

**Temporary Assistance  
for Needy Families  
(TANF)**

**An Overview of Program  
Requirements**

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## Temporary Assistance for Needy Families (TANF)

### Introduction

The Temporary Assistance for Needy Families (TANF) block grant provides federal funding to states for a wide range of benefits and activities. It is best known as the major source of funding for cash welfare for needy families with children, with federal requirements about work and time limits for families receiving assistance. Federal law also permits other benefits and services to be provided to low-income families with children or other activities supporting program goals of reducing out-of-wedlock pregnancies and promoting two-parent families.

The TANF program was created in the 1996 welfare reform law. In Florida, the 1996 legislature passed the Work and Gain Economic Self-Sufficiency Act in anticipation of passage of federal welfare reform. The federal legislation was enacted on August 22, 1996 as part of the Personal Responsibility and Work Opportunity Reconciliation Act. Florida implemented the TANF program on October 1, 1996.

Congress reauthorized the program through 2010 as part of the Deficit Reduction Act (DRA) of 2005 which was signed by the President on February 8, 2006. Congress has not reauthorized TANF since 2005 but continues funding through annual budget appropriations.

### Purpose

The statutory purpose of TANF is to increase state flexibility in meeting four goals:

1. To provide assistance to needy families with children so that they can live in their own home or the homes of relatives;
2. To end the dependency of needy parents on government benefits through work, job preparation, and marriage;
3. To reduce the incidence of out-of-wedlock pregnancies; and
4. To promote the formation and maintenance of two-parent families.

States may use TANF funds in any manner “reasonably calculated” to achieve any of these goals.

### Funding

TANF provides federal funds through several mechanisms. The basic TANF block grant is based on the amount of federal funds that a state received under the former Aid to Families with Dependent Children (AFDC) program. The DRA also included provisions for competitive grants related to healthy marriage and responsible fatherhood.

To qualify for the federal block grant, states are required to “maintain effort” through providing state funds equal to 80 percent of the amount of state funds that were expended under the former AFDC program. This “maintenance of effort (MOE)” requirement is reduced to 75% if the state meets federal work participation requirements.

### **Federal block grant funds**

**Basic block grant:** The basic TANF block grant (the State Family Assistance Grant) nationally is \$16.4 billion annually. Florida’s basic block grant is \$562.34 million a year. The basic block grant is authorized through federal fiscal year 2010, but existing funding levels have continued since 2010 through annual appropriations by Congress pending TANF reauthorization.

**Healthy Marriage and Responsible Fatherhood:** The DRA appropriated \$100 million annually for competitive grants and technical assistance related to healthy marriage promotion and \$50 million annually for competitive grants related to responsible fatherhood initiatives. \$2 million of the funding for healthy marriage is designated for demonstrations projects for Indian tribes to coordinate child welfare activities.

### **Transfers to Other Block Grants**

Federal law permits up to 30% of TANF grants to be transferred to the Child Care and Development Block Grant (CCDBG) and the Social Services Block Grant (SSBG) combined, with a separate limit of 10% of TANF grants that may be transferred to SSBG. Funds transferred to these other block grants become subject to the rules of the receiving block grant and are not subject to TANF rules. However, TANF funds transferred to SSBG must be used for families with children with incomes below 200% of the poverty line.

### **State Maintenance of Effort (MOE) requirement**

States are required to expend state funds that meet the MOE requirement each year. The requirement is 80% of the state funds expended under the former AFDC program or 75% if federal work participation requirements are met. Under the former AFDC program, Florida spent \$491.15 million, therefore the MOE requirement at 80% is \$392.9 million and at 75% is \$368.4 million.

In recent years, the state has met the work participation requirements and state funds to meet the MOE requirement have been budgeted at the 75% level.

### **Funding Summary**

The following table summarizes federal and state funding under TANF

<b>Type of Funding</b>	<b>Annual Amount</b>
Basic Block Grant	\$562,340,120
<b>Total Federal TANF Block Grant Funding</b>	<b>\$562,340,120</b>

State Maintenance of Effort Requirement at 80%	\$392,921,042
State Maintenance of Effort Requirement at 75%	\$368,363,477
Grants for healthy Marriage or Responsible Fatherhood	To be determined by Administration for Children and Families (ACF) through competitive process.

### Definition of State Funds Countable towards MOE

Change in definition of MOE. Under prior law, for state expenditures to count towards MOE, the expenditure had to be for “eligible families”. This meant a determination had to be made that the family was financially eligible for the expenditure of state funds to count towards MOE. The Deficit Reduction Act removed the “eligible families” restriction for state funds expended toward two of the four TANF purposes (purposes 3 and 4). This provided that expenditures count towards MOE for all State programs to:

- Prevent and reduce out-of-wedlock pregnancies (TANF purpose 3), or
- Encourage the formation and maintenance of two-parent families (TANF purpose 4)

In final TANF regulations published in February 2008, however, the administration re-interpreted the DRA language governing MOE to mean that only "certain" activities related to purposes three and four were included in the section that removed the requirement to serve only "eligible families." This interpretation re-instituted the former restrictions for most programs related to pregnancy prevention and family formation and considerably reduced the amount of state funds Florida could claim as MOE expenditures.

### Penalty for Not Meeting the MOE Requirement

If the state fails to meet the MOE requirement, there is a double penalty. First the federal block grant for the next year is reduced by the amount of the shortage. Secondly, the state must expend additional state funds to make up the difference. This additional expenditure does not count towards the MOE requirement in the subsequent year. If a state fails to expend additional funds to replace the grant reduction, there is an added penalty of not more than 2 percent of the basic TANF block grant.

### Federal Work Participation Standards

Federal law sets work participation standards that a state must meet. The standards are computed in the aggregate for the state based on data submitted by the state on each family that contains one or more adults. There are two participation requirements that a state must meet or face financial penalties. These are known as the “all-family” rate and the “two-parent” family participation requirements.

**All-Family Requirement:** The “all-family” requirement is that 50% of all families containing an adult or minor head of household must be engaged in countable work

activities for a minimum average number of hours per week. The hours required vary by household type as shown later in this document.

**Separate Two-parent Family Requirement:** The “two-parent” family participation standard is a separate calculation for this subset of families. The requirement is that 90% of two-parent families must be engaged in countable work activities for a minimum number of hours per week. In the past, Florida’s two-parent program has been exempt from the federal participation requirement because it was operated as a separate state program. The DRA changed the federal law to provide that separate state programs must meet the federal requirement, so the two-parent family participation requirement now applies.

**Caseload Reduction Credit:** The “all-family” and two-parent” family work participation standards may be reduced by a caseload reduction credit. Beginning in the federal fiscal year that begins on October 1, 2006 (FFY 2007), the caseload reduction credit is calculated as the percentage decrease from FFY 2005 to the immediately preceding federal fiscal year (FFY 2006 would be the preceding year for FFY 2007).

For example, if the average monthly caseload declines by 13% from FFY 2005 to FFY 2006, then the caseload reduction credit for FFY 2007 is 13 percentage points. The all-family participation requirement of 50% can be reduced by 13 percentage points to 37%. If the state achieves an all-family participation rate of 37% or greater, the state will meet the “all-family” participation standard and will not be subject to penalty.

States may use the “all-family” caseload reduction credit for the two-parent family requirement or may separately calculate a caseload reduction credit for two-parent families.

**Participation Rate Penalties:** The penalty for not meeting the all-family participation rate is up to 5% of the base TANF block grant, depending on the severity of failure. Prior to imposition of a penalty, the state may enter into a corrective action plan under an agreement with the federal agency and the Secretary of HHS may reduce or eliminate the penalty for states that achieve compliance.

The penalty for failing to meet the two-parent family participation requirement is up to 5% of the base block grant time the percentage of the caseload comprised of two-parent family cases. If the two-parent family caseload was 2% of the total caseload, the maximum penalty would be 2% of 5% of the base block grant, depending on the severity of failure. The same corrective action provisions that apply to the all-family penalty also apply to any penalty related to the two-parent family participation requirement.

**Impact on Maintenance of Effort:** If a state fails to meet either the all-family or the two-parent family participation requirement, the MOE requirement would be 80% rather than 75%. For Florida, this difference is \$24.5 million.

## Summary of Work Participation Requirements

The following table summarizes federal work participation requirements, performance and potential penalties as amended by the DRA.

	<b>Federal Statutory Requirement</b>	<b>Estimated Caseload Reduction Credit</b>	<b>Adjusted Requirement</b>	<b>Performance in Latest Federal Fiscal Year for which data has been reported (FFY 2012)</b>	<b>Estimated Maximum Penalty if Requirement Not Met</b>
All-Family Rate	50%	9.7%	40.3%	45.1%	Up to \$28.1 million
Separate Two-Parent Family Rate	90%	19.4%	70.6%	53%	Up to \$285 thousand*

*\*Note: Assumes two-parent families cases are approximately 1.4% of total caseload. Amount of penalty depends on the severity of the failure. If the state fails to meet either rate, the increase in the MOE requirement of \$24.5 million is **in addition** to any penalty.*

## Requirements

Although the federal funds are provided in the form of a block grant, there are a variety of requirements and restrictions, particularly for families receiving “assistance” (generally cash assistance). Some of the restrictions relate to how the funds are used by the state and some restrictions apply to individuals receiving assistance.

## Families Receiving Assistance

Florida law creates four categories of families who may be eligible for TANF cash assistance. While many of the basic eligibility requirements apply to all of these categories, there are some distinctions between the categories in terms of requirements and restrictions:

**Child-Only Families.** These families include situations where the child is living with a relative or situations where a custodial parent is not eligible to be included in the eligibility group. In the majority of situations, the child is living with a grandparent or other relative. Child-only families also include situations where a parent is receiving federal Supplemental Security Income (SSI) payments and situations where the parent is

not a U.S. citizen and is ineligible due to their immigration status. Grandparents or other relatives receiving child-only payments are not subject to the TANF work requirement or the TANF time limit.

**Relative Caregiver Program.** The Relative Caregiver program is a specialized program for child-only families where the child has been adjudicated dependent due to abuse or neglect and has been placed with a grandparent or other relative by the court. These relatives are eligible for a payment that is higher than the typical child-only payment, but less than the payment for licensed foster care. As with other child-only families, grandparents or relatives receiving Relative Caregiver payments are not subject to the TANF work requirements or time limits.

**Single-Family Parents with Children:** Parents with children can receive cash assistance for the parent and the children. These parents are subject to all of the financial and non-financial requirements described below including the work requirements and time limits. Single parents with a child under age six meet the participation rate with 20 hours of work participation per week.

**Two-Parent Families with Children:** Two-Parent Families with children are eligible on the same basis as single-parent families except the work requirement for two-parent families includes a higher number of hours of participation per week (35 hours or 55 hours if child care is subsidized) than required for single-parent families (30 hours).

**Eligibility:** For temporary cash assistance, states have broad flexibility in establishing eligibility requirements. Families that include an adult must meet work participation requirements and are subject to time limits on the cumulative number of months of assistance. Families must cooperate with child support enforcement requirements and noncitizens, with certain exceptions such as refugees and political asylees, are ineligible for TANF.

To be eligible, families must meet both financial and non-financial requirements established in state law. In general, families must include a child (or a pregnant woman) and be residents of Florida. Children under age 5 must be current with childhood immunizations and children age 6 to 18 must attend school and parents or caretakers must participate in school conferences.

Countable assets must be \$2,000 or less and licensed vehicles needed for individuals subject to the work requirement may not exceed \$8,500.

**Work requirements:** Adults in families receiving cash assistance must work or participate in work related activities for a specified number of hours per week depending on the number of work-eligible adults in the family and the age of children.

Type of Family	Work participation Hours Required
Single parents with a child under age 6	20 hours weekly in core work activities.

<b>Type of Family</b>	<b>Work participation Hours Required</b>
Other single parent families or two-parent families where one parent is disabled	30 hours weekly with at least 20 hours in core activities.
Married teen or teen head of household under age 20.	Maintains satisfactory attendance at secondary school or the equivalent or participates in education related to employment for at least 20 hours weekly.
Two-parent families who do not receive subsidized child care	35 hours per week (total among both parents) with at least 30 hours in core activities.
Two-parent families who receive subsidized child care	55 hours per week with at least 50 hours in core activities

**Work Activities:** Federal law includes 12 work activities. 9 of the activities are “core” activities in that they may be used to satisfy any of the average weekly participation requirements. The other 3 activities are “supplemental” in that they may only be used to satisfy the work activity requirement after the “core” requirement is met.

### **Core Activities**

- Unsubsidized employment
- Subsidized private sector employment
- Subsidized public sector employment
- Job search and job readiness (limited to not more than 6 weeks in a federal fiscal year with not more than 4 weeks consecutive).
- Community service
- Work experience
- On-the-job training
- Vocational educational training (limited to 12 months for an individual), and
- Caring for a child of a recipient in community service

### **Supplemental Activities**

- Job skills training directly related to employment
- Education directly related to employment (for those without a high school or equivalent degree)
- Completion of a secondary school program

The work activity requirement applies to families with one or more adults in the assistance group. The requirement also applies to families where the adult has been

sanctioned due to non-compliance with work requirements but the assistance has been continued to the children under a special hardship provision of state law.

“Child-only” families where the child lives with a relative and the needs of the relative are not included in the calculation of the benefit are not subject to the work requirement. In addition, adults who are not included in the calculation of the TANF benefit because they receive federal Supplemental Security Income (SSI) benefits or because they are ineligible noncitizens are not subject to the work requirement.

### **Work Verification Plan**

The most recent reauthorization of TANF in the DRA did not change the work activities but did strengthen the authority of the Administration for Children and Families to regulate the verification of work activities.

The Administration for Children and Families subsequently issued federal regulations providing uniform definitions of work activities and requiring each state to develop a work verification plan subject to federal approval. The work verification plan was developed by the Department of Economic Opportunity and has been approved.

### **Time Limits**

Federal law restricts receipt of federal TANF benefits to not more than 60 months of assistance. States may exempt up to 20 percent of the caseload from the time limit due to state-defined hardship.

Florida law limits receipt of assistance to not more than 48 cumulative months of assistance with exemptions to the time limit provided for hardship. Allowable hardships include:

- Individuals who are diligently participating in work activities who have been unable to obtain employment due to significant employment barriers combined with a need for more time,
- Teen parents who are diligently participating in work activities who need an exemption in order to have 24 months of eligibility beyond receipt of a high school diploma or equivalent,
- Individuals who are victims of domestic violence that delayed or affected the individuals work participation, and
- Extension for minor children of a work eligible family where time limit termination of benefits would likely result in the child being placed into emergency shelter or foster care.

### **Amount of Assistance**

The amount of temporary cash assistance received by a family depends on family size and family circumstance. The following chart shows the maximum monthly benefit by family size, depending on the amount of the families’ shelter obligation (such as rent payments).

Family Size	Family has no shelter obligation (lives rent free)	Monthly shelter obligation is \$50 or less	Monthly shelter obligation is more than \$50
1	\$95	\$153	\$180
2	\$158	\$205	\$241
3	\$198	\$258	\$303
4	\$254	\$309	\$364
5	\$289	\$362	\$426

*Maximum benefits for larger families are defined in section 409.095, Florida Statutes.*

In calculating the amount of the monthly benefit, certain income is disregarded (not counted). For example, the first \$200 of earnings is disregarded and half of the remaining earning is disregarded as an incentive to work.

Relative Caregiver payments are not based on family size, but are made for each child. The Relative Caregiver payments are currently \$242 monthly for a child from birth thru age five, \$249 monthly for a child age six thru age twelve, and \$298 monthly for a child age thirteen to age 18.

## **TANF-Funded Services**

In addition to cash assistance, TANF funds are used to fund a wide variety of services that are not considered cash assistance. These services include child care, transportation, mental health counseling, child abuse prevention and early intervention, etc. Under Florida law, eligibility for TANF-funded services for families who are not receiving cash assistance is generally set at 200% of the poverty line. In 2014, 200% of poverty is \$39,580 annually or about \$3,299 per month for a family of three.

## **Program Administration and Operation**

The TANF State Plan for Florida gives the responsibility for administering the TANF program to three state agencies.

**Department of Children and Families:** The Department of Children and Families is the designated agency to receive the TANF block grant and distribute the funds to other entities in accordance with direction from the Florida Legislature in the General Appropriations Act. DCF receives reports from all entities using TANF funds and is responsible for compiling the information necessary to meet federal financial and data reporting requirements.

DCF is responsible for determining eligibility for temporary cash assistance, payment of temporary cash assistance to eligible families and imposing penalties on families who fail to meet the TANF work requirement or other mandatory requirements.

DCF determines eligibility through the ACCESS Florida system which has automated eligibility processes for food assistance, Temporary Cash Assistance, and Medicaid. Families applying for benefits can have their eligibility assessed for all three programs through a single integrated process. Applications and redeterminations can be completed online through the internet or through computers at DCF offices or one of more than 3,300 partner sites around the state.

**Department of Education, Office of Early Learning:** The Department of Education, Office of Early Learning functions as the funding and oversight entity for the local coalitions, providing child care to current and transitional TANF participants.

**Department of Economic Opportunity:** The Department of Economic Opportunity (DEO) is the agency that administers workforce programs under the policy direction of CareerSource Florida, Inc. DEO is the fiscal entity for CareerSource Florida, Inc. and executes performance-based contracts with the Regional Workforce Boards.