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Extension of the Temporary Assistance for Needy Families (TANF) Block Grant in the Consolidated Appropriations Act: In Brief

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Introduction

The FY2017 Consolidated Appropriations Act (P.L. 115-31) extends funding for the Temporary Assistance for Needy Families (TANF) block grant for the remainder of FY2017 and for FY2018. It also revises the financing and activities of TANF-related research and evaluation. The changes to TANF-related research and evaluation are substantially the same as in a 2016 House-passed bill (H.R. 5170; 114th Congress).

The TANF block grant is best known for providing monthly assistance (often called “welfare”) for needy families with children. However, TANF is a broad-purpose block grant to states, tribes, and territories that provides funds for a wide range of benefits and services to ameliorate and/or address the root causes of childhood economic disadvantage. In addition to monthly assistance, TANF provides funding for work and job preparation activities for needy parents and youth; child care subsidies; earnings supplements, including refundable tax credits; early childhood development programs; and programs for families where children are at risk of, or have been subjected to, abuse and neglect. For an overview of TANF, see CRS In Focus IF10036, *The Temporary Assistance for Needy Families (TANF) Block Grant*.

TANF Funding

TANF was created in the 1996 welfare reform law, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193), with funding originally authorized and appropriated through FY2002. TANF was never “reauthorized,” but instead continued to operate under temporary extensions until a five-year extension was enacted in the Deficit Reduction Act of 2005 (DRA; P.L. 109-171). Since the expiration of the DRA extension at the end of FY2010, Congress has acted annually to extend TANF funding.

The FY2017 Consolidated Appropriations Act extends TANF funding for the remainder of this fiscal year and for FY2018 as well. Thus, TANF funding does not expire until September 30, 2018, eliminating the need to further extend TANF funding this calendar year. The act appropriates funds for the basic TANF block grant (\$16.5 billion for the 50 states and District of Columbia) and responsible fatherhood and healthy marriage competitive grants (\$150 million) at the same level as in past years. However, basic block grant funding to the states is reduced by 0.33% to finance TANF research, evaluation, and technical assistance. Each state’s TANF block grant is reduced by that percentage. TANF contingency funds—provided to states that meet certain criteria—would be provided at \$608 million for FY2018. (The contingency fund appropriation for FY2017 was made in P.L. 114-113, which made available \$583 million for contingency fund grants to states.)

TANF Research

The FY2017 Consolidated Appropriations Act revises provisions related to TANF research and evaluation. The 1996 welfare reform law authorized two separate types of TANF research and evaluation activities. The Department of Health and Human Services (HHS) is required to conduct research on the benefits, effects, and costs of state programs under the TANF block grant. The 1996 welfare law also provided the Census Bureau with funding to continue following families from the mid-1990s sample in the Survey of Income and Program Participation (SIPP). That survey, known as the Survey of Program Dynamics, followed the same families from 1992/1993 through 2002. Subsequently, the funds were used for Census Bureau research related to the SIPP.

Originally, the HHS and Census Bureau research activities were funded with separate appropriations. Before FY2017, both activities were funded through set-asides and transfers from the TANF contingency fund. HHS research has been funded at \$15 million per year; the Census Bureau has been provided \$10 million per year for its welfare reform-related research activities. No separate funding has historically been provided for HHS to provide technical assistance to the states, tribes, and territories that operate programs funded by TANF.

The FY2017 Consolidated Appropriations Act revises TANF research and evaluation activities, and adds funding authority for technical assistance. It reserves 0.33% of the basic TANF block grant, \$54.7 million, for TANF-related research, evaluation, and technical assistance.

What Works Clearinghouse

The FY2017 Consolidated Appropriations Act requires HHS, in consultation with the Department of Labor, to develop a database named “What Works Clearinghouse of Proven and Promising Projects to Move Welfare Recipients into Work.” This database will consist of the projects that used a promising or proven approach in delivering services to move TANF recipients into work. The database will also include a list of projects that used a developmental approach, and a list of projects that were ineffective in moving recipients to work.

Census Bureau Household Surveys

The FY2017 Consolidated Appropriations Act requires the Census Bureau, in consultation with HHS and the Bureau of Labor Statistics (BLS), to implement a new household survey and/or enhance existing household surveys to provide for the assessment of the effects of welfare reform on the economic and child well-being of low-income families. The Census Bureau, the Secretary of HHS, and BLS are required to consider ways to improve the surveys, and data derived from the surveys, to address underreporting of means-tested benefits; increase understanding of poverty spells, long-term poverty, and intergenerational poverty; better understand the geographic dimensions of poverty; increase understanding of the effects of means-tested benefits and tax benefits on the earnings of low-income families; and improve how poverty and economic well-being are measured, including measures of consumption, material deprivation, social exclusion, and economic and social mobility. Of the 0.33% of the basic block grant reserved for research, evaluation, and technical assistance, at least \$10 million is required to be provided to the Census Bureau for these activities.

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