
Getty Images / Yasser

TANF 101
Block Grants

Elizabeth Lower-Basch and Ashley Burnside | Updated March 2025

Introduction

Nearly 30 years ago, the 1996 federal "welfare reform" law replaced Aid to Families with Dependent Children (AFDC) and related programs with the Temporary Assistance for Needy Families (TANF) block grant. The passage of the law came after a campaign to "end welfare as we know it," centered in racist dog-whistle language. This effort was intended to give states more flexibility to reduce cash assistance caseloads and only provide support to so-called "deserving" recipients by enforcing work reporting requirements, time limits, and other program requirements.[1] AFDC was an uncapped federal matching program under which states received more federal money when they spent more on cash assistance, and less when their caseloads declined. By contrast, under TANF, states are given a fixed block grant that they can spend on a wide variety of activities to further any of the four statutory purposes as written into the law:

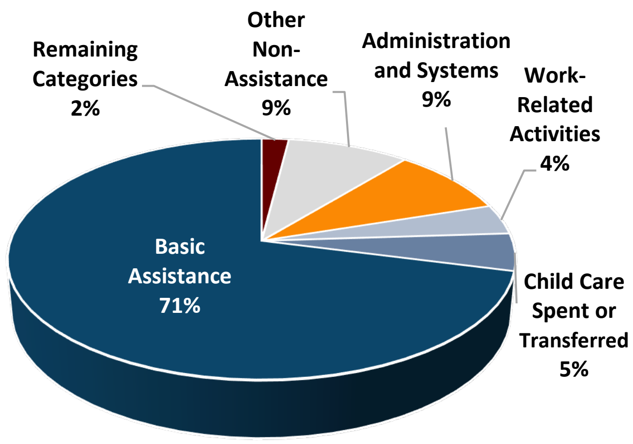
1) *Provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;*
2) *End the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;*
3) *Prevent and reduce the incidence of out-of-wedlock pregnancies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

Reducing poverty among children and families is not a listed purpose of the program—rather, the existing purposes aim to control behaviors.

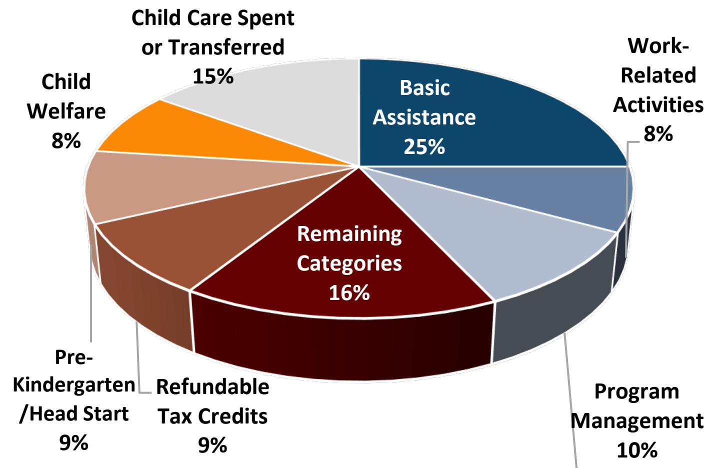
States can also use TANF funds for certain other activities, such as juvenile justice, that they supported under AFDC's Emergency Assistance before 1996.

TANF also has a "maintenance of effort" (MOE) requirement under which states must continue to spend at least 75 percent of the amount that they did prior to the passage of the 1996 law on programs serving eligible families in need of assistance. The MOE requirement rises to 80 percent for states that fail another requirement called the work participation rate.[2] Neither the TANF block grant nor the MOE requirement are adjusted for inflation or population growth.

FY 1997 TANF & MOE



FY 2023 TANF & MOE



Note: Refundable tax credits include EITC and non-EITC spending; Child Welfare includes foster care and child welfare spending authorized solely under prior law.

TANF and MOE spending is not limited to cash assistance. States may spend funds on a range of programs and services for needy families with children, regardless of whether the families are getting cash aid. States define what constitutes "needy," and the income cut-off for those programs is often much higher than the limit set for cash aid. When cash assistance caseloads fall—as they did dramatically during the late 1990s and more gradually in the years after[3]—this makes it easier for states to use the funds for other TANF purposes. However, because the TANF block grant does not increase when assistance caseloads rise, states face difficult budget choices during times of increased economic hardship. With no new money, they must either cut other services funded with TANF or provide additional state funds.

The TANF Emergency Fund, created by the American Recovery and Reinvestment Act of 2009 that was passed in response to the Great Recession, was a temporary exception to that rule, providing an additional $5 billion over two years.[4] States were able to use these funds for cash assistance, short-term emergency benefits, and subsidized employment programs. The American Rescue Plan Act, enacted in March 2021 as part of the series of bills aimed at addressing the COVID-19 pandemic and associated recession, provided a $1 billion TANF Pandemic Emergency Assistance Fund for states to provide non-recurrent, short-term support to families during the pandemic.[5]

TANF/MOE support a broad range of services for families with low incomes

States have used their flexibility under TANF to support a wide range of activities. Over time, fewer TANF funds have gone toward cash assistance for families. In Fiscal Year (FY) 2023, the most recent year for which data are available, basic monthly cash assistance payments accounted for just 23 percent of combined TANF/MOE spending, down from 71 percent in FY 1997.[6] This primarily reflects the decline in TANF caseloads, which are less than a quarter of their peak prior to 1996's "welfare reform." TANF cash assistance has served fewer families with children living in poverty over time, in part due to policies like work reporting requirements and time limits that make the program harder to access.[7] TANF monthly benefits for families in many states also have not kept up with inflation since the passage of the 1996 law, contributing to the lack of funds going toward basic assistance.[8]

In 2023, states also reported spending 7.9 percent of their TANF/MOE funds on supporting parents in getting the skills they need for employment, finding and keeping jobs, or other work-related activities (although not all of these funds were used to serve families receiving assistance).

These national figures conceal a great deal of state-to-state variation in spending priorities. For example, spending on basic assistance ranged from 1.9 percent of total TANF/MOE spending in Texas to 54.7 percent in Kentucky.[9]

The second largest use of TANF/MOE funds is to provide child care subsidies to families with low incomes, including those receiving TANF, those who are transitioning from TANF, and those who have never received cash assistance or participated in the TANF program. Each state may transfer up to 30 percent of its TANF grant to the Child Care and Development Block Grant (CCDBG) or to a combination of CCDBG and the Social Services Block Grant (SSBG); states may also spend unlimited TANF and MOE funds directly on child care. TANF funds transferred to CCDBG become subject to the CCDBG rules, including minimum health and safety rules. TANF funds spent directly on child care are not subject to these rules, which means the child care may be of lower quality. In FY2023, states spent or transferred a total of $5.2 billion in TANF and MOE funds on child care, accounting for 15.3 percent of all TANF/MOE spending.[10]

TANF funds represent a substantial portion of the national investment in child care. Total spending on child care—comprised of federal and state CCDBG funds and TANF and MOE direct spending, but not counting one-time COVID-19 relief funds—was $14.8 billion in FY2020.[11] Robust, sustained federal investments in CCDBG would mean states could be less reliant on TANF transfers and direct spending to meet family child care needs and those funds could instead be used on cash assistance and the other range of supports states can provide to TANF recipients.

As with cash assistance, there is a variation among states, with 23 states using less than 10 percent of TANF and MOE funds on child care and only 3 states using more than 40 percent.

States spent 7.9 percent of TANF and related funds on child welfare services in FY2023.[12] In a few states, child welfare accounted for very large shares of TANF spending: for example, Arizona and Georgia spent 68.6 percent and 54.5 percent, respectively, of TANF and MOE funds on child welfare services. This figure does not include cash assistance spending on "child-only" cases, which are often an alternative to foster care. (In 2023, nearly half of TANF assistance cases were child-only cases without a parent present in the household.[13]) In some cases, child welfare agencies may be using TANF funds to provide families with case management, treatment, and other services that support both family stability and economic security. However, in other cases, it appears that states are significantly supplanting state spending on core child welfare services, such as child protective services and foster care, with TANF funds.[14]

Due to these funding allocations, families with low incomes are often left ineligible to receive more than a paltry cash assistance monthly benefit to help them escape poverty, and the state may be instead investing those TANF dollars toward child welfare enforcement that may ultimately remove the child from the home. Ironically, instances of child welfare involvement due to child neglect often are largely a result of the family living in poverty.[15] Research finds that a state providing generous investments in TANF dollars toward families is correlated to whether a child will ultimately be removed from the home.[16]

States also reported spending 9.4 percent of TANF/MOE on pre-kindergarten/Head Start programs.[17] According to long-standing guidance from the Administration for Children and Families at the U.S. Department of Health and Human Services (HHS), states may use TANF and MOE funds to support such programs as long as they are not generally available to all children throughout the state. HHS has encouraged states to use such funds to serve "at-risk" children from families with low incomes.[18] States ultimately get to decide the income eligibility for children in these programs. Again, this use of funds varied greatly by state; Texas and New Jersey spent roughly 38 percent and 43 percent, respectively, on pre-K and Head Start programs.

States are allowed to carry TANF funds over from year to year. At the end of FY2023, states reported unobligated balances totaling about $7.7 billion. While some "rainy day" funds may be prudent, excessive carryover funds suggest that states could reasonably invest more in the immediate needs of families with low incomes in their state. Arkansas, Hawaii, Mississippi, Montana, Nebraska, Nevada, New Hampshire, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Utah, West Virginia, Wisconsin and Wyoming each reported unobligated balances greater than their annual TANF block grant.[19] In 2020, some states, like Tennessee and Virginia, chose to invest their TANF carryover funds to provide emergency assistance to families with low incomes during the COVID-19 crisis.[20] Even with these investments, Tennessee still has about $752 million in unspent TANF funds, which represents 394 percent of its annual block grant. Hawaii's unspent funds now equal $453 million, 459 percent of its annual block grant.[21, 22]

State spending on social services has declined since 2002

During the early years of TANF, caseloads fell faster than anticipated. Therefore, all states spent less than they had budgeted and accumulated funds they were allowed to carry over from previous years. The TANF and MOE funds freed up by declining caseloads were often reinvested in a range of innovative programs designed to support working families with low incomes, to address the root causes of poverty, and to promote two-generation benefits for parents and their children. These included refundable state Earned Income Tax Credits to make work pay; child care and transportation subsidies; home visiting programs for new parents; early education for young children; and programs to encourage teens to stay in school and avoid early childbearing.

As states realized the breadth of programs that could be supported by TANF/MOE funds, they rapidly drew down their carryover funds. By 2001, states were spending more TANF funds each year than they received from the block grant.

However, as revenues declined during the 2001-2002 recession, **a number of states began to substitute TANF and MOE funds for state general revenues supporting social services for families with low incomes.** It appears that this shift continued through the 2000s and accelerated during the Great Recession (2007- 2009), which placed state budgets under severe pressure.

One complication making it difficult to monitor spending trends over time is that, starting in FY2006, because of policy changes made by the Deficit Reduction Act of 2005, states had a strong incentive to report MOE spending *in excess* of the minimum required.[23] Many states made an effort to identify existing state spending on families with low incomes that was aimed at the purposes of TANF and thus could be claimed as MOE.

In addition, the availability of matching funds under the TANF Emergency Fund drew attention to a previously little-noticed provision allowing states to claim as MOE otherwise qualifying expenditures by third parties, such as businesses, foundations, nonprofits, and local governments, as long as the third party agrees.[24] For example, some states claim expenditures from private donations by nonprofit organizations on programs for youth in communities with low income as TANF MOE.

Many states used this provision during FYs 2009 and 2010 to qualify for funding from the TANF Emergency Fund. In a few states, third-party expenditures accounted for nearly half of spending reported as MOE.[25] While reported MOE spending increased by over $4 billion between FY2005 and FY2011, this almost certainly was partially driven by changes in data reporting, rather than true increases in the resources available to families in need. Many of these third-party activities were already taking place even before they were claimed as MOE.[26]

Since the expiration of the Emergency Fund at the end of FY2010, states have had weaker incentives to report additional spending. There was an increase in MOE spending reported between FY2022 and FY2023.[27]

Researchers at the Rockefeller Institute of Government have attempted to monitor state spending on all social services, regardless of whether it was funded out of TANF or claimed toward the MOE requirement.[28] They found that, consistent with the declines in caseloads, spending on cash assistance has declined steadily since the creation of the TANF program. By contrast, spending on other non-medical social service programs—such as child care, child welfare, energy assistance, homeless shelters, and services for individuals with disabilities—increased significantly during the late 1990s but declined between 2002 and 2008.

During the COVID-19 pandemic, TANF caseloads increased for the first few months of the pandemic and then decreased to below pre-pandemic levels by October 2020.[29] TANF caseloads varied widely across states due to the differences in how states administer their TANF programs as well as the differences in temporary policies that states enacted to ease access to TANF during the pandemic. For example, 41 states made changes to work reporting requirements and/or sanctions, and 30 states made changes to how they count Unemployment Insurance benefits as income during the pandemic.[30] Twenty-one states made changes to their state TANF time limit policies in response to the pandemic.[31] At the same time, new applicants may have struggled to access TANF cash assistance when benefit offices were closed. This also reflects the challenges of the TANF block grant responding to changing economic circumstances and increased financial need. States that had the biggest increases in their TANF caseloads were those who suspended work requirements due to the pandemic and did not count pandemic unemployment benefits as income.[32]

Some states have taken steps to support families receiving cash assistance. Since July 2020, 29 states and the District of Columbia have increased their monthly TANF benefits. Twelve states now have some form of an automatic annual inflation adjustment.[33]

The block grant has not kept up with inflation and locks in low grants in Southern states

Under the 1996 law, the basic TANF block grant was fixed at $16.57 billion a year. This figure has not been increased to reflect inflation since lawmakers first created TANF. Thus, **the value of the block grant has been eroded by half.**

The TANF amount available for each state was set based on its spending under the AFDC program.[34] While states with lower median incomes received a higher federal match rate under AFDC, they also usually had much lower benefit levels. This meant that the value of the TANF block grant per child living in poverty also varied widely. Thus, in the first years of the block grant, Arkansas received less than $400 per year for each child in the state living in poverty, while Alaska received more than eight times as much.

There are also racial disparities in the level of each state's TANF benefits and in how much states spend toward basic assistance. Black families are likelier to live in states that have the lowest benefits and that spend the least of their TANF dollars toward basic assistance.[35] This is the result of both current policy choices in the states and the structure of the block grant, which locks in the low benefit levels that Southern states had adopted under AFDC. State lawmakers' decisions on TANF benefits and spending can stem from racist stereotypes about "welfare queens;" flawed ideas of who are "deserving" versus "undeserving" of financial support; and a desire to force people to accept jobs paying low wages.

Some in Congress realized the inequity in the block grant amounts at the time and, in the 1996 law, provided an additional allocation of funds—the TANF supplemental grants. These grants provided additional dollars to states that had either particularly low grants per person living in poverty or had high rates of population growth during the early 1990s. However, Congress allowed these grants to expire in FY2011, resulting in a reduction of funding in these states.

Overall, the block grant has not been adjusted to reflect population growth or the rise of poverty. States that have experienced growth in the number of children living in poverty have seen their funding per child living in poverty decline substantially. Since 1997, states such as Alaska and Nevada have seen the number of children living in poverty climb as much as two-thirds; combined with inflation, this growth has cut the funds available per child living in poverty by over 60 percent. Alaska's and Nevada's grants have fallen 61 percent and 68 percent, respectively, in purchasing power since 1997. (See Table 1.)

While Congress has provided some additional funding to states under the regular Contingency Fund, this funding is allotted to states in proportion to the basic block grant allocation and is limited to states that are able to increase their MOE above historical levels. Therefore, these additional funds have primarily gone to more affluent states that are able to spend more of their own funds.[36]

Conclusion

The ambitious goals of the TANF program are not matched by proportionate resources, especially in states with high rates of poverty and low fiscal capacity.[37] The net result is a program under pressure, and cash assistance serving fewer children living in poverty. States have the flexibility to allocate the block grants among a range of programs and services, but flexibility is not a substitute for adequate funding.

Table 1: Real and Nominal Analysis of Temporary Assistance for Needy Families (TANF) Block Grant Amounts							
State	State Family Assistance Grant, Nominal Amount, 1997 (in millions)	State Family Assistance Grant, Real Amount, 2023 (in millions)	Number of Children Living in Poverty, 1997-1998 (in thousands)	Number of Children Living in Poverty, 2023 (in thousands)	Real Grant Amount per Child Living in Poverty, 1997-1998	Real Grant Amount per Child Living in Poverty, 2023	Percent Change in Grant per Child Living in Poverty
Alabama	$93.3	$49.46	246	235	$382.6	$210.46	-45%
Alaska	$63.6	$23.61	21	21	$3,119.7	$1,129.26	-64%
Arizona	$222.4	$106.04	333	239	$672.4	$444.02	-34%
Arkansas	$56.7	$30.07	153	144	$372.7	$208.29	-44%
California	$3,733.8	$1,932.62	2,185	1,241	$1,696.1	$1,557.51	-8%
Colorado	$136.1	$72.12	114	128	$1,198.3	$562.61	-53%
Connecticut	$266.8	$141.41	90	95	$2,958.1	$1,491.55	-50%
Delaware	$32.3	$17.12	33	32	$971.1	$539.62	-44%
District of Columbia	$92.6	$49.09	45	21	$2,065.1	$2,283.45	11%
Florida	$562.3	$298.07	646	678	$875.6	$439.43	-50%
Georgia	$330.7	$175.31	497	461	$669.9	$380.54	-43%
Hawaii	$98.9	$52.42	53	33	$1,869.4	$1,607.51	-14%
Idaho	$31.9	$16.12	76	53	$422.6	$304.00	-28%
Illinois	$585.1	$310.11	492	390	$1,181.3	$795.51	-33%
Indiana	$206.8	$109.61	160	239	$1,282.6	$458.44	-64%
Iowa	$131.5	$69.43	93	97	$1,410.9	$716.90	-49%
Kansas	$101.9	$53.97	79	89	$1,288.3	$605.84	-53%
Kentucky	$181.3	$96.09	198	209	$908.6	$459.70	-49%
Louisiana	$164	$86.91	291	263	$567.1	$330.58	-42%
Maine	$78.1	$41.41	38	30	$2,067	$1,358.56	-34%
Maryland	$229.1	$121.43	122	142	$1,863.5	$856.31	-54%
Massachusetts	$459.4	$243.49	231	167	$1,973.4	$1,461.48	-26%
Michigan	$775.4	$410.97	397	365	$1,938.1	$1,124.83	-42%
Minnesota	$268	$138.04	211	130	$1,263.4	$1,065.11	-16%
Mississippi	$86.8	$45.99	163	154	$534.7	$298.57	-44%
Missouri	$217.1	$115.05	229	193	$942.7	$595.27	-37%
Montana	$45.5	$20.15	51	28	$906.1	$714.13	-21%
Nebraska	$58	$30.11	68	53	$852.9	$572.21	-33%
Nevada	$44	$23.27	73	108	$608.2	$214.69	-65%
New Hampshire	$38.5	$20.42	43	20	$888.7	$1,027.79	16%
New Jersey	$404	$214.16	256	256	$1,569.2	$836.85	-47%
New Mexico	$126.1	$58.46	158	112	$802	$522.31	-35%
New York	$2,442.9	$1,294.86	1,134	718	$2,138.7	$1,803.86	-16%

North Carolina	$302.2	$159.77	330	403	$923.2	$396.02	-57%
North Dakota	$26.4	$13.99	34	15	$770.5	$911.72	18%
Ohio	$728	$385.86	467	447	$1,548.6	$862.68	-44%
Oklahoma	$148	$73.39	156	198	$944.5	$371.51	-61%
Oregon	$167.9	$84.11	154	111	$1,085.5	$755.71	-30%
Pennsylvania	$719.5	$381.37	491	404	$1,454.1	$942.84	-35%
Rhode Island	$95	$50.37	43	27	$2,218.4	$1,872.26	-16%
South Carolina	$100	$52.99	185	215	$536.3	$246.91	-54%
South Dakota	$21.9	$11.28	26	31	$852.1	$358.30	-58%
Tennessee	$191.5	$101.52	269	303	$717.3	$334.88	-53%
Texas	$486.3	$257.74	1,264	1,372	$386.8	$187.92	-51%
Utah	$76.8	$40.07	84	88	$919.8	$457.83	-50%
Vermont	$47.4	$25.10	17	10	$2,765.5	$2,484.10	-10%
Virginia	$158.3	$83.90	215	234	$730.6	$359.25	-51%
Washington	$404.3	$201.55	189	198	$2,122.8	$1,019.93	-52%
West Virginia	$110.2	$58.40	82	69	$1,341.6	$840.37	-37%
Wisconsin	$318.2	$166.37	146	157	$2,170.1	$1,056.87	-51%
Wyoming	$21.8	$9.80	19	19	$1,138.1	$515.62	-55%
United States	$16,488.7	$8,624.94	13,134	11,445	$1,248.8	$753.58	-40%

Source: *Office of Family Assistance, TANF Financial Data for years 1997 through 2023; Current Population Survey March Supplement, "Related Children Under Age 18" for years 1997-2023. Although the American Community Survey is generally preferable to the CPS for state-level analysis, it is not available for the 1996 time period. Therefore, we have chosen to average two years of CPS data for states.*

Note: Real amounts of the TANF block grant are a summation of the State Family Assistance Grant and Supplemental Grants awarded to states, adjusted to 1997 dollars using the CPI. (*E.2.: Expenditures using State Family Assistance Grant (SFAG) Funds, FY 2023*, Office of Family Assistance, November 2024, **https://acf.gov/sites/default/files/documents/ofa/fy2023_tanf_and_moe_financial_data_table-final.pdf**). This amount is divided by the number of children in poverty in each state to derive the real grant awarded per child living in poverty in each state.

Puerto Rico is not included in this table due to a lack of federal data on TANF spending in the territory.

Endnotes

[1] Ife Floyd, LaDonna Pavetti, Laura Meyer, et al., "TANF Policies Reflect Racist Legacy of Cash Assistance," Center on Budget and Policy Priorities, August 4, 2021, **https://www.cbpp.org/research/family-income-support/tanf-policies-reflect-racist-legacy-of-cash-assistance.**

[2] For more detail on the TANF work participation rate, see Elizabeth Lower-Basch and Ashley Burnside, "TANF 101: Work Participation Rate," Center for Law and Social Policy, updated June 2023, **https://www.clasp.org/publications/report/brief/tanf-101-work-participation-rate/**.

[3] For more detail on the changes in the cash assistance program, see Elizabeth Lower-Basch and Ashley Burnside, "TANF 101: Cash Assistance," Center for Law and Social Policy, July 19, 2022, **https://www.clasp.org/publications/report/brief/tanf-101-cash-assistance.**

[4] Elizabeth Lower-Basch and Elizabeth Kenefick, "TANF Emergency Fund," Center for Law and Social Policy, October 1, 2010, **https://www.clasp.org/sites/default/files/public/resources-and-publications/publication-1/TANF-ECF-Use-Sept-30.pdf.**

[5] Office of Family Assistance, "Pandemic Emergency Assistance Fund," July 17, 2023, **https://www.acf.hhs.gov/ofa/data/pandemic- emergency-assistance-fund.**

[6] "TANF Financial Data - FY 2023," Office of Family Assistance, November 7, 2024, **https://www.acf.hhs.gov/ofa/data/tanf-financial-data-fy-2023**.

[7] Aditi Shrivastava and Gina Azito Thompson, "TANF Cash Assistance Should Reach Millions More Families to Lessen Hardship," Center on Budget and Policy Priorities, updated February 18, 2022, **https://www.cbpp.org/research/family-income-support/tanf-cash-assistance-should-reach-millions-more-families-to-lessen**.

[8] Diana Azevedo-McCaffrey and Tonanziht Aguas. "Continued Increases in TANF Benefit Levels Are Critical to Helping Families Meet Their Needs and Thrive." Center on Budget and Policy Priorities, February 26, 2025. **https://www.cbpp.org/research/income-security/continued-increases-in-tanf-benefit-levels-are-critical-to-helping**.

[9] TANF and MOE Spending and Transfers by Activity, FY 2023 (State Pie Charts), Office of Family Assistance, November 2024, **https://acf.gov/sites/default/files/documents/ofa/fy2023_tanf_and_moe_financial_pie_charts_final.pdf**.

[10] "TANF and MOE Spending," Office of Family Assistance.

[11] Alejandra Londono Gomez and Alyssa Fortner. "Child Care Assistance Spending & Participation in 2020." Center for Law and Social Policy, September 5, 2023. **https://www.clasp.org/publications/report/brief/child-care-assistance-spending-participation-in-2020/**. (Note that a portion of state TANF MOE spent on child care may also be counted as MOE under CCDBG.)

[12] Child welfare spending calculations include spending on child welfare services, and spending authorized solely under prior law on foster care payments (assistance) and child welfare or foster care services (non-assistance.)

[13] "Table 3. TANF Families by Number of Adult Recipients: FY 2023," Office of Family Assistance, November 2024, **https://acf.gov/sites/default/files/documents/ofa/fy2023_characteristics.pdf**.

[14] Michelle K. Derr, Tara Anderson, LaDonna Pavetti, et al., "Understanding Two Categories of TANF Spending: 'Other' and 'Authorized Under Prior Law'", Mathematica Policy Research, September 2009, current as of April 29, 2019, **https://acf.gov/opre/report/understanding-two-categories-tanf-spending-other-and-**

authorized-under-prior-law.
[15] Eli Hager, "A Mother Needed Welfare. Instead, the State Used Welfare Funds to Take Her Son." *ProPublica*, December 23, 2021, **https://www.propublica.org/article/a-mother-needed-welfare-instead-the-state-used-welfare-funds-to-take-her-son**;
Child Welfare Information Gateway. (2023). Separating poverty from neglect in child welfare. U.S. Department of Health and Human Services, Administration for Children and Families, Children's Bureau, **https://www.childwelfare.gov/resources/separating-poverty-neglect-child-welfare/**.
[16] Frank Edwards, "Saving Children, Controlling Families: Punishment, Redistribution and Child Protection," *American Sociological Review*, July 14, 2016,**https://journals.sagepub.com/doi/10.1177/0003122416638652**.
[17] "TANF and MOE Spending," Office of Family Assistance.
[18] U.S. Department of Health and Human Services, "TANF-ACF-PI-2005-01 (Funding Childhood Education, School Readiness, Kindergarten and Other Public Education Programs," Office of the Administration for Children and Families, April 2005, **https://www.hhs.gov/guidance/document/tanf-acf-pi-2005-01-funding-childhood-education-school-readiness-kindergarten-and-other.**
[19] "TANF Financial Data - FY 2023," Office of Family Assistance, November 7, 2024, **https://www.acf.hhs.gov/ofa/data/tanf-financial-data-fy-2023**.
[20] Ashley Burnside, "The Rainy Day is Here: During COVID-19, States Should Increase Emergency Assistance," CLASP, May 8, 2020,
https://www.clasp.org/blog/rainy-day-here-during-covid-19-states-should-increase-emergency-assistance.
[21] "State Fact Sheets: How States Spend Funds Under the TANF Block Grant," Center on Budget and Policy Priorities, updated September 23, 2024, **https://www.cbpp.org/research/family-income-support/state-fact-sheets-how-states-spend-funds-under-the-tanf-block-grant**.
[22] "TANF Financial Data," Office of Family Assistance.
[23] The DRA changes had the effect of making it much more difficult for states to meet the work participation rate requirement. Under the "Excess MOE" provision, states that claimed more MOE than the minimum required could adjust their caseload levels and claim additional caseload reduction credit. In addition, states with high levels of MOE could draw down additional funding from the TANF Contingency Fund. For more details, see Kay E. Brown, "Temporary Assistance for Needy Families: State Maintenance of Effort Requirements and Trends: Testimony before the Subcommittee on Human Resources, Committee on Ways and Means, U.S. House of Representatives," U.S. Government Accountability Office, May 17, 2012, **http://www.gao.gov/assets/600/590958.pdf.**
[24] Third party expenditures may be claimed as MOE under 45 CFR § 263.2(e).
[25] "Temporary Assistance for Needy Families: Update on States Counting Third-Party Expenditures toward Maintenance of Effort Requirements," U.S. Government Accountability Office, February 2016, **http://www.gao.gov/assets/600/592861.pdf.**
[26] States claiming third-party expenditures as MOE that were not claimed as MOE during the base years of FYs 2007 or 2008 were required to provide HHS with information to document that they represented true increases in spending over the base year but were not required to make retroactive changes to their MOE reports for the base years.
[27] California is the biggest driver of the increase in MOE spending between FY2022 and FY2023, but other states also had big increases in MOE spending, including Illinois, Maryland, Massachusetts, New Jersey, New York and Washington.

[28] Tom Gais and Lucy Dadayan, "The New Retrenchment: Social Welfare Spending," 1977-2006. Rockefeller Institute, September 15, 2008, **http://www.rockinst.org/pdf/workforce_welfare_and_social_services/2008-09-15- the_new_retrenchment_social_welfare_spending_1977-2006.pdf;** Thomas Gais, Donald Boyd, and Lucy Dadayan, "The Social Safety Net, Health Care, and the Great Recession," *The Oxford Handbook of State and Local Government Finance*, Oxford Press, 2012.

[29] Eleanor Pratt and Heather Hahn, "Temporary Assistance for Needy Families Caseloads Early in the Pandemic," Urban Institute, April 5, 2022, **https://www.urban.org/research/publication/temporary-assistance-needy-families-caseloads-early-pandemic**.

[30] Katie Shantz, Linda Giannarelli, Ilham Dehry, et. al., "State TANF Policies During the COVID-19 Pandemic: Work Requirements, Time Limits, and the Treatment of UI Income," Urban Institute, January 2022, **https://www.acf.hhs.gov/sites/default/files/documents/opre/wrd2020-covid-special-topics-feb2022.pdf**.

[31] Ilham Dehry and Sarah Knowles, "States Can Use TANF's Flexibility to Extend Cash Assistance for Families in Need," Urban Institute, March 24, 2022, **https://www.urban.org/urban-wire/states-can-use-tanfs-flexibility-extend-cash-assistance-families-need.**

[32] Erik Hembre. "Examining SNAP and TANF Caseload Trends, Responsiveness, and Policies during the COVID-19 Pandemic." *Contemporary Economic Policy* 41, no. 2 (2023): 262–81. **https://doi.org/10.1111/coep.12596**.

[33] Diana Azevedo-McCaffrey and Tonanziht Aguas. "Continued Increases in TANF Benefit Levels Are Critical to Helping Families Meet Their Needs and Thrive." Center on Budget and Policy Priorities, May 29, 2024. **https://www.cbpp.org/research/income-security/continued-increases-in-tanf-benefit-levels-are-critical-to-helping**.

[34] The amount for TANF was equal to the maximum amount that the state received under AFDC and related to job training and emergency assistance programs during the 1992-1995 period, when caseloads were at their highest.

[35] Ali Safawi and Liz Schott, "To Lessen Hardship, States Should Invest More TANF Dollars in Basic Assistance for Families," Center on Budget and Policy Priorities, January 12, 2021, **https://www.cbpp.org/research/family-income-support/to-lessen-hardship-states-should-invest-more-tanf-dollars-in-basic.**

[36] *TANF Financial* Data - *FY 2023*, Office of Family Assistance, November 2024, **https://www.acf.hhs.gov/ofa/data/tanf-financial-data-fy-2023**.

[37] Gais and Lucy Dadayan, "The New Retrenchment.".