



Establish guidelines for the appropriate use of TANF funds

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Issue Overview

Temporary Assistance for Needy Families (TANF) is a block grant created by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, replacing the Aid to Families with Dependent Children (AFDC) program. States can use TANF dollars in ways designed to meet any of the purposes set out in federal law. These include providing cash assistance, promoting job preparation, work and marriage and preventing out-of-wedlock pregnancies.

NH has used TANF funds in many ways to strengthen families with children including child care, rental guarantees, emergency assistance, transportation, education and job training. These strategies helped NH earn performance bonuses prior to the reauthorization of TANF in 2006. As caseloads dropped in the late 1990's and bonuses were earned, unspent TANF funds became known as the "TANF reserve".

The "reserve" has been repeatedly depleted to fund other programs as NH's budget problems grew in the last decade. For example, \$6.5 million a year has been redirected to the juvenile justice system. The current budget continues this practice. By SFY 2011, the TANF reserve will have been emptied and TANF is projected to be \$4 million in the red.

There are major pressures on TANF spending moving forward. Caseloads continue to rise, unemployment benefits run out for thousands and ARRA money will not be available.

Proposed Solution

We propose that should future funds become available to replenish the reserve, that legislation be in place to limit how these funds can be used to ensure that the population in the most need, children in poverty, is the population first served.

The Family Assistance Advisory Council is working with Representative Tom Donovan and others to introduce legislation that would restrict the use of TANF funds to programs and activities that specifically support the safety net for children and help move the adults from assistance to work. The highest priority would be to increase TANF grants to families to support the family's basic needs. Support for work activities, child care, transportation, education and training would be second tier priorities.

Call to Action

In leading this Priority, the members of FAAC are committed to using their combined networks and resources toward working to increase public awareness of the status of children in TANF families and support advocacy to achieve passage of this legislation. Many of the members of the FAAC are associated with NH CAN member organizations and can coordinate efforts with other NH CAN members and advisors.

Poverty plays a key role in children's well-being. Children who live in poverty are at an increased risk for poor health, cognitive, social and educational outcomes. Because this issue crosses into all four priority areas identified by NH CAN, having the network engaged will help raise awareness of the devastating effects poverty has on children and society.