

\$5 Billion in Additional Funding for Temporary Assistance to Needy Families Now Available to States to Meet Urgent Needs

The [American Recovery and Reinvestment Act](#)¹ (ARRA) provides many forms of assistance to low-income women and families, including up to \$5 billion in additional funding for the Temporary Assistance to Needy Families (TANF) program for FY 2009 and 2010. The ARRA creates a new TANF “emergency fund” to provide additional funding to eligible states, tribes and territories to help meet growing needs in this worsening recession.

On April 3, 2009, the Department of Health and Human Services issued [guidance on the use of the emergency fund](#)², along with [Q&As](#)³. Separate tables show the maximum amounts available [for states and territories](#)⁴, and [tribes](#)⁵. The guidance makes it clear that eligible jurisdictions may start applying for funds now, even before application forms have been approved.

To receive a share of the funds, eligible states, the District of Columbia, territories and tribes must apply to HHS. To qualify for funds, jurisdictions must have *increased* their spending during a quarter in FY 2009 or 2010, as compared to the corresponding quarter in FY 2007 or 2008, in one or more of three areas:

- basic assistance (cash, payments, and other aid to meet ongoing basic needs, not including child care); the average monthly assistance caseload (including the caseload in both TANF a separate state program) and expenditures for basic assistance must be higher than in the base quarter;
- non-recurrent short-term benefits (payments designed to meet with a temporary crisis that do not extend beyond four months); or
- subsidized employment (including payments to employers to cover the cost of wages and administrative costs related to operating a subsidized employment program).

For each category, states may request 80 percent of the amount by which their federal TANF expenditures and qualified state Maintenance of Effort expenditures in the quarter for which it is requesting funds exceeds the base year quarter. States can qualify for funds in one, two, or three categories. For example, states that have increased their caseloads and their funding for short-term benefits, but not subsidized employment, can qualify for additional funding under the first two categories.

Funding states receive from the TANF emergency fund can be used for any of the purposes permitted under TANF. They are not limited to the three categories of spending that states must have increased to be eligible for this funding. **States may use the additional funding from the TANF emergency fund to use to provide child care assistance to low-income families**, including families receiving TANF cash assistance and those who are not, just as they may use regular TANF funds. However, TANF emergency funds cannot be transferred to either the Child Care and Development Block Grant or the Social Services Block Grant.

¹ <http://www.nwlc.org/pdf/Conference%20Ag't%20Fact%20Sheet%2002-13-09.pdf>

² <http://www.acf.hhs.gov/programs/ofa/policy/pa-ofa/2009/pa200901.htm>

³ <http://www.hhs.gov/recovery/programs/tanf/tanf-faq.html>

⁴ <http://transparency.cit.nih.gov/RecoveryGrants/grant.cfm?grant=FamilyAssistance>

⁵ <http://transparency.cit.nih.gov/RecoveryGrants/tribegrant.cfm?grant=TribeEmergencyFund>