

Using TANF Funds to Support Families Impacted by Covid-19

To the extent that states have federal or state TANF funds available, they can use them to provide temporary help to families impacted by covid-19. For example, parents may not have adequate resources to meet their family's basic needs if they are laid off from their jobs or need to miss hours of work. Loss of work hours could be because their children's school is closed or because of reduced work hours due to the impact of the virus on their place of work. Unlike some other programs like SNAP, TANF does not provide states with additional options or resources when disaster hits. That means any support states provide using federal TANF funds must come from the state's existing allocations and must meet the same requirements and restrictions that always apply to the use of TANF funds.

Key considerations for using TANF funds include the following:

- **TANF funds can only be spent on families with children – they cannot be used to provide support for single adults.**
- **TANF funds must be spent on needy families (as defined by the state).**
- **Benefits should be provided as short-term, nonrecurrent benefits TANF funds so as to avoid triggering certain TANF requirements.¹**

Here are some examples of things states could do:

- *Existing emergency assistance:* The TANF agency could clarify ways that workers can use existing emergency assistance programs by issuing guidance that highlights ways in which coronavirus-related circumstances can qualify a family for this aid.
- *Expand existing programs:* A state may be able to quickly build on an existing program such as emergency assistance or disaster assistance, by raising eligibility limits to serve a broader group of families or expand the scope of when and what benefits can be provided.
- *Create new programs:* A state could create a new covid-19-specific or disaster-relief-specific program to provide temporary cash to families. There could be minimal eligibility detail required with no asset tests and broad income guidelines, such as serving families with income under 200 percent of the federal poverty line. A state could provide the same assistance to childless individuals by using state funds.
- *Disregard discontinued income:* For any approach that looks at financial need, it is important that the state disregard any discontinued income from prior months or even if received earlier in the month. The loss of income is the need being addressed.
- *Suspend policies that impede appropriate responses to addressing Covid-9.* States should suspend mandatory work requirements for applicants and recipients and should not impose any TANF sanctions or time limits during a time of emergency.

¹ Short-term, nonrecurrent benefits – defined as meeting up to four months of needs – are not considered “assistance.” Receipt of “assistance” would trigger TANF requirements such as time limits, work requirements and child support assignment.