Improving Family Economic Security:
TANF Block Grants to States

October 14th, 2025

National Center for Children in Poverty
Bank Street Graduate School of Education

Overview of TANF Block Grants to States

- ***Review of program history and provision (Ashley Burnside)***
- ***Why TANF spending is especially important right now***
- ***Cash assistance spending, TANF-to-poverty ratios, and other state-level metrics***
- ***Unallocated TANF Funds: Amounts, guidelines, and restrictions***
- ***Strategic uses of TANF funds (other than cash assistance)***
- ***The Tennessee Opportunity Act, other innovative uses of TANF funds***

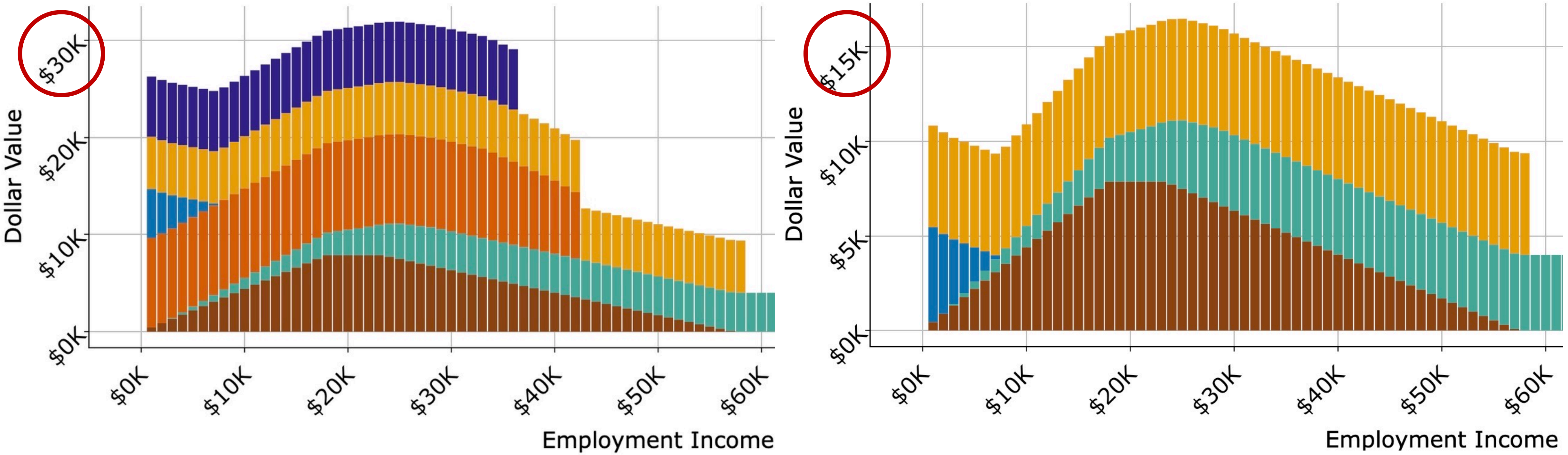
Block Grants Summary Data by State

Arkansas Transitional Employment Assistance (TEA) (TANF)	Arkansas	U.S. Average or Total
Annual (federal-only) block grant amount (in millions, for 2023)	$56,545,640	$16,488,600,000 (total)
% of TANF block grants spent on cash assistance, 2023	2.1%	24.6%
% families with income under the Federal Poverty Level who received TANF, 2022-23	2.0%	20%
Total # families receiving TANF in 2023	912	826,345 (total)
% of cases designated "Child-Only" in 2023	51.2%	46.6%
"Unobligated balance" (or stockpiled amounts, which must be used for cash assistance or admin)		
TANF Funds "unobligated balance," as of 2023	$73,395,203	$7,745,163,932 (total)
"Unobligated balance" as share of total block grant amount	129.9%	47.7%
Change (+ or -) in "unobligated balance" from 2022 to 2023	$7,504,934	N/A

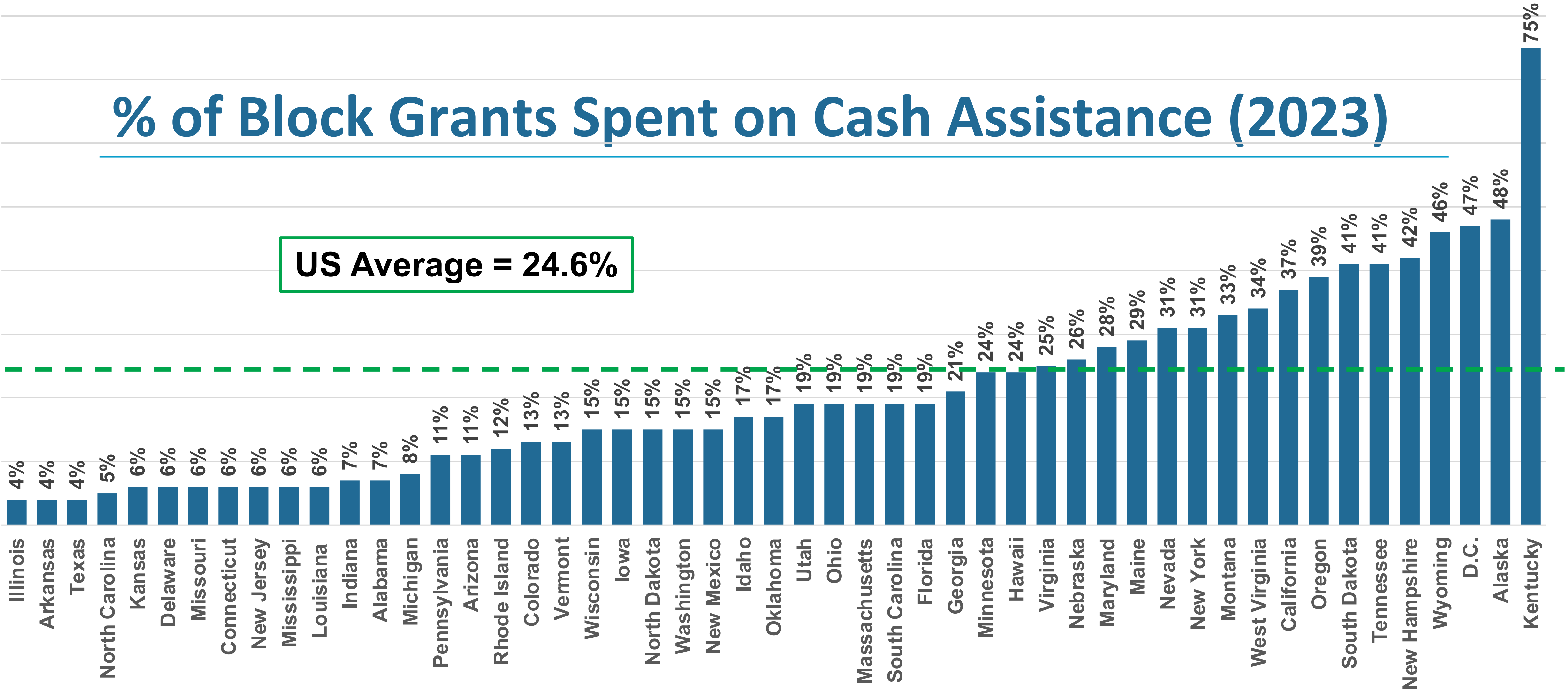
Why TANF spending is important right now

- In the coming months and years, families with children will be harmed, incrementally and then at times suddenly, by increasingly imposed work requirements, administrative barriers, and other new restrictions, particularly for SNAP and Medicaid benefits. They may lose one or more benefits entirely in this new climate, or see benefits diminish, or be more likely to lose them entirely at lower income levels than in pre-OBBBA times.
- Together with likely economic contraction in many communities, these changes may severely challenge the resources of low-income households.
- NCCP believes that encouraging state decision-makers to focus their TANF block grants on investing in the acute needs of the lowest-income families with children is especially important now.

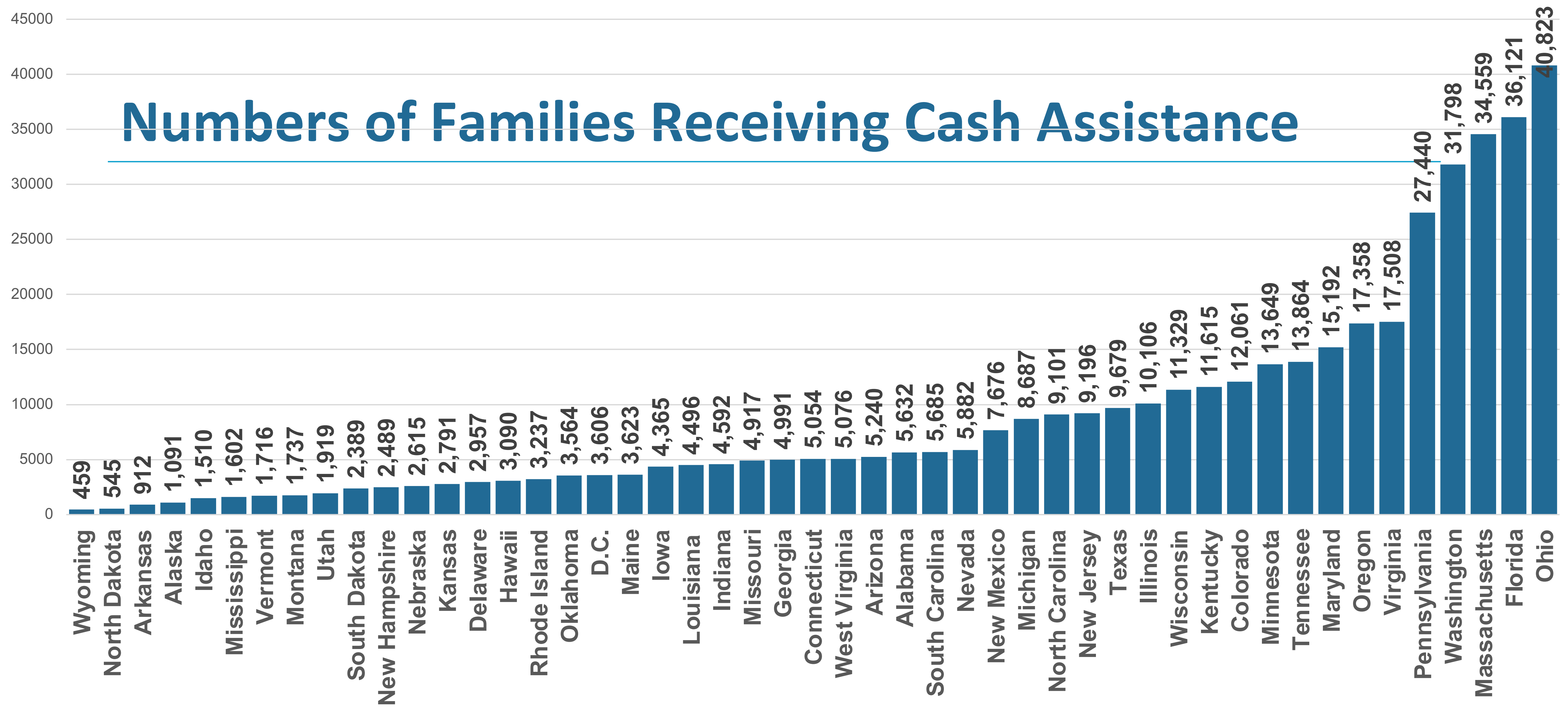
Potential Loss of Supports Through Cuts to SNAP and Medicaid for Adults



% of Block Grants Spent on Cash Assistance (2023)



Numbers of Families Receiving Cash Assistance



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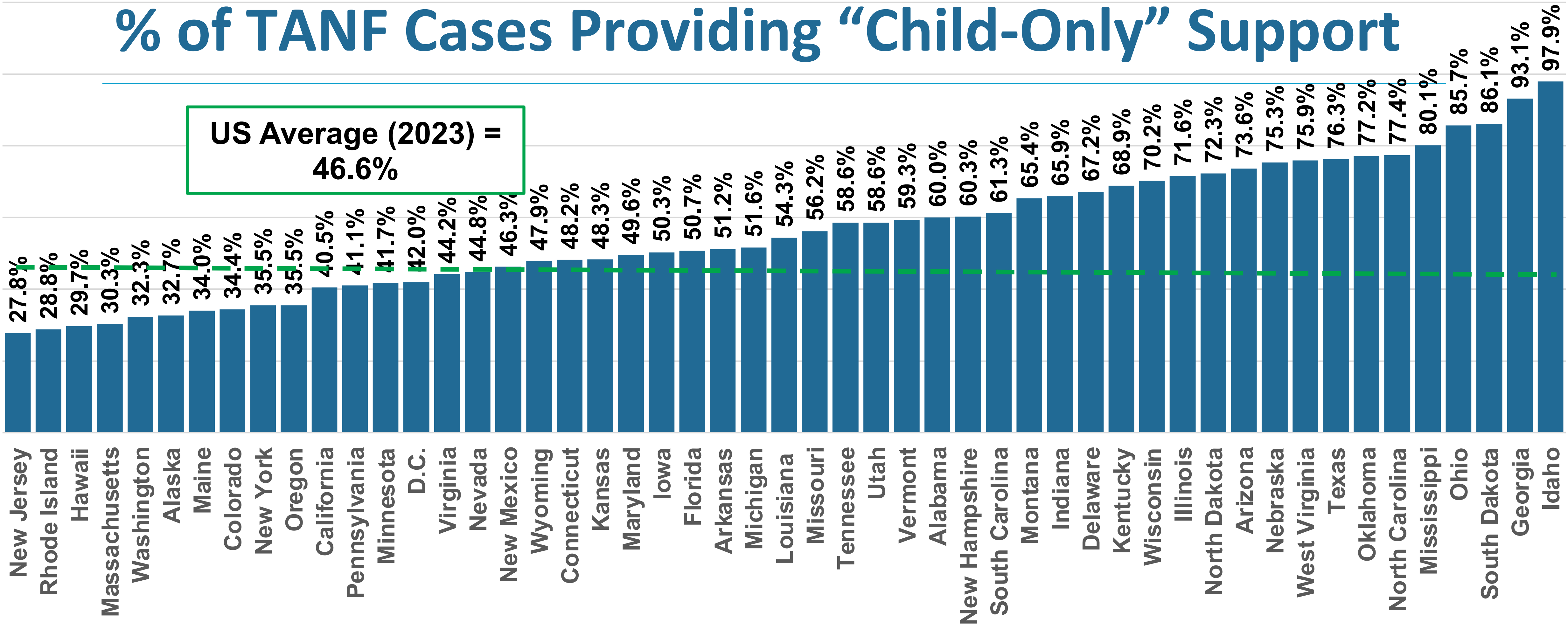
% of TANF Cases Providing "Child-Only" Support



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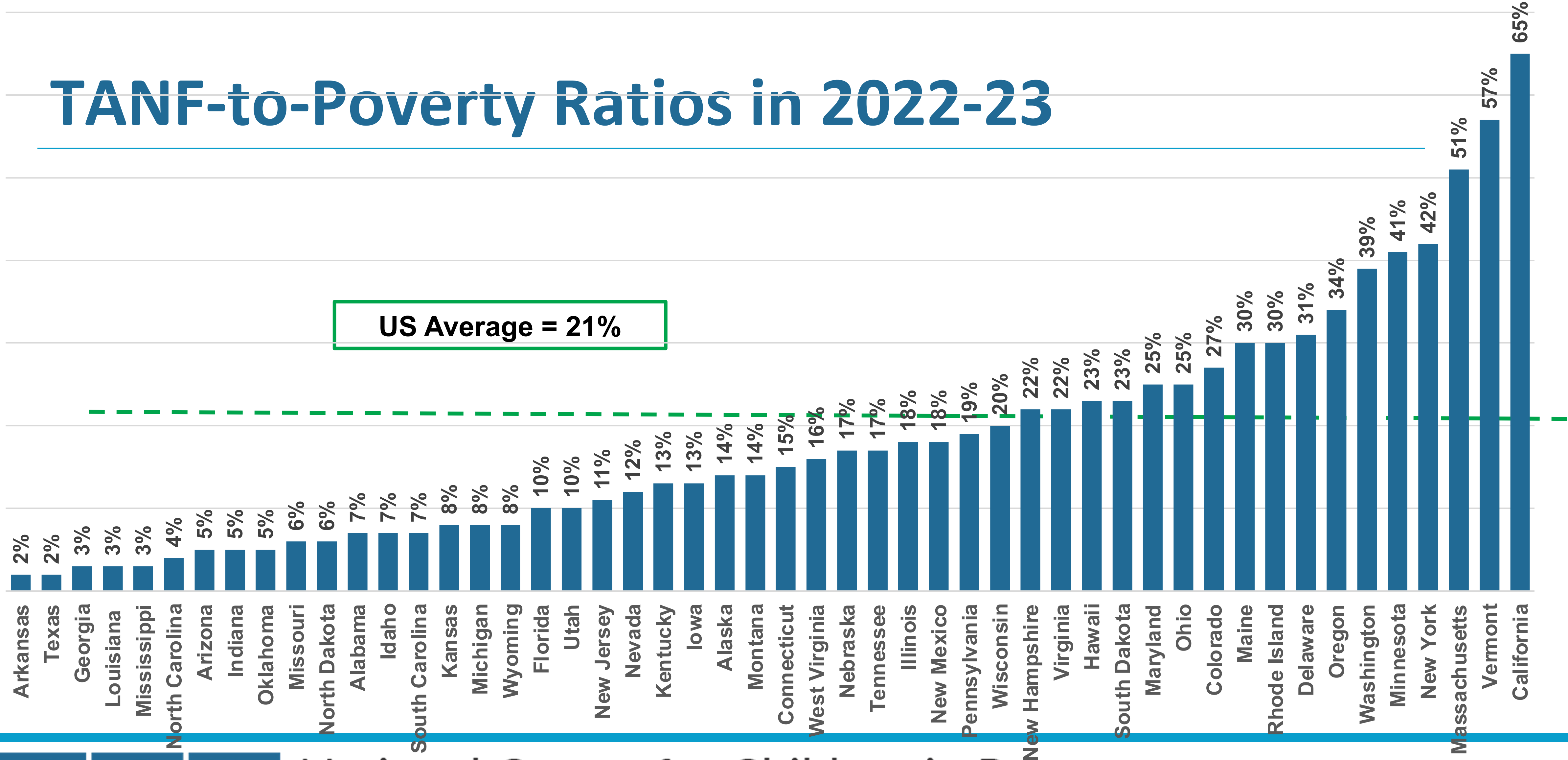
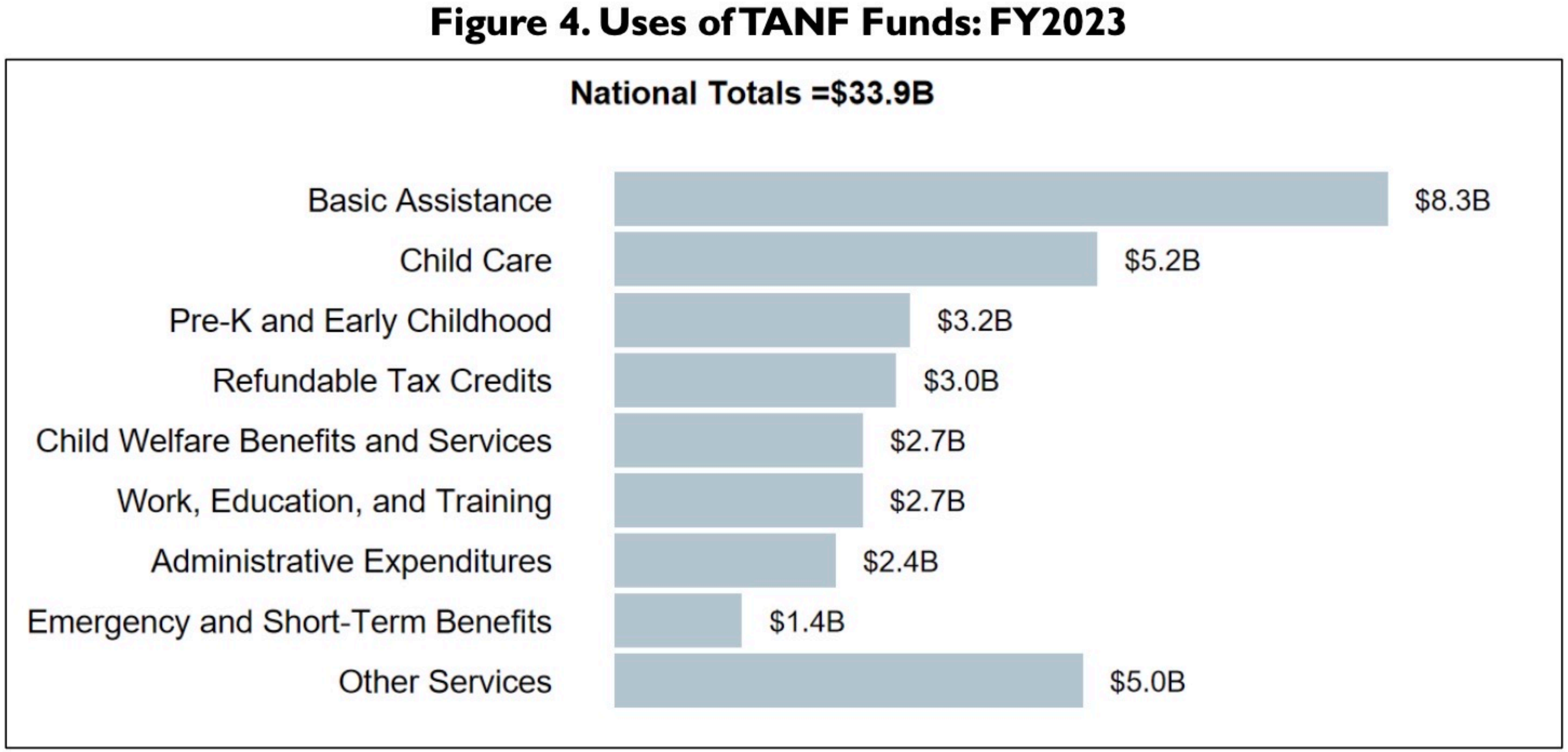
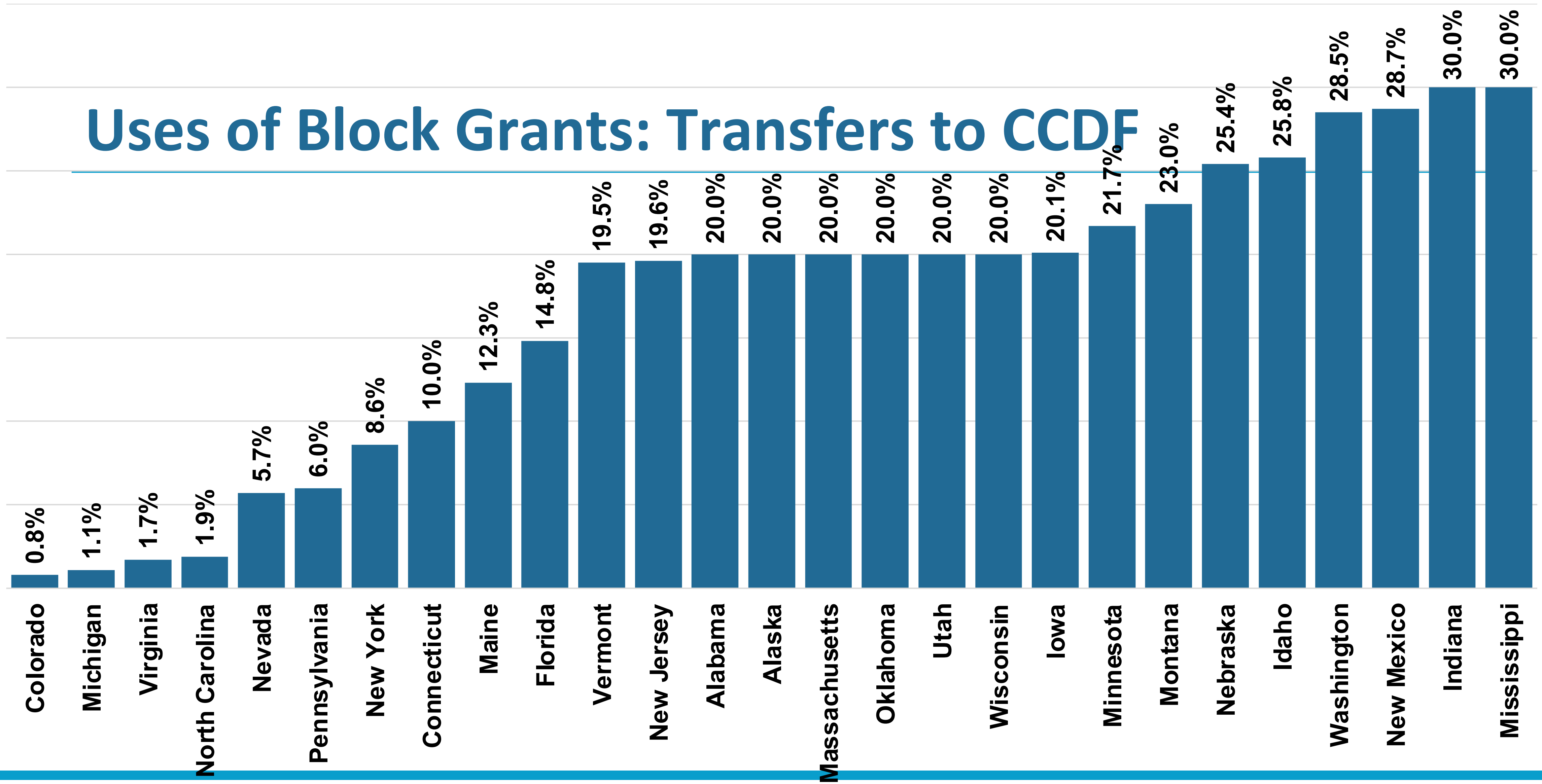
TANF-to-Poverty Ratios in 2022-23



A 2023 Overview for Uses of TANF Block Grants



Uses of Block Grants: Transfers to CCDF



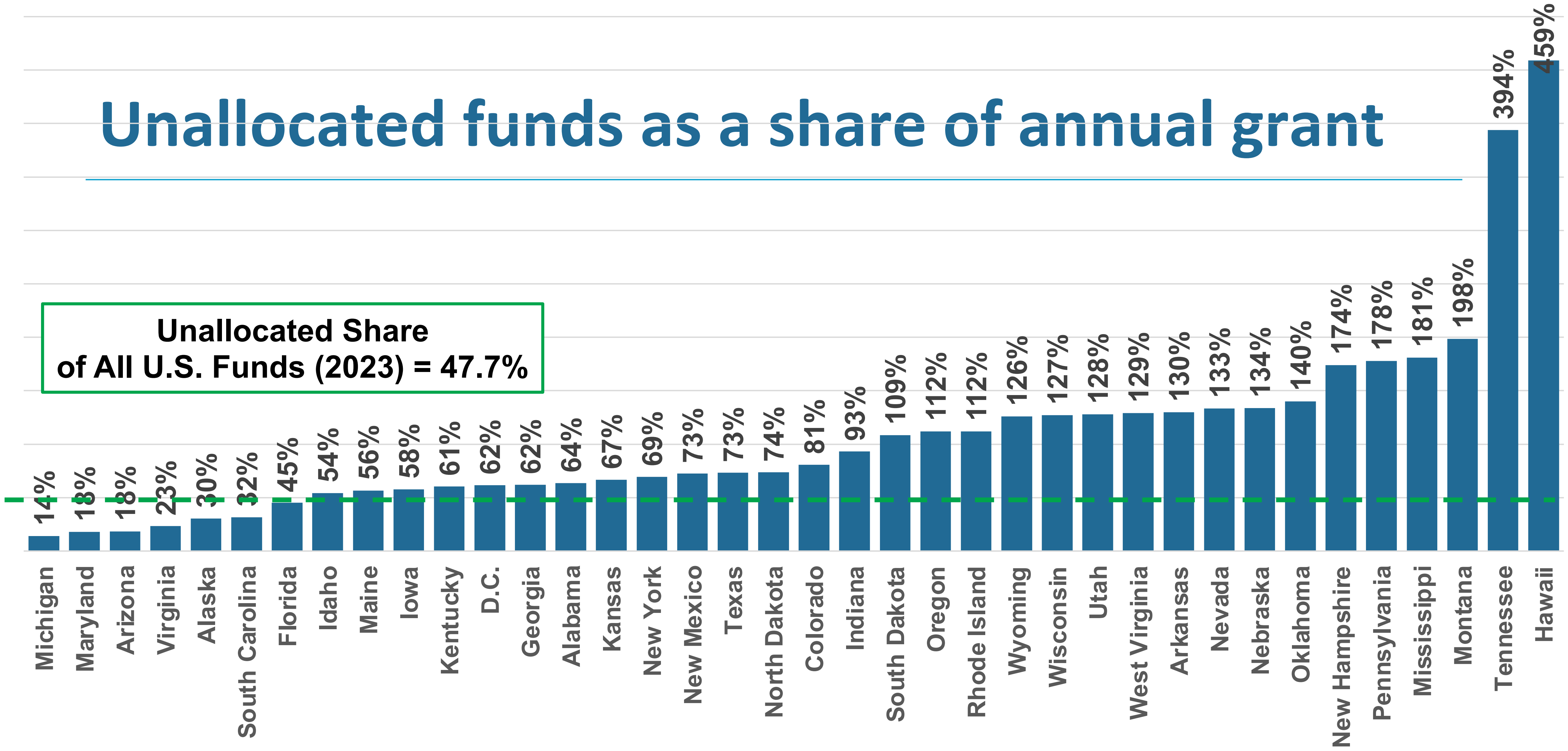
Some Guidelines on Transferring TANF Block Grants to CCDF or SSBG

- "Carry-over" funds from previous years cannot be transferred to CCDF or SSBG.
- The limit is 30% of the annual grant for the current year (or less if a transfer is also made to SSBG).
- If a state also transfers federal funds to SSBG, the combined total transferred to CCDF and SSBG cannot exceed 30% of the total grant. (The cap on transfers to SSBG has been 10% of the total in recent years, but it may be reduced to 4.25% in future.)

“Unliquidated obligations” vs. “Unobligated balances”

- Some states report a significant amount of their annual TANF grants as “unliquidated obligations.” They are generally reserved in future payment for expenditures, quite possibly committed in explicit contracts that may come due in the following year.
- We note that some federal guidelines are likely to include these amounts with unobligated amounts as “carry-over” funds, since both have remained unspent in the current year.
- We have noted that there are states with significant unliquidated obligations,* and no unobligated funds, and vice versa.
- For clarity, we have found it helpful to refer to unobligated amounts as **unallocated funds**, and have focused on those in our resources as potentially available and therefore of special interest to advocates.

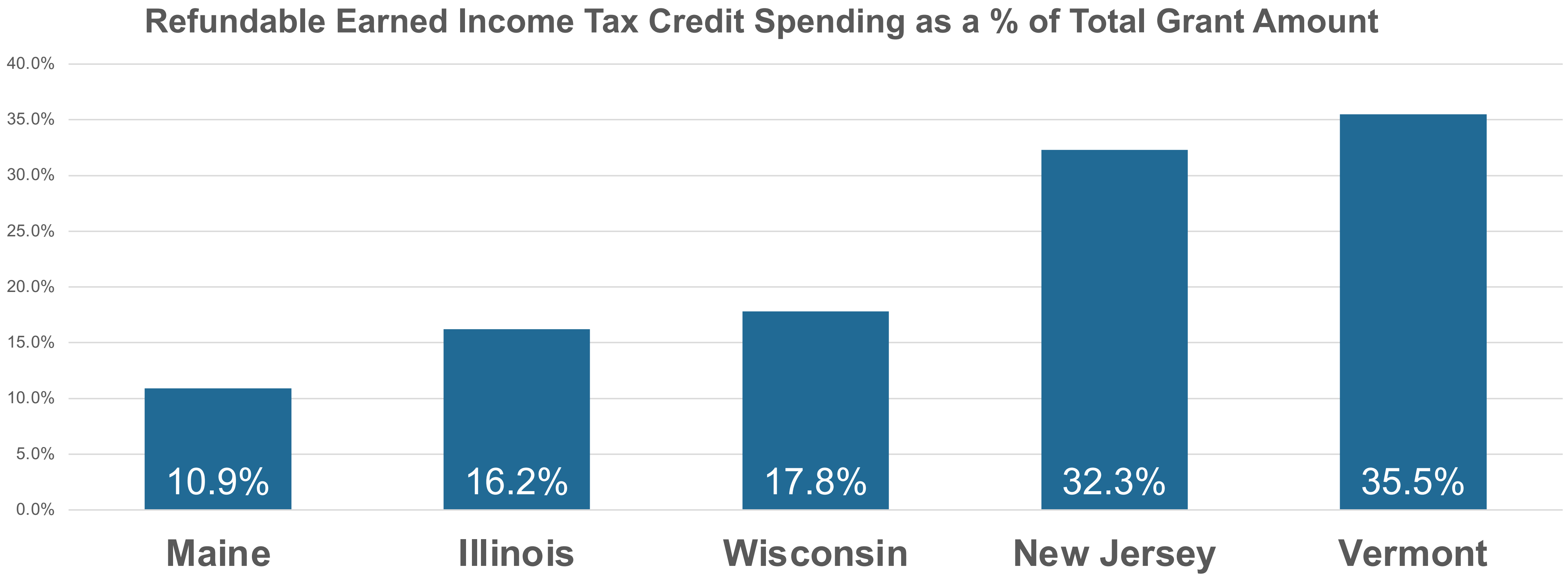
Unallocated funds as a share of annual grant



Guidelines for Using Unallocated Funds

- ✅ Cash Assistance: Until FY2006, this was the *only* legitimate use of “carry-over” TANF funds.
- ❌ Transfers to CCDF Discretionary or Social Services Block Grants (SSBG)
- ✅ Refundable Earned Income Tax Credits (EITCs)
- ✅ Pre-Kindergarten/Head Start
- ✅ Child Welfare Services (with restrictions)
- ✅ Child Care (either “Assistance” and “Non-Assistance”)
- ✅ Job skills training or re-training, employment counseling, parental counseling, teen pregnancy prevention, services for victims of domestic violence, after-school programs, home visiting programs, relative foster care maintenance payments/adoption & guardianship subsidies.

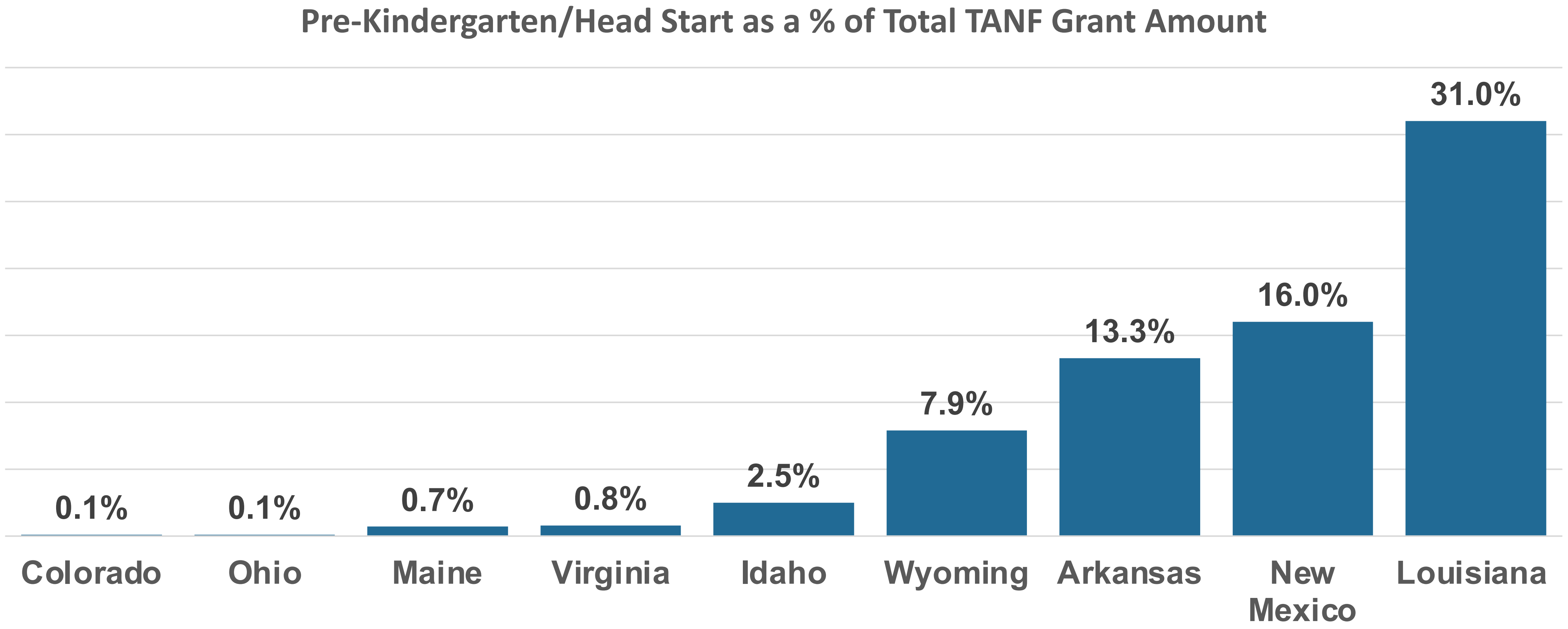
Uses of TANF Block Grants: Refundable State EITC



Some Guidelines on Spending TANF Block Grants on Refundable State EITCs

- Unallocated funds as well as "current year" funds can be used in this way.
- Because spending must align with one of the four program purposes, TANF-funded EITCs can be provided only to low-income families with children (usually under 200% FPL).
- There does not appear to be a cap on the amount that can be used in this way.
- Tax credits are designated as "non-assistance," so that they are not subject to any of the federal requirements for cash assistance, such as the 60-month time limit.

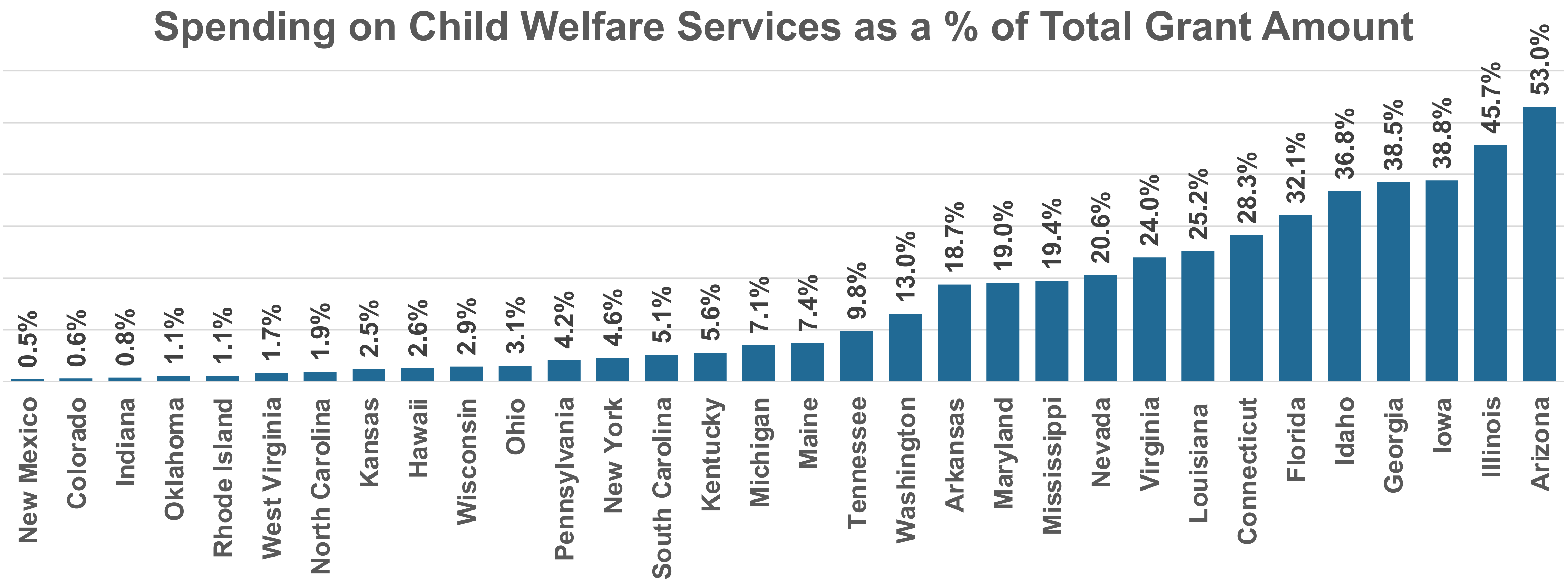
Uses of TANF Block Grants: Head Start/PreK



Some Guidelines on Spending TANF Block Grants on Head Start/PreKindergarten

- Unallocated funds as well as "current year" funds can be used in this way, and there appear to be no caps on the amount.
- Because spending must align with one of the four program purposes, these and other TANF-funded services must be provided only to low-income families with children (usually under 200% FPL).
- Pre-K can be classified as either "child care" or "early care" for working families, or "assistance" for those not working.
- **TANF funds may not pay for services that are part of a state's existing public education system, e.g., universal public pre-k programs. "General government expenses" cannot be shifted to the TANF program.**

Uses of TANF Block Grants: Child Welfare Services



Some Guidelines on Spending TANF Block Grants on Child Welfare Services

- States may not transfer TANF funds to child welfare programs like Title IV-B or Title IV-E.
- However, states may use unallocated or current year TANF funds for kinship care support services, family preservation and reunification services, or short-term crisis intervention.
- There is a workaround: states can transfer up to 10% of TANF grant to their SSBG funds, and *then* use those funds for child protective services, foster care, case management, counseling, and family support services, in compliance with Title XX rules rather than TANF regulations.

"Can my state use its unallocated TANF funds to backfill WIC during the shutdown?"

It's complicated.

❌ **Transferring funds to the WIC program would violate the Antideficiency Act.**

✅ **However, the state can provide WIC-like services with TANF funds (including with unallocated amounts from previous years). It will need to quickly create a nutritional resource that it would report under TANF as "non-recurrent, short-term benefits" that would not extend beyond four months. More stipulations:**

- Payments would need to be made from the state and not through USDA SNAP or WIC accounts.
- These could involve TANF vouchers for TANF-eligible families that provide access to nutritional support.
- This would need to be tied to at least one of the four purposes of TANF. To provide such assistance to families above strict TANF income eligibility levels is possible. There are precedents for such actions in different states. Please ask for more information.

Uses of TANF Block Grants: Innovative State Programs Funded by TANF

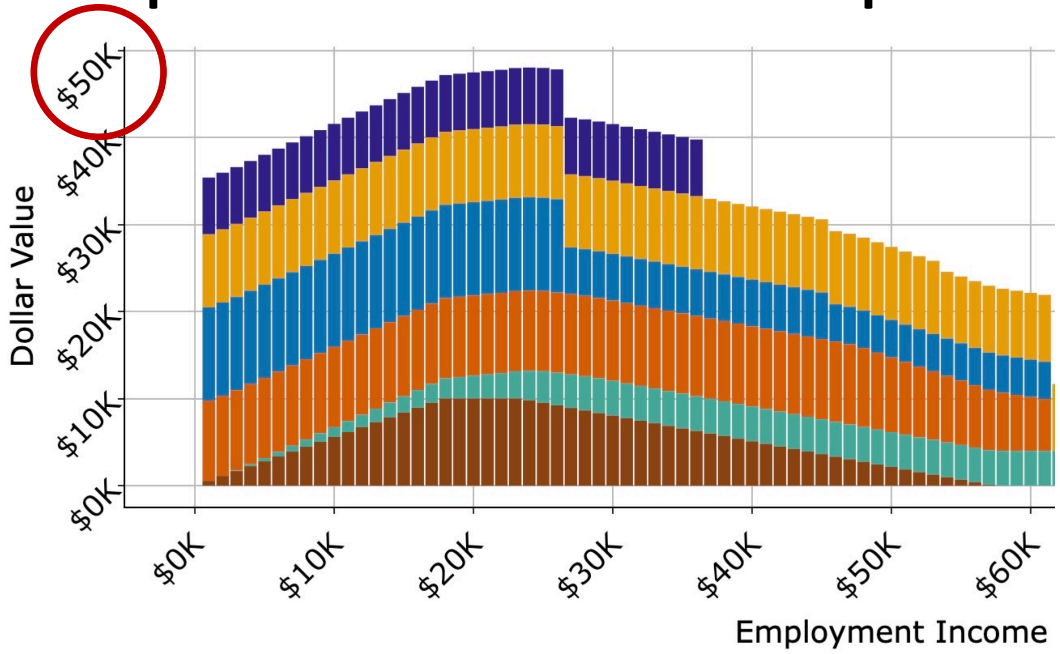
- **Hawaii**: Provides up to $500/month housing supplement for families in TANF or a related state program (TAONF) who are in a work program
- **Colorado and Utah**: Have had various programs to either prevent homelessness, possibly by providing short-term, non-recurrent rental support and repairs. *These vary across counties and are contingent on changing funding levels.*
- **Massachusetts**: Has used TANF to provide Homeless Coordinators, etc.
- **Maine**: Helps up to 2,000 low-income / TANF families pursuing 2- or 4-year degrees through its "Parents as Scholars" program, providing cash benefits, books & supplies, childcare, transportation.

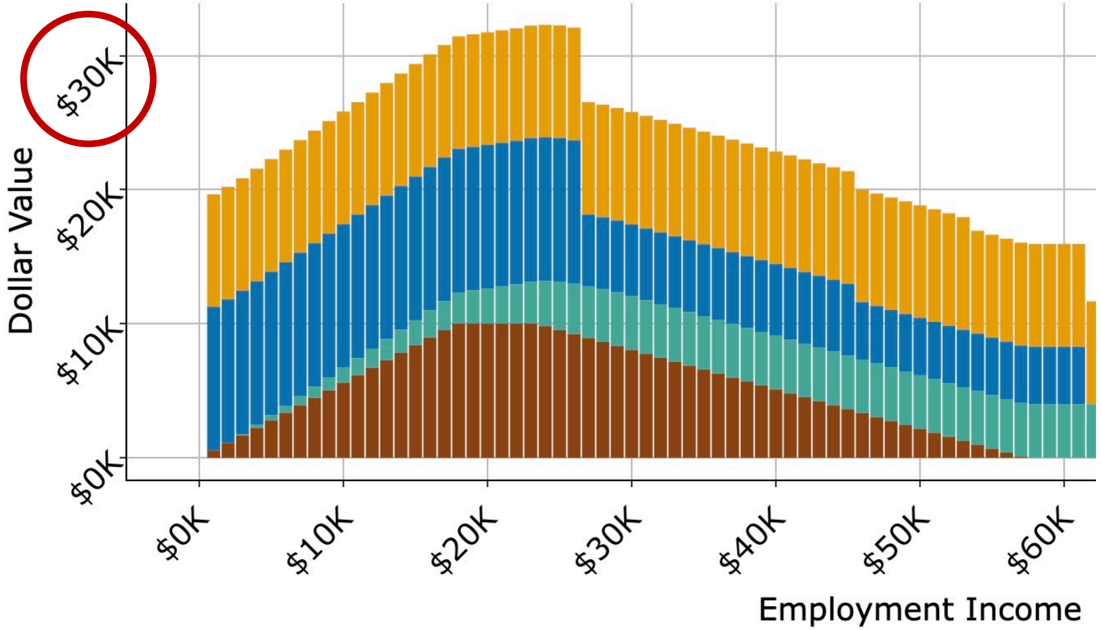
Uses of TANF Block Grants: The Tennessee Opportunity Act

- In 2021, Tennessee enacted the Tennessee Opportunity Act (or TOA) to direct about $300 million of previously unallocated funds to purposes that would benefit low-income families.
- As part of this effort, the Act created the Tennessee Opportunity Pilot Initiative (TOPI), which funded seven $25 million competitive grants to nonprofits across the state, with the explicit aim to improve the economic mobility and self-sufficiency of low-income families throughout Tennessee.
- One of those pilots, to address benefit cliffs, has been showcased in a previous FES session. (Please ask for details!)

Upcoming 10/29 presentation on TANF Cash Assistance: Introducing Updated and Expanded TANF State Profiles

TANF Cash Assistance may be especially important to families in the coming months and years, since it can provide a great deal of help in states with policies that extend and expand the support (like Connecticut).





Upcoming 10/29 presentation on TANF Cash Assistance: Introducing Updated and Expanded TANF State Profiles

NCCP's new **TANF state profiles for 2025** will feature 24 TANF policies determined by state or local legislators and administrators.

We also suggest potential improvements or recommendations to provide additional support to families who are likely experiencing material hardship.

You will begin to receive these from us in the coming weeks, as we complete them state by state!

WHAT ARE ALABAMA'S WORK REQUIREMENTS FOR CASH ASSISTANCE?		
Flexibility	**Current policy**	**Potential improvement**
Provision of cash assistance to out-of-work parents before they search for a job Does Alabama provide eligibility to parents or caregivers without a search for employment?	No. Parents must apply to at least three jobs before receiving cash assistance.	**Many states, including Florida, Kansas, and Texas, provide cash assistance to families in need before parents/caregivers have completed a job search.**
Exemption for caregivers of infants Are parents or caregivers caring for a child under twelve months of age exempt from work requirements?	No. Caregivers of infants are exempt only until the child reaches three months of age.	**Extending exemptions from work requirements until children reach one year of age reduces parental stress and supports optimal early development outcomes.** Examples: **Mississippi and Texas provide exemptions to single custodial parents and caregivers**

Thank you for listening.

Please reach out with any additional questions:
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