

Temporary Assistance for Needy Families

Overview: Temporary Assistance for Needy Families is more than a cash assistance program. It is a block grant providing flexible funding to states to support a wide range of activities. Almost all components of career pathway strategies can be reasonably justified as promoting the second statutory purpose of TANF, which is to “end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage.”

Type of Program: Block grants to states.

Eligibility and Targeting: Most benefits and services are limited to low-income families with children. States set the income criteria, which may vary for different services. Some activities aimed at preventing out-of-wedlock pregnancy and at promoting marriage are not restricted to such families.

Services/Program Support: TANF is a flexible funding stream and may be used for any initiative that reasonably advances one of the law’s stated purposes. There are very few restrictions.

Non-federal Funds: States must continue to spend at least 75 percent of what they spent on Aid to Families with Dependent Children and related programs prior to the creation of TANF (or 80 percent, if they fail to meet TANF’s work-participation requirements). This is known as the “maintenance of effort” (MOE) requirement.

HOW PROGRAM CAN SUPPORT CAREER PATHWAYS

TANF and maintenance-of-effort funds can be used for a wide variety of activities, including career pathway partnership and curricula development, the ongoing costs of providing education and training, and ongoing supportive services. Such services are not limited to recipients of cash assistance under TANF. The activities should be included in the TANF state plan. TANF support must be proportionate to career pathway participation by TANF recipients and/or other needy families with children. Federal approval from the Department of Health and Human Services (HHS) is not needed.

States have broad flexibility in engaging recipients in work-related activities. However, TANF places restrictions on what activities can be counted toward the federal participation rate for recipients of TANF assistance. States that do not engage a high enough share

of recipients in countable activities for the minimum required number of hours per week are subject to financial penalties.

Participation in a career pathway program can reasonably be counted as either “vocational educational training” or “job skills training directly related to employment.”

Basic education can only be counted as vocational educational training if it is a “necessary and regular part” of a vocational program. In the final rule implementing changes made by the Deficit Reduction Act of 2005, HHS explicitly told states that they could not count a sequence of activities that includes intensive standalone basic education (even when it leads to a vocational program).

Vocational educational training can count for all hours of a recipient’s participation requirement, but it can only be counted for 12 months per recipient. There is also a limit on the share of the caseload that can be counted based on this activity.

Job skills training is only countable when combined with 20 hours per week of a “core activity,” such as subsidized or unsubsidized employment.

To allow TANF recipients to participate in a career pathway program, states may wish to consider allowing recipients to participate in educational activities even when they are not countable toward the federal requirements. They may also consider developing work-study programs and other ways for recipients to combine work and education in a way that supports career pathways participation.

Arkansas has invested approximately \$103.3 million in federal TANF funds since 2005 to help low-income parents earn credentials in career pathways at two-year colleges across the state. The Arkansas Career Pathways Initiative provides a network of case managers at 25 campuses who help low-income parents persist in their studies. TANF funds also help defray a range of expenses related to parents’ participation, including the costs of tuition, child care, transportation, and other student support services.

Kentucky’s \$10.8 million Ready to Work (RTW) initiative helps TANF recipients succeed in community and technical college programs while helping the state meet its TANF work participation rate. In addition to getting help from college-based RTW coordinators at 16 colleges, students can earn additional income and gain work experience in TANF-funded work-study jobs. Work-study students can be placed in on-campus or off-campus jobs with either public- or private-sector employers. These work-study jobs also enable recipients to meet the core 20-hour-a-week federal work participation requirements, even after they reach the 12-month limit on vocational educational training.

PROGRAM LIMITATIONS

- Participants must be members of “needy families,” meaning they must be in families with children and be low income (although the state may set the income criteria, which can be higher than those established for cash assistance).
- TANF funds may not be used to support generally available public education.
- Under TANF, states must meet a federal work-participation rate with regard to recipients of TANF assistance. In most cases, funding career pathways programs will not trigger this requirement. However, transportation and child care provided to non-employed adults is considered to be “assistance.” If the families are not receiving cash benefits, this can trigger time-limit, participation-rate, and data-reporting requirements.
- TANF is a fixed block grant, and the allocations have not been adjusted for inflation since 1996. This is the main barrier to using of TANF funds to support career pathways. Due to the loss of TANF Supplemental Grants and the expiration of the temporary TANF Emergency Fund, many states now receive less TANF funding than in recent years. As most states have committed their allotments to other activities, increasing spending in one area often requires cuts in others.

OPPORTUNITIES FOR STATES

- TANF is a flexible funding source that can be used to support career pathways activities. States should examine their current spending under TANF to see whether unobligated funds are available or if some existing activities would be supported more appropriately with other funding sources.⁵⁶
- State funds spent on career pathways may be countable toward the TANF MOE requirement to the extent that they benefit needy families and represent new spending (compared to 1995 levels). “Excess” MOE spending beyond the amount required may be used to reduce the effective work-participation-rate requirement.

- States should consider strategies to expand access to education and training for TANF recipients. One way to accomplish this is to allow participation in educational activities to count toward state requirements (even when not countable toward the federal rate). States should define the countable activities (vocational education, job skills training, and education related to employment) to include career pathways components and should develop work-study programs and other opportunities for recipients to combine work and education.
- WIOA, which has a strong emphasis on career pathways programs, makes TANF a mandatory partner unless governors choose to opt out. As a partner, TANF agencies would provide access to services and be an integral partner in supporting the infrastructure and operation of one-stops. Partnerships between TANF and one-stops may enable more efficient use of resources and improved services for individuals who face significant barriers to employment. States should consider how a collaboration between TANF and one-stop centers can best use shared resources and career pathways strategies to support TANF recipients.
- To encourage broader adoption and evaluation of promising approaches and address impediments to the use of the career pathways approach among TANF agencies, HHS should issue formal guidance to clarify how activities under the career pathways approach can be countable for the purpose of the work participation rate and that TANF funds may be used to finance the career pathways approach.⁵²