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## Congress Threatens to Cut TANF Funding While Need Rises

Temporary Assistance for Needy Families (TANF) is an important federal program designed to help needy families achieve self-sufficiency.

Nearly 4.4 million Texans live in poverty. At 17.9 percent, Texas' poverty rate is the 8th highest among the 50 states. Children in Texas are hit particularly hard: 25.7 percent, or more than one out of four children, are living below the poverty line.<sup>1</sup>

While TANF caseloads are projected to increase 7.6 percent from state fiscal year 2011 to 2013, federal funding for TANF remains stagnant and threatens to decrease.

### TANF Block Grant Structure Locks Texas in the Past

When TANF was created 15 years ago to replace Aid to Families with Dependent Children (AFDC)—an open-ended entitlement—Congress used a block grant structure to allocate TANF money to states. The TANF basic block grant was set at \$16.6 billion nationally in 1996 and remains at that same level today. The amount each state receives in federal TANF funding is based on the states' pre-1996 AFDC spending levels. TANF block grants are not adjusted for population growth or inflation.

Texas, in particular, has not fared well under this block grant structure. Tied to historically low spending levels, the basic TANF block grant in Texas is just \$486.3 million annually. Texas also usually receives a supplemental grant of \$52.7 million annually. The total share of federal TANF funds for Texas is typically \$539 million a year or roughly \$129 per poor person in 2009.

When adjusted for inflation, the value of the TANF basic and supplemental grants in 2010 dollars has decreased by 38 percent since 1996. As a high-growth, high-poverty state, Texas must do more with less each year under the TANF block grant.

### Supplemental Grants Provide Texas Much-Needed Additional Funding

Since the creation of TANF, supplemental grants have been awarded to 17 states with historically low federal grants per poor person or fast-growing populations. Texas receives \$52.7 million annually through the supplemental grant.

In 2011, Congress reduced funding for the supplemental grant, resulting in Texas being awarded 66 percent of the funding it received in previous years. Texas U.S. Representative Lloyd Doggett has filed HR 2277, the TANF Supplemental Grants Expansion Act, to restore the supplemental grant for 2011. Passage of this act will provide Texas almost \$18 million to help our most vulnerable families.



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The Short-Term TANF Extension Act was approved by the House of Representative on September 21, 2011. This act extends TANF through December of 2011 and prevents the elimination of funding for TANF programs; however, continuation of the supplemental grants was not included.

The President's budget proposal for federal fiscal 2012 restores full funding of the supplemental grant,<sup>2</sup> but that funding is yet to be approved. If the supplemental grant is not renewed by Congress, programs and services—most notably child protective services—will have to be cut or funded with general revenue in the next budget cycle (2014-15).

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<sup>1</sup> 2010 American Community Survey, U.S. Census Bureau.

<sup>2</sup> National Conference of State Legislatures: Overview of President's FY 2012 Budget. [www.ncsl.org/default.aspx?TabId=22203](http://www.ncsl.org/default.aspx?TabId=22203).

## About CPPP



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