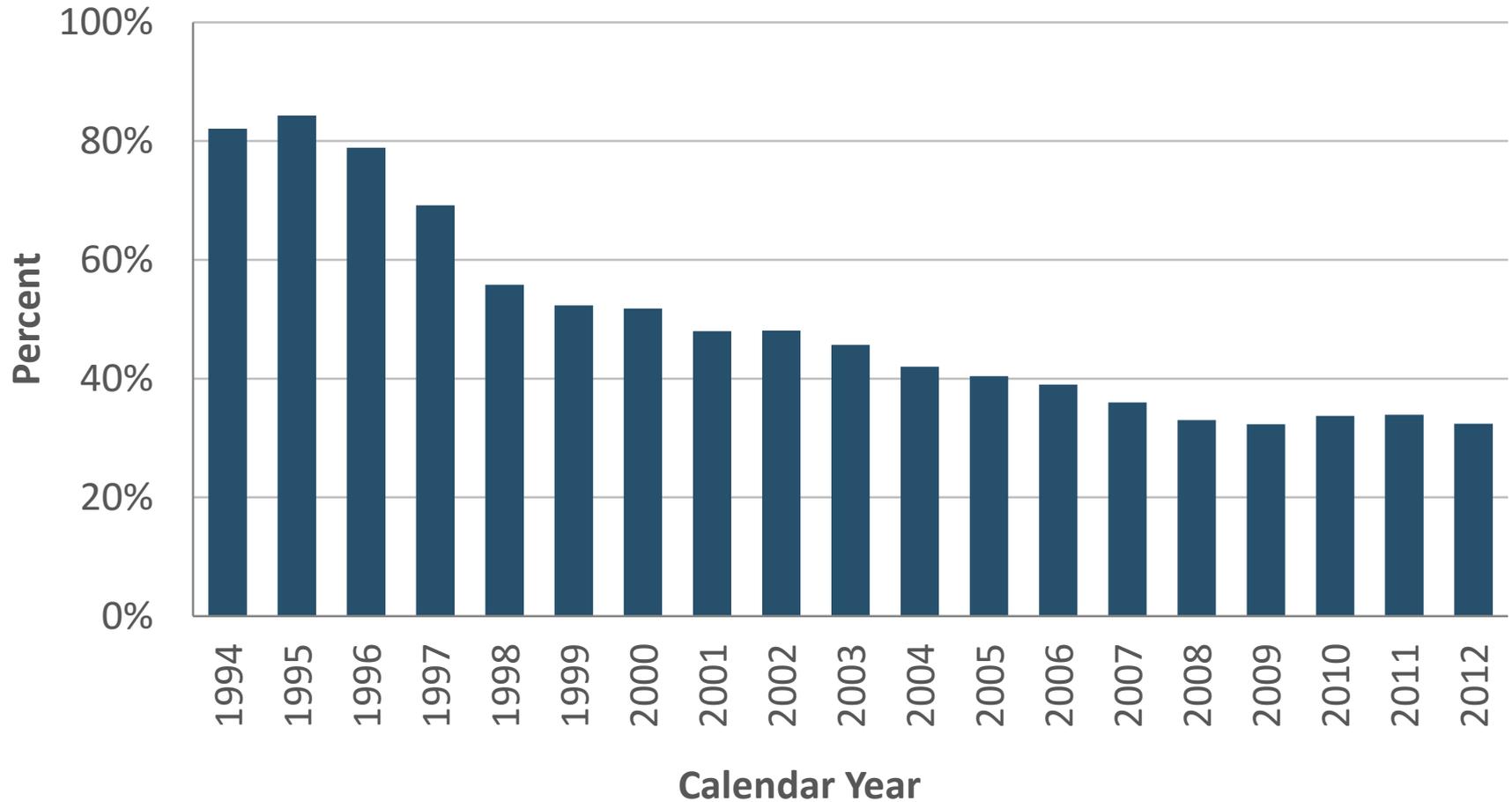
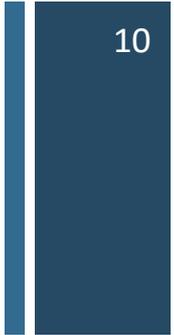


Background: Children in Poverty and Children Receiving AFDC/TANF, 1990 - 2013





Background: Share of Eligible Families Receiving AFDC/TANF, 1994 - 2012



+ *Proposal: Addressing Child and Family Poverty*

- **Requires that all TANF and MOE expenditures be for needy families**, defined as families with incomes of 200% of the federal poverty level or less.
- **New purpose around child poverty reduction**, and related data collection authority for HHS to track states' progress.
- **Prohibits states from claiming non-governmental third-party expenditures as MOE.**

+ ***Proposal: Build on Evidence*** **TANF Economic Response Fund**

- **Provides targeted countercyclical funding** based on the success of TANF Emergency Fund under the American Recovery and Reinvestment Act of 2009.
 - Up to \$2 billion over 5 years
 - A more effective trigger tied to unemployment rate
- **Allowable uses:** basic assistance, subsidized employment, and non-recurrent short-term benefits



Proposal: Support Innovation

Repurpose the TANF Contingency Fund

- **Pathways to Jobs:** \$473M to support states and tribes to provide subsidized jobs to low-income parents, as well as youth.
- **Two-Generation Demonstration Projects:** \$100M for competitive grants to states and tribes for coordinated efforts that focus simultaneously on parental employment outcomes and child and family well-being outcomes.
- **Welfare Research and the Survey of Income and Program Participation (SIPP):** \$25M.
- **Monitoring and Oversight:** \$10M for program improvement initiatives, including technical assistance, monitoring, research, and evaluation.

+ Summing Things Up

- Increases the TANF block grant by \$8 billion over 5 years
- Sets a minimum threshold for spending on core benefits and services
- Adds “reducing child poverty” as a new purpose of TANF
- Limits federal TANF and state MOE spending to needy families
- Recognizes the need for a better accountability structure focused on helping families get and keep jobs
- Allocates \$2 billion over 5 years for a new TANF Economic Response Fund
- Repurposes the TANF Contingency Fund for the Pathways to Jobs initiative, Two-Generation Demonstration projects, research, and program improvements



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Questions?

For more details on all of the TANF FY 2017 budget proposals, see the ACF Congressional Budget Justification, available at <http://www.acf.hhs.gov/programs/olab/budget>.