

TANF Funds: A New Resource for Youth Programs

by Marie Cohen

A new funding source is available for cash-strapped youth employment/development programs. Temporary Assistance for Needy Families (TANF) is the successor to Aid to Families with Dependent Children (AFDC). While AFDC funds were used mainly to provide cash aid to needy families, TANF funds are available for a much wider array of purposes. Since many youth programs can be shown to serve these purposes, they can potentially gain access to the \$7.6 billion in unspent TANF funds, as well as the TANF funds that continue to flow to the states.

For What Purposes can TANF Funds be Spent? When Congress created TANF, it outlined four purposes for the program. The purposes most applicable to youth development and employment programs might be the prevention of out-of-wedlock births and the promotion of marriage. In a guide which is available at www.acf.dhhs.gov/programs/ofa/funds2.htm, HHS has indicated its intention to view these purposes broadly so that TANF can be used to fund any program that can be “reasonably calculated” to accomplish a TANF purpose. Programs that most likely could receive TANF funds include:

- Any program that has been shown to reduce out-of-wedlock births, that is similar to such a proven program, or that might logically be assumed to reduce out-of-wedlock births.
- Any program that keeps teens in school.
- Any program that is likely to promote marriage, which could include programs that provide young men with opportunities to succeed in the labor market.
- Programs that “improve the motivation, performance, and self-esteem of youth.”
- Programs that supervise youth who would otherwise be on their own.
- The addition of a pregnancy prevention component to an existing program.

Who can be eligible for TANF-funded services? Some youth advocates may believe that TANF funds can be spent only on families receiving TANF cash assistance. However, this is in fact not the case. States have discretion to serve other families. Already, some states are extending TANF-funded services to families up to 150% or even 200% of the poverty level. Moreover, a state can choose to spend TANF funds for pregnancy prevention and promotion of marriage for families that are not needy. While we do not encourage states to spend these funds on services to people who can afford to pay for them, this flexibility allows states to fund programs that are targeted to a low-income area without documenting the income of every participant.

Do TANF funds trigger welfare requirements for program participants? Some youth advocates may fear that receiving TANF-funded services subjects youths to burdensome welfare requirements

(such as work or child support) or “uses up” part of their limited store of TANF cash benefits. But it is only the receipt of “assistance” that triggers these requirements and time limits. “Assistance” has been defined by HHS as “cash, payments, vouchers and other forms of benefits designed to meet ...ongoing basic needs.” Specifically excluded are services such as counseling, case management, and peer support. Thus, the types of services provided by most youth employment/development programs would not trigger requirements or time limits.

Do TANF funds trigger burdensome data requirements for programs? Some program operators may fear that TANF funds carry with them burdensome data requirements. In reality, states are required to provide detailed data on the characteristics of families receiving “assistance” as defined above, not on families receiving other types of services.

How Can Youth Programs Gain Access to TANF Funds? State or local welfare agencies might be able to allocate TANF funds to youth employment/development programs through interagency agreement or contract without legislative action. However, legislative action might be required by state law or might be necessary if the welfare agency is not interested in allocating funds to youth programs.

Are any youth employment/development programs currently accessing TANF funds? Illinois uses TANF among other funding streams to fund its \$18.5 million Teen REACH program, a multi-faceted program designed to promote good outcomes for youth high-poverty communities. The Wisconsin budget for the current fiscal year (which has yet to be approved by the full legislature) contains an appropriation of \$15 million over two years for a variety of services to at-risk youth with family incomes up to 200% of the poverty level. A number of other states are using TANF to fund youth development programs that stem from a teen pregnancy prevention perspective and include multiple components.

This is a great time to access TANF funds because most states have large surpluses of funds accrued in past quarters, even as funds continue to arrive every new quarter. There have been moves by some in Congress to take back these unspent funds. HHS, the President, and concerned members of Congress have all urged states to spend the funds. Youth programs should take advantage of this new opportunity to reach the many young people who need their services.

CLASP has published several documents about how to tap TANF funds for pregnancy prevention and teen parent initiatives, as well as other pieces explaining the welfare law and regulations. These publications are available on the CLASP website, www.clasp.org. For more information, contact Marie Cohen at CLASP, at (202) 328-5109 mcohen@clasp.org.

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