



ADMINISTRATION FOR  
**CHILDREN & FAMILIES**

Office of Family Assistance | 330 C Street, S.W., Washington, DC 20201  
[www.acf.hhs.gov/ofa](http://www.acf.hhs.gov/ofa)

December 28, 2018

Dear TANF Administrator:

I am writing to provide an update to you concerning the status of funding for the Temporary Assistance for Needy Families (TANF) program. Funding for TANF expired December 21, 2018 when the short-term continuing resolution ended. No additional funding will be available for TANF until such time as legislation providing funding is enacted.

We understand that when federal funding for a program lapses, it creates budgetary uncertainty for states, territories, and tribes. This letter outlines approaches that you may take during the funding lapse.

A number of jurisdictions have unspent TANF funds from prior years. If legislation extending funding for these programs is not enacted by January 1, 2019, when the Administration for Children and Families (ACF) typically would issue second quarter grants, states, DC, territories, and tribes will be permitted to use their unspent federal TANF funds from the first quarter of fiscal year 2019 and from prior years for expenditures allowable under the TANF statute.

Even if there is a temporary lapse in funding, the underlying TANF statute remains in place, and states, DC, territories, and tribes can continue to spend carry-over federal TANF funds in accordance with the TANF statute. Thus, the rules normally applicable to use of TANF block grant funds will continue to apply with respect to those carry-over funds during the period from December 22, 2018, to the date a funding extension is enacted. If you need any information concerning the extent to which unspent funds from the first quarter of FY 2019 or prior years are available, the respective ACF Regional Office can work with you to provide this information.

Moreover, each year, states, DC, and territories are required to spend non-federal funds to meet the TANF maintenance-of-effort (MOE) requirement. If legislation providing funding for TANF is not enacted before January 1, 2019, TANF MOE funds can be used during the period between December 22, 2018, and the date funding is enacted to provide benefits and services. At the point that legislation to extend funding for TANF is enacted, allowable expenditures states, DC, or territories make during this period would count toward the TANF MOE unless Congress specifies otherwise. Similarly, allowable expenditures jurisdictions make between January 1, 2019, and the date that funding is enacted would be eligible for reimbursement with federal TANF made available under the legislation, unless Congress specifies otherwise. Once there is legislation extending the funding, and provided Congress does not specify otherwise, a TANF

expenditure could qualify either for federal reimbursement or to count as a maintenance-of-effort expenditure, and the state, DC, and territory will be permitted to choose whether to receive reimbursement or count the expenditure toward satisfying its maintenance-of-effort requirement.

We appreciate the work states, DC, territories, and tribes do to deliver these critical services to vulnerable families and are committed to working with you. If you have any questions or concerns, please feel free to contact the federal TANF program manager in your region.

Sincerely,

/s/

Clarence H. Carter  
Director