



DEPARTMENT OF HEALTH & HUMAN SERVICES

ADMINISTRATION FOR CHILDREN AND FAMILIES

Office of the Assistant Secretary, Suite 600
370 L'Enfant Promenade, S.W.
Washington, D.C. 20447

September 30, 2013

Dear TANF and Child Care Officials:

I am writing to provide an update to you concerning the status of funding for the Temporary Assistance for Needy Families (TANF) program and the discretionary, mandatory, and federal share of matching portions of the Child Care and Development Fund (CCDF). Even though these two programs are funded in whole or in part by mandatory funding that is not subject to annual appropriation, this year the mandatory funding for these programs (including the federal share of match for CCDF) expires September 30-- at the same time that appropriations end for discretionary-funded programs. If legislation extending these programs is not enacted before October 1, 2013, then no additional funding will be available for TANF or CCDF until such time as legislation is enacted.

The Administration views the potential lapse in funding for TANF and child care funding as very serious matters. These funds support critical programs for poor and low-income families. If funding lapses, we are committed to doing all we can to work with states, the District of Columbia (DC), territories, and tribes to ensure that vulnerable families and children have access to needed benefits and services during this period.

A number of jurisdictions have unspent TANF and CCDF funds from prior years. If legislation extending funding for these programs is not enacted before October 1, 2013, states, DC, territories, and tribes will be permitted to use their unspent federal TANF funds from prior years for expenditures allowable under the TANF statute. Similarly, states, DC, territories, and tribes may use their unspent prior-year CCDF funds for allowable CCDF expenditures, as long as the funds are still available for expenditure in accordance with CCDF obligation and liquidation timeframes.

Even if there is a temporary lapse in funding, the underlying TANF and CCDF statutes remain in place, and states, DC, territories, and tribes can continue to spend carry-over federal TANF funds in accordance with the TANF statute, and CCDF carry-over funds in accordance with the CCDF statute. Thus, the rules normally applicable to use of TANF and CCDF block grant funds will continue to apply with respect to those carry-over funds during the period from October 1, 2013, to the date a funding extension is enacted. If you need any information concerning the extent to which unspent funds from FY 2013 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, and to meet CCDF matching and MOE requirements. If legislation extending funding for TANF and CCDF is not enacted before

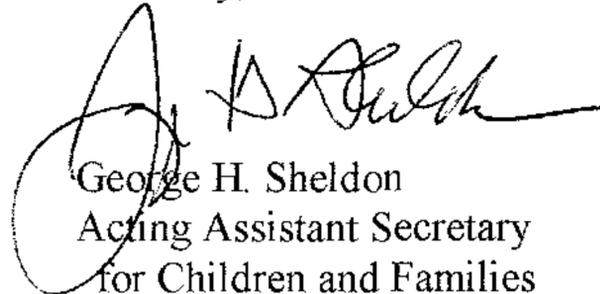
October 1, 2013, TANF MOE and CCDF State Match and MOE funds can be used during the period between October 1, 2013, and the date an extension is enacted to provide benefits and services. At the point that legislation to extend funding for TANF and CCDF is enacted, allowable expenditures states, DC, or territories make during this period would count toward the TANF MOE and CCDF Match/MOE requirements unless Congress specifies otherwise. Similarly, allowable expenditures jurisdictions make between October 1, 2013, and the date that an extension is enacted would be eligible for reimbursement with federal TANF or CCDF funds made available under an extension, 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. Similarly, if a CCDF expenditure could qualify either for federal reimbursement or to count as CCDF State Match or MOE, the state, DC, or territory may choose how to claim the expenditure.

We understand that if federal funding for these programs lapses, it creates budgetary uncertainty and strain for states, territories, and tribes. We are committed to working with Congress to ensure that funding for TANF and child care is extended.

If you have any questions or concerns, please feel free to contact the federal TANF or child care program manager in your region.

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 as these matters are resolved to protect the families we all are committed to serving.

Sincerely,



George H. Sheldon
Acting Assistant Secretary
for Children and Families