OLR Backgrounder: Temporary Family Assistance (TFA)

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May 28, 2020 | 2020-R-0150

Issue

This report provides an overview of Temporary Family Assistance (TFA), Connecticut's cash assistance program, and Temporary Assistance for Needy Families (TANF), the federal block grant that funds TFA. It includes information about work requirements associated with cash assistance and state-by-state assistance amounts.

Summary

Temporary Family Assistance (TFA) is Connecticut's cash assistance program for families. The federal Temporary Assistance for Needy Families (TANF) block grant funds TFA, as well as other programs related to poverty reduction, child welfare, and job training.

The federal Personal Responsibility and Work Opportunity Act (PRWORA) (P.L. 104-193) established TANF in 1996, replacing a broader welfare program with a block grant to states. States describe their TANF-funded programs in state plans, which are subject to approval by the Administration for Children and Families (ACF) within the U.S. Department of Health and Human Services (HHS). While states have discretion in how they spend TANF, TANF-funded cash assistance triggers additional requirements, including work participation rates and lifetime time limits.

In Connecticut, the Department of Social Services (DSS) administers TFA. As of January 2020, the state's overall TFA enrollment was slightly more than 20,000 individuals, down more than 50% since 2012. The monthly payment standard (the maximum benefit amount) for a family of three ranges from $589 to $698.

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TANF Block Grant

The TANF block grant provides funds to states to support a wide variety of programs and services. States must also contribute their own funds towards a "maintenance of effort" requirement.

While TANF is best known as a funding source for ongoing cash assistance for families, nationwide most TANF funds are used for other purposes. These include child care funding; work-related activities, including education and training; state refundable tax credits; and child welfare systems, including foster care and adoption assistance.

Welfare Reform
TANF replaced Aid to Families with Dependent Children (AFDC), a grant program established in 1935 to provide cash welfare payments for needy children whose parents were absent, incapacitated, deceased, or unemployed.

Proportions vary widely by state. States describe their TANF-funded programs in state plans, which are subject to approval by ACF. Generally, programs must meet one of TANF's four statutory purposes:

1. provide assistance to needy families so that children can be cared for in their own homes or in a relative's home;

2. end needy parents' dependence by promoting job preparation, work, and marriage;

3. prevent and reduce the incidence of out-of-wedlock pregnancies; and

4. encourage the formation and maintenance of two-parent families (42 U.S.C. 601).

According to the Congressional Research Service (CRS), the block grant amount established by PRWORA, $16.6 billion, remained unchanged until federal fiscal year (FFY) 2017, when it was reduced slightly, to $16.5 billion.

TANF Cash Assistance

Work Requirements

For TANF-funded cash assistance, states must meet federal work participation standards, which generally require that 50% of the caseload meet participation standards (i.e., a family member must participate in specified activities for a minimum number of hours), with a higher standard for two-parent families. These standards apply to the overall caseload; states establish work rules that apply to individual assistance recipients. For purposes of calculating their work participation, some states, including Connecticut, report no two-parent families receiving cash assistance. These families may be served by solely state-funded programs.

In practice, states are often not subject to the 50% standard, as they can reduce it through credits for reducing their caseload ("caseload reduction credits"). According to CRS, the overall nationwide caseload for cash assistance (through TANF or its predecessor) has declined from a peak of 5.1 million families in 1994 to 1.2 million families in 2018. HHS can also waive penalties if it finds that states have reasonable cause for not meeting the standard.

At the same time, many households receiving TANF-funded cash assistance have no adults who are subject to work participation requirements. According to CRS, 41% of households receiving benefits in FFY 2017 were "child-only," meaning that no adults receive assistance in their own right; the family receives benefits on behalf of its children. These households include those in which the adult is a caretaker relative (e.g., a grandparent) rather than a parent, or those in which the parent receives federal Supplemental Security Income (SSI) and is therefore ineligible for TANF-funded cash assistance. For these households, work participation requirements do not apply.

State-by-State Maximum Benefit Amounts

Figure 1 shows maximum benefit amounts in 50 states and Washington D.C. for 2018. For states with multiple maximum amounts, the one that applies to the largest portion of the caseload is shown.

Figure 1: Maximum Monthly Benefit (2018)
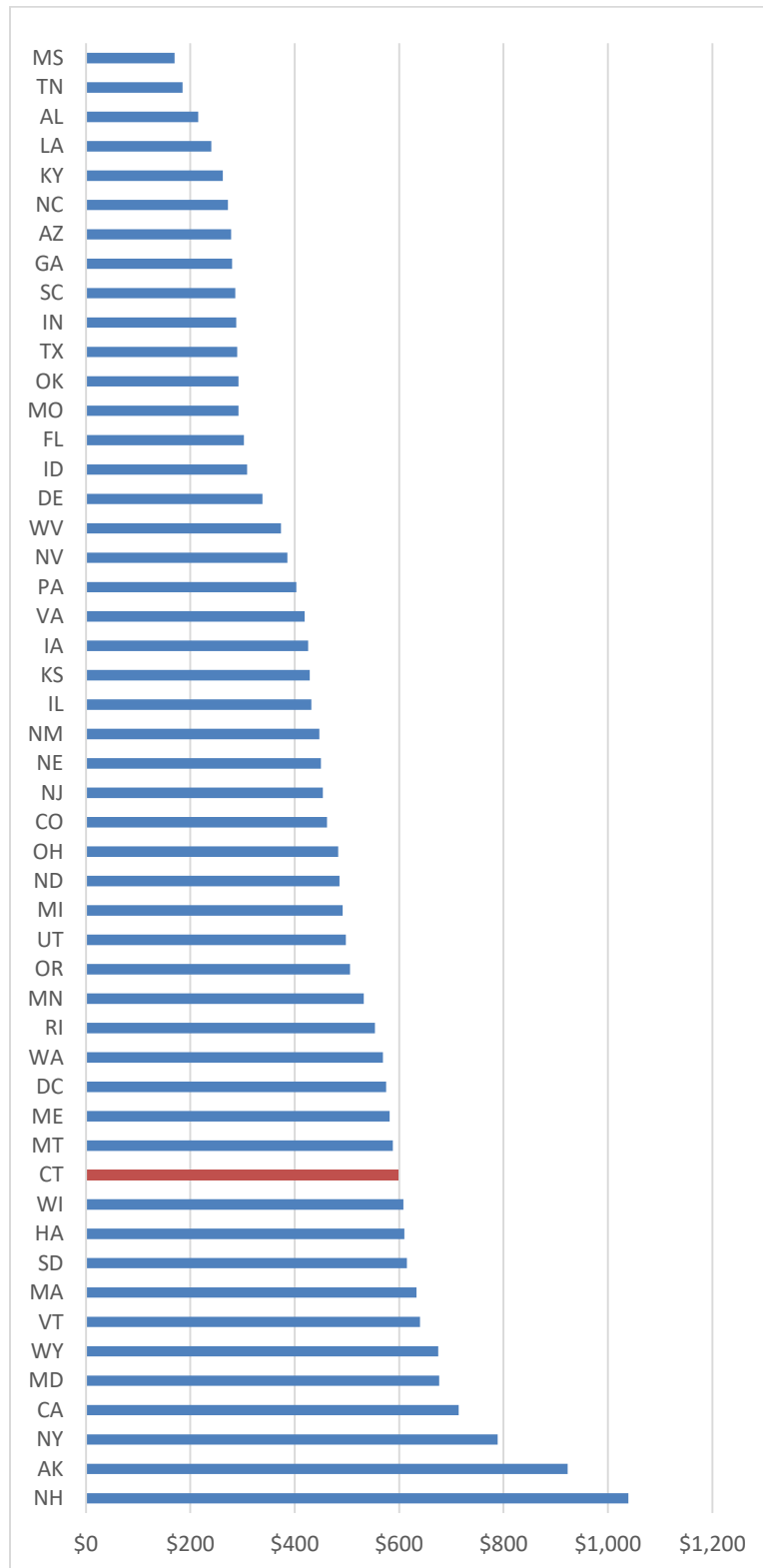
Source: Urban Institute Welfare Rules Databook

Temporary Family Assistance in Connecticut

Like other states, Connecticut uses a small portion of its TANF funds for cash assistance and the rest for other purposes (e.g., childcare assistance, child welfare activities, and other workforce initiatives). TFA is Connecticut's TANF-funded cash assistance program, administered by DSS. Federal law generally applies a 60-month lifetime limit for receiving TANF-funded cash assistance, though states may establish shorter time limits. Connecticut applies a 21-month limit on TFA, but families may apply for 6-month extensions.

As of January 2020, enrollment was just above 20,000 individuals, down more than 50% since 2012 (see Figure 2).

Figure 2: Statewide TFA Enrollment (2012-2020)
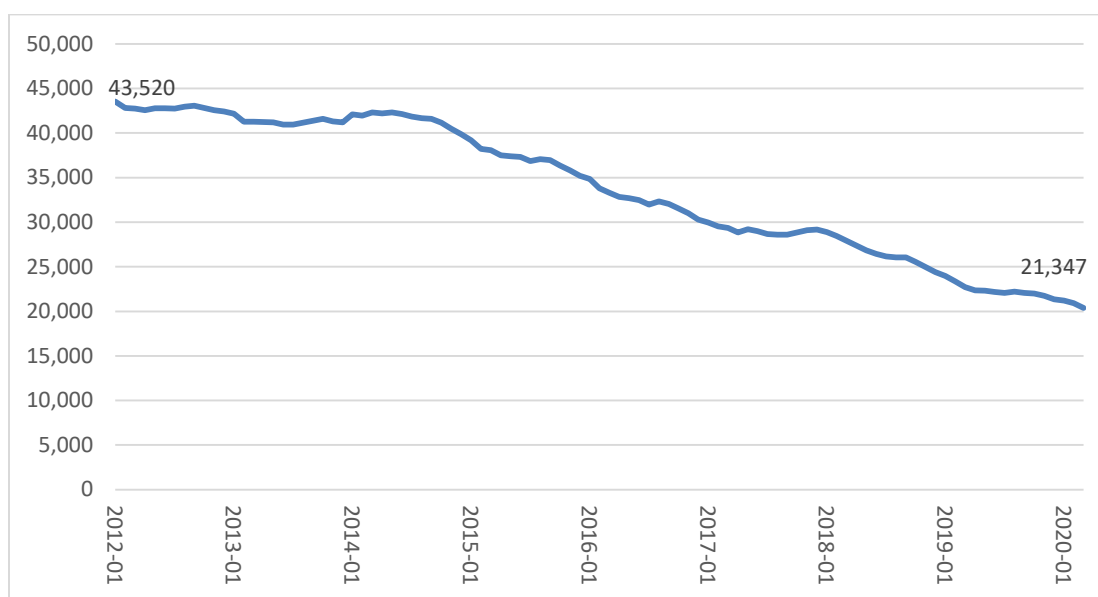
Source: DSS

Eligibility and Benefit Amount

To be eligible for TFA, a family must (1) have a dependent child (or pregnancy) and (2) meet income and asset limits. The income limit for TFA applicants is known as the Standard of Need (SON), a monthly standard that represents the amount deemed necessary for the normal, recurring, basic needs of a family. The SON depends on the (1) applicant's family size and (2) region of the state in which the family resides. The asset limit is $3,000. DSS excludes certain types of income and assets when determining eligibility (e.g., life insurance policies and a car below a certain value).

The benefit amount is based on a payment standard that also depends on family size and region. The monthly payment standard (the maximum benefit amount) for a family of three ranges from $589 to $698 (TANF State Plan, p. 52). DSS deducts certain types of income from the payment standard to calculate the monthly benefit amount (e.g., child support above $50).

Work Activities

By law, adults receiving assistance must participate in work activities unless they are exempt (e.g., caring for a family member with a disability). The Department of Labor administers the Jobs First Employment Program (JFES), which provides employment services to those TFA recipients not exempt from work requirements. JFES services may include job search, education, training, employment (subsidized or unsubsidized) and case management. JFES case managers may help TFA recipients find childcare and transportation and refer them to community support providers.

Resources

ACF, *"TANF 12th Report to Congress,"* January 25, 2018.

CRS, *"The Temporary Assistance for Needy Families (TANF) Block Grant: Responses to Frequently Asked Questions,"* December 30, 2019.

DSS, *"Temporary Assistance for Needy Families (TANF) State Plan, FFY 2018-2020,"* October 2017.

DSS, *"Temporary Family Assistance Fact Sheet,"* July 2014.

OLR, *"Issue Brief: Temporary Family Assistance,"* November 7, 2017.

Urban Institute, *"Welfare Rules Databook: State TANF Policies as of July 2018,"* September 19, 2019.

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