

TANF Funding and COVID-19: A Critical Opportunity

Since a national emergency has been declared, thousands of Georgians are suddenly eligible for income support as COVID-19 response measures are resulting in mass layoffs. Georgia has a unique opportunity to help families impacted by this public health crisis. Georgia leaders can deploy Temporary Assistance for Needy Families (TANF) funds to provide up to four months of non-recurring, short-term (NRST) assistance to families with children that were already at the bottom of the economic ladder and are now suffering from a loss of income.¹

Unlike the Supplemental Nutrition Assistance Program, TANF does not provide states with additional options or resources when a disaster hits. That means any support states provide using federal TANF funds must come from existing allocations, such as Georgia's TANF reserve funds. Thankfully, \$67,000,000 in unobligated TANF money sits in the treasury ready and available for the state to deploy as NRST in moments such as this.²

Georgia has immense flexibility to determine eligibility for NRST assistance, as long as the funds are spent on families with children, including grandparents raising children and foster families, and if those families meet the state's definition of financial need. Currently, that means families with incomes that do not exceed \$784 a month and assets of less than \$1,000 can receive NRST support.

However, the state can adjust the definition of need for NRST support to include families earning as much as 200 percent of the federal poverty level, or \$3,620 for a family of three.

Examples of NRST benefits that might help mitigate the impact of COVID-19 in Georgia include:

- Short-term benefits to make up for lost wages
- Short-term rental or mortgage assistance
- Utility and energy assistance
- Housing search and placement services
- Family support services to deal with stressful events



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During the Great Recession, Georgia used emergency TANF funds to establish the Fresh Start Program for deploying NRST benefits, which provided a one-time crisis payment of up to \$3,000 to help families catch up with shelter expenses and obtain or retain housing. Families with minor children (and noncustodial parents participating in the state's Fatherhood program) with incomes up to 300 percent of the federal poverty line qualified.

Tennessee is using TANF funds to offer Emergency Cash Assistance that provides two monthly cash payments to families who were employed as of March 11, 2020 and have lost a job or at least 50 percent of their earned income due to the COVID-19 emergency.

Moving forward, Georgia policymakers must consider using TANF more effectively to meet the needs of households with little or no income help. Georgia's TANF program reaches fewer families every year. Just five out of every 100 poor families can get the help they're likely eligible for through TANF.³

TANF's reach has fallen dramatically over the years because of various harmful rules that have reduced caseloads by pushing people off the program through harsh work requirements and sanctions. As Georgia has pushed tens of thousands of families off the program, the funding for TANF has shifted away from basic assistance to poor families to instead plug holes in other areas of the state budget, such as child welfare, that should be funded by other means. Georgia spends less than 20 percent of its total TANF block grant on basic assistance and has some of the most restrictive TANF rules in the nation.⁴

TANF Support Necessary to Close Poverty Gap Between Black and White Children

The COVID-19 pandemic will have an outsized impact on Black Georgians, who are overrepresented in the low-wage workforce, so support for the safety net is critical for preventing the widening of racial disparities. **Georgia's harsh rules and disinvestment have impacted Black families, who, because slavery and segregation led to current unjust policies that reinforce poverty, make up 70 percent of recipients.** The overrepresentation of Black families in TANF has undoubtedly resulted in policy changes that make the program punitive. Moreover, the use of funds for purposes other than basic assistance affects Black families; states that spend more on basic assistance are able to narrow the poverty gap between Black and white children.⁵ NRST benefits can help boost incomes for Black families, helping to make sure they do not fall further behind during the economic crisis.

Issuing NRST during this crisis will extend TANF's reach by providing much-needed financial relief to these families that are on the verge of being pushed deeper into poverty.

Endnotes

¹U.S. Department of Health & Human Services, Administration for Children and Families. (2020). Questions and answers about TANF and the coronavirus disease 2019 (COVID-19) pandemic. <https://www.acf.hhs.gov/ofa/resource/tanf-acf-pi-2020-01>

²U.S. Department of Health & Human Services, Administration for Children and Families. (2019). TANF and MOE spending and transfers by activity, FY 2018. <https://www.acf.hhs.gov/ofa/resource/tanf-and-moe-spending-and-transfers-by-activity-fy-2018-contains-national-state-pie-charts>

³Center on Budget and Policy Priorities. (2020, March 4). TANF should reach many more families in Georgia. https://www.cbpp.org/sites/default/files/atoms/files/tanf_trends_ga.pdf

⁴Camardelle, A. (2020). Repeal Georgia's cap on kids. Georgia Budget and Policy Institute. <https://gbpi.org/2020/repeal-georgias-cap-on-kids/>

⁵Parolin, Z. (2019). Temporary assistance for needy families and the Black–White child poverty gap in the United States. *Socio-Economic Review*. <https://doi.org/10.1093/ser/mwz025>