
Temporary Assistance for Needy Families Program Instruction

U.S. Department of Health and Human Services
Administration for Children and Families
Office of Family Assistance
Washington, DC 20201

No. TANF-ACF-PI-2017-01, AMENDED

Date: September 19, 2017

- TO:** State and territorial agencies (hereafter, states) administering the Temporary Assistance for Needy Families (TANF) Program.
- SUBJECT:** Amended Guidance on State Family Assistance Grant (SFAG) Amounts for Fiscal Years (FY) 2017 and 2018 and Basic State MOE Requirements
- REFERENCES:** Section 413 of the Social Security Act (the Act), as amended by the Consolidated Appropriations Act, 2017 (Public Law No: 115-31).
- PURPOSE:** This program instruction provides information to TANF agencies to clarify how the provisions of the 2017 Consolidated Appropriations Act apply to the fiscal years 2017 and 2018 SFAG amounts and affect state basic MOE requirements.

BACKGROUND:

The FY 2017 Consolidated Appropriations Act provides that “of the amount appropriated by section 403(a)(1) [of the Act] for each fiscal year, 0.33 percent shall be available for research, technical assistance, and evaluation under this section.”

ACTION:

As a result of this provision, ACF will reduce each state’s SFAG by 0.33 percent for both fiscal years 2017 and 2018. In FY 2017, because states have already received their first through third quarter awards, we will apply the entire reduction to the fourth quarter award. Please see the attached table for the specific SFAG amounts for your state.

This provision does not affect the amount of tribal TANF allotments. Tribal Family Assistance Grants remain unchanged.

We have concluded that the required 0.33 percent reduction in the SFAG does not directly affect the method ACF uses to calculate state basic maintenance-of-effort (MOE) requirements; however a state’s basic MOE requirement may change, as explained below.

Section 409(a)(7)(B)(iii) of the Act defines a state’s required MOE level as the lesser of two amounts:

- (1) FY 1994 state expenditures under Parts A and F of the Act; or
- (2) a formula that includes the SFAG for a year as part of the calculation.

When ACF first calculated state MOE requirements in FY 1997, the FY 1994 expenditures were lower for all states than the SFAG-based formula. Since current MOE requirements are based on FY 1994 state expenditures rather than SFAG amounts, and we believe that they continue to be lower using this method despite the 0.33 percent reduction in SFAG, we have continued to use this method to calculate state MOE requirements for FY 2017 and FY 2018. However, if a state thinks we are in error and the SFAG-based formula will yield a lower required MOE level, please provide us with the documentation substantiating your claim.

While the method used to calculate the basic MOE requirements will not change, states in which tribal TANF programs operate will have slightly lowered basic MOE requirements because the tribal allocations now represent a slightly larger percentage of the SFAG amount. According to 45 CFR 263.1(b), “the State’s basic MOE level for a fiscal year will be reduced by the same percentage as we reduced the SFAG as the result of any Tribal Family Assistance Grants awarded to Tribal grantees in the State for that year.” As we noted above, the 0.33 percent reduction to the FY 2017 and FY 2018 SFAG amounts did not affect the tribal allocations, but each now represents a slightly larger percentage of a state’s SFAG. As such, the state’s basic MOE requirement will be reduced by a slightly larger percentage for those states that have tribal allocations. Please see the attached table for the adjusted MOE requirement for states that operate a tribal TANF program.

INQUIRIES: Please direct inquiries to the TANF Program Manager in your region.

/s/

Clarence H. Carter
Director
Office of Family Assistance

Attachment