



ADMINISTRATION FOR  
**CHILDREN & FAMILIES**

330 C Street, S.W., Washington, DC 20201 [www.acf.hhs.gov](http://www.acf.hhs.gov)

## Recognition of the 25<sup>th</sup> Anniversary of the Enactment of TANF Dear Colleague Letter

**Date:** August 23, 2021

**To:** Human Services Leaders

**Subject:** Strengthening TANF to Improve Outcomes for Families on the Program's 25th Anniversary

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Dear Human Services Leaders:

As we acknowledge the 25<sup>th</sup> anniversary of the enactment of the Temporary Assistance for Needy Families (TANF) program, I am writing to remind you of the flexibilities and opportunities that TANF offers to respond to the needs of families. This is particularly important as our nation moves toward recovery from the COVID-19 pandemic. Specifically, I want to encourage each state, tribe, and territory, as well as the District of Columbia, to review the TANF program's objectives and re-evaluate whether it is using its federal TANF funds strategically to reduce family poverty, alleviate economic crises, and respond to emergency needs in communities across the nation. TANF can also help families prepare for the new challenges of a post-pandemic economy. Further, the pandemic and subsequent economic recession have highlighted the fact that our programs have not always served families of color and other underserved groups well. TANF funds provide states, territories, and tribes an opportunity to redress such inequities by re-examining their policies and investing in services and initiatives specifically targeted to increase the self-sufficiency of underserved communities.

The Administration for Children and Families (ACF) and the Office of Family Assistance (OFA) believe that the 25<sup>th</sup> anniversary of TANF and the lingering effects of this pandemic have created the pivotal moment for states and tribes to reassess how best to use their TANF funds to support families. We provided several examples of allowable TANF expenditures in the context of the pandemic in [TANF-ACF-PI-2020-01](#) ("Questions and answers about TANF and the Coronavirus Disease 2019 (COVID-19) pandemic"). I would like to expand upon those examples and provide a few more suggestions for using TANF to improve the economic mobility of impoverished families and children, both now and post-pandemic.

1. Increase monthly cash benefit amount for TANF cash assistance recipients. This could be a permanent increase for all TANF recipients or a temporary increase to help low-income families during the COVID-19 pandemic. Seventeen states have not increased their

monthly cash benefits since 1996, resulting in a 40 percent or greater decline in the value of the benefits due to inflation. In states that have implemented increases, most have not kept up with inflation. We encourage states, territories and tribes to examine whether their benefit levels provide an adequate safety net for families.

2. Increase the maximum income level for TANF cash assistance eligibility to allow more needy families the opportunity to receive TANF cash assistance. Many TANF programs have not increased their financial eligibility criteria to keep up with inflation, leaving many poor families ineligible for TANF assistance. In 2019, the national average maximum income for initial eligibility for TANF for a family of three was \$908 per month. In other words, a family with an annual income above \$11,000 or 52 percent of the federal poverty level would not have qualified to receive TANF. States, territories and tribes should examine their TANF financial eligibility relative to the poverty level and assess whether their TANF safety net reaches enough poor families.
3. Support the use of information technology to facilitate access to TANF and engage parents, based on lessons learned from service delivery during the pandemic. This could include creating or enhancing online application and redetermination processes, developing secure web-based platforms for case management, and integrating mobile applications and social networks into programs. Further, TANF programs could consider creating or enhancing the opportunity for participants to learn virtually, such as through web-based classes for employment training, career development, job search, and work readiness.
4. Invest in skills training for TANF participants for jobs that will be in demand and pay well in the post-pandemic labor market. We encourage TANF programs to collaborate with the workforce system and education community to facilitate training for the skills needed for the emerging labor market. Such a collaborative effort could include partnerships with other state agencies and organizations serving TANF families, such as the labor department, housing department, transportation department, community colleges, charities, and non-profits.
5. Support newly employed families with transitional benefits and services. This could include items such as tools, uniforms, work supplies, and transportation assistance.
6. Support family-strengthening programming. The stress and anxiety caused by the pandemic, in addition to the demands placed on parents to home-school their children while maintaining a household and employment have been challenging. Thus, it is vital to the well-being of children and the stability of the family unit to create and maintain innovative virtual or in-person programs that support healthy marriages, healthy relationships, and responsible fatherhood.
7. Expand funding for non-recurrent, short-term (NRST) benefits to support the evolving needs of families when there is a specific episode of need or crisis situation, including:

short-term cash benefits; short-term rental or mortgage assistance; utility and energy assistance; housing search and placement services; clothing allowances; family counseling; financial and credit counseling; and certain legal services.

States, territories and tribes with unobligated federal TANF balances may be particularly well-positioned to adopt some of the suggestions above. Although maintaining a rainy day fund is prudent, many jurisdictions have significant surpluses at a time when the need is great. According to preliminary fiscal year (FY) 2020 TANF and state Maintenance of Effort (MOE) financial data, at the end of FY 2020, 41 states (including the District of Columbia) had federal unobligated balances, a few of them well in excess of their TANF block grant amounts. These funds may be used for any benefit, service, or activity allowable under the TANF statute (except transferring out of TANF).

Finally, I want to encourage states, territories and tribes to use their TANF funds in concert with funds and benefits provided through the American Recovery Plan Act to help ensure that families hit hardest by the pandemic have the opportunity to recover and thrive. This includes the Pandemic Emergency Assistance Fund (PEAF) coming to most TANF grantees. We urge you to think strategically about the timing and uses of these funds to support a smooth recovery. For example, low-income families may face a challenge when the Child Tax Credit expires next year. TANF and PEAF funds could help smooth the transition by providing cash assistance or non-recurrent, short-term benefits at that time.

Thank you for the resilience, determination, and hard work that each state, territory, and tribe has demonstrated to ensure the economic stability of disadvantaged families during this global pandemic. We have heard many examples of how jurisdictions quickly figured out new ways of administering programs and delivering services to help families in need. This letter should serve not only as a reminder of the funding flexibility and opportunities to use federal TANF funds to help more needy families during the pandemic, but also as a mark of our commitment to support your efforts now and after the pandemic. We share a common goal of improving the overall well-being of families by helping them address any economic stability needs and obtain the resources to maintain healthy and stable homes for their children during this national health and economic emergency and beyond.

Again, we appreciate the work you are doing to provide critical services to vulnerable families during these challenging times. If you need any information concerning how you may use TANF funds or have other questions, please contact the program manager for TANF in your region.

Sincerely,

/s/  
JooYeun Chang  
Acting Assistant Secretary  
HHS's Administration for Children and Families