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The TANF Emergency Fund: A New Resource for Domestic Violence Programs

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November 16, 2009

Introduction

In today's difficult economic climate, domestic violence service providers are being squeezed between increased demand for services and reduced funding due to state and local budget crises. More victims are seeking help, which may be because economic stress is causing increases in abuse or because the resources victims rely on to escape abuse are less available. Some domestic violence agencies report that they are increasingly unable to provide all the services needed by the victims who seek help.ⁱ

Created earlier this year by the American Recovery and Reinvestment Act of 2009, the TANF Emergency Fund can both provide victims of domestic violence with financial and in-kind services to help address domestic violence issues and also relieve some of the funding pressures on providers. This fund can relieve the fiscal pressure on states that provide low-income families with children with ongoing cash assistance or short-term benefits, such as emergency shelter, medical treatment, counseling and relocation assistance. In some cases, states and providers may be able to form partnerships under which local or private funding is counted as state spending to draw down additional funds.

Overview of the TANF Emergency Fund

TANF – the Temporary Assistance for Needy Families block grant – has long been a source of support for vulnerable women with children, but no additional money has been added to the core block grant since its creation in 1996. The TANF Emergency Fund provides \$5 billion in funding available to states only during federal fiscal years 2009 and 2010 (e.g. October 1, 2008 through September 30, 2010).

Under the Emergency Fund, statesⁱⁱ can receive 80 percent federal funding for spending increases in FYs 2009 or 2010 over FYs 2007 or 2008 in certain categories of TANF-related expenditures. Each state has a capped allotment of 50 percent of its TANF block grant for the two years of the Emergency Fund, and any funds received from the older TANF Contingency Fund also count toward this cap.ⁱⁱⁱ

This policy brief was developed under funding provided to the NRCDDV from the Family Violence Prevention and Services (FVPSA) Program, Administration for Children and Families, U.S. Department of Health and Human Services (Grant # 90EV0374). The points of view expressed do not necessarily represent those of the U.S. Department of Health and Human Services.

The three categories of expenditures that may be claimed are basic assistance, non-recurrent short-term benefits, and subsidized employment. Administrative costs associated with each of these categories can be claimed as part of the expenditures. The first two of these categories are most relevant to victims of domestic violence and the organizations that serve them:

- **Basic assistance** is defined by HHS as “cash, payments, vouchers, and other forms of benefits designed to meet a family’s ongoing basic needs,” not including child care, transportation or other support services, or assistance authorized solely under prior law.^{iv}
- **Non-recurrent short-term benefits** are payments that are “designed to deal with a specific crisis situation or episode of need”, are not intended to meet recurrent or ongoing needs, and will not extend beyond four months.

As noted above, states can only receive funding under the TANF Emergency Fund if they increase spending in a category comparable to the same quarter of the base year (either 2007 or 2008, whichever is lower). Both spending from the TANF block grant and spending counted toward the maintenance of effort (MOE) requirement are counted. This test is applied to all TANF/MOE spending under a category – thus, if a state increases TANF/MOE spending on domestic violence services, but decreases TANF/MOE spending on diversion payments, and the net result is a spending decrease, the state would not receive any funding in this category. In addition, for basic assistance only, a state cannot qualify for Emergency Funds unless its assistance caseload also increases compared to the comparable quarter.

A state may qualify for funds in a given quarter in all three categories, or in just one or two. The base year can be different (FY 2007 or 2008) for different categories. HHS has broad authority to adjust the spending and caseload data to ensure comparability between the base year and the current year.

States may apply for funds for the upcoming quarter as much as a month in advance based on “reasonable estimates” for caseloads and expenditure data, rather than having to wait for actual data at the end of the quarter. If a jurisdiction submits an estimate of expenditures that is substantially higher than previous levels, HHS requires it to explain the change it has made to the program that results in the higher estimates. The jurisdiction must revise the estimates as actual data becomes available.

States also may apply for reimbursement for spending that has already occurred. The initial request for a funding quarter must be submitted by September 1, 2010, so that HHS can obligate all emergency funds before September 30, 2010, when the program expires.

For additional information about the TANF Emergency Fund, visit CLASP’s resource page at: <http://www.clasp.org/TANFEmergencyFund>

Basic Assistance

This category covers cash, payments, vouchers, and other forms of benefits designed to meet a family’s ongoing basic needs. Assistance may be provided in the basic TANF program or in a separate program that serves a particular subgroup of families or a particular purpose and may have different eligibility requirements. If individuals receive TANF-funded “assistance,” they are included in the TANF participation rate calculation, subject to requirements that they cooperate with child support enforcement and the five-year limit on federally funded benefits, and they must be included in data reports.

Ongoing assistance can be an essential support for a family escaping domestic violence, especially when the victim has been dependent on the abuser's income, or when safety concerns force a victim to stop working temporarily. When Congress passed the 1996 law that created TANF, it considered the needs of domestic violence survivors, including concerns that trying to meet TANF requirements could jeopardize their safety. In response, Congress included the "Family Violence Option" (FVO) to encourage TANF agencies to make appropriate accommodations for victims of domestic violence. Specifically the FVO allows state TANF agencies to grant domestic violence survivors temporary waivers or exemptions from TANF participation requirements and waive time limits. However, while nearly all states have formally adopted the FVO (and the others have adopted similar policies), very few TANF clients disclose domestic violence to their caseworkers, request a FVO waiver or exemption, or use DV victim services.^v One possible explanation is that as states impose more and more pre-application requirements, survivors of domestic violence may never learn of possible exemptions or waivers and may be discouraged from applying in the first place.

The existence of the Emergency Fund to cover increases in assistance costs, and the Administration for Children and Families' recent issuance of a Program Instruction that reminds state TANF agencies of the ability to use TANF and MOE funds to serve victims of domestic violence,^{vi} thus creates an opportunity for domestic violence service providers and advocates to re-engage with TANF agencies. Agencies should evaluate their pre-application requirements and make sure that potential applicants are informed of the availability of waivers or exemptions when needed to ensure participants' safety. They should also consider strengthening collaborative outreach efforts, including assisting shelter residents more easily and safely to access TANF benefits.

For technical assistance on best practices for serving domestic violence survivors under TANF, contact the National Resource Center on Domestic Violence (NRCDV) at 800-537-2238 ext. 5 or nrcdv@pcadv.org.

Emergency housing or food can count as short-term non-recurrent benefits under the Emergency Fund, as discussed below, but if housing subsidies or food assistance are provided for more than four months, or in response to an ongoing need rather than a specific crisis situation, they count as "assistance" and trigger all TANF requirements associated with assistance. Because of changes made by the Deficit Reduction Act of 2005, the work requirements and data collection provisions apply to assistance provided with funds claimed toward the MOE requirement, even if segregated from federal TANF funds. Therefore, in most cases, ongoing non-cash benefits should only be claimed as MOE when given to families who are already receiving cash benefits.

Short-Term Non-Recurrent Benefits

This category covers benefits or services that are "designed to deal with a specific crisis situation or episode of need," are not intended to meet recurrent or ongoing needs, and will not extend beyond four months. This is a very broad category and can include a very wide range of services that may be helpful to victims of domestic violence:

- Emergency shelter
- Short-term counseling
- Short-term medical treatment, including dental work or replacement eyeglasses
- Legal services and court-related costs
- Help in applying for ongoing TANF benefits or other assistance

- Replacement locks
- Moving costs, including security deposits
- Purchase of clothing or household goods when a family needs to abandon their belongings

Spending on short-term non-recurrent benefits is not limited to families who are receiving cash assistance. However, in most cases it must be for a member of an eligible family, which is a family that includes a child living with a custodial parent or other adult caretaker relative (or a pregnant woman) and is financially needy by the standards set by a state. These standards may vary for different programs, and most states set significantly higher limits for short-term non-recurrent benefits than they do for cash assistance.

Accessing TANF Emergency Funds

Service providers cannot apply to HHS for direct funding from the TANF Emergency Fund, but there are several ways that they may be able to access these funds to serve their clients. The simplest case is if a state is already funding domestic violence services with either funds from the TANF block grant or with state general revenues that can be claimed toward the “maintenance of effort” or MOE requirement.

However, even if services are funded by local governments or private dollars, the organization may enter into an agreement with the state allowing the value of in-kind services to be counted as MOE, and thus to be eligible for Emergency Fund reimbursement. However, except for TANF funds, any funds claimed may not be federal in origin and may not have been used to meet a matching, cost-sharing, or maintenance of effort of another federal funding stream. This includes both categorical programs such as those funded under the Family Violence Prevention and Services Act, the Victims of Crimes Act and the Violence Against Women Act, as well as block grant funds such as the Social Services Block Grant.

As discussed before, only the increase in spending may be claimed for reimbursement under the Emergency Fund. If a state claims third-party spending toward the MOE requirement, it will need to provide comparable data for FY 2007 and 2008 so that HHS can make adjustments to the base year data. If a provider has increased spending on short-term, non-recurrent benefits for families with children compared to these years, and is interested in pursuing Emergency Fund reimbursement, it should contact the state TANF agency in order to understand the state’s existing plans for use of the Emergency Fund and its interest in pursuing third-party MOE claims.

ⁱ Renzetti, C.M. (2009, September). *Economic Stress and Domestic Violence*. Harrisburg, PA: VAWnet, a project of the National Resource Center on Domestic Violence/Pennsylvania Coalition Against Domestic Violence. Retrieved 11/15/09, from: <http://www.vawnet.org>.

ⁱⁱ Tribes operating Tribal TANF programs are eligible on the same basis as states. However, this summary will refer to states rather than states or tribes.

ⁱⁱⁱ For a list of state allocations, and the amounts of approved applications as of Oct. 27, see: Elizabeth Lower-Basch and Josh Bone, *TANF Emergency Fund: State Applications Approved as of October 27*, CLASP, November 2009, available at: <http://www.clasp.org/admin/site/publications/files/TANF-ECF-Use-Oct-27.pdf>

^{iv} States may use TANF funds for activities included in an approved Emergency Assistance plan prior to the enactment of TANF in 1996.

^v Renzetti.

^{vi} TANF-ACF-PI-2009-08, Use of Federal TANF funds and State Maintenance-of-Effort (MOE) funds to assist victims of domestic violence, October 14, 2009. <http://www.acf.hhs.gov/programs/ofa/policy/pi-ofa/2009/200908/pi200908.htm>