



# TANF: A Good News Story from the States

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Temporary Assistance for Needy Families (TANF)-the program created by welfare reform in 1996-is a flexible block grant, meaning that while the federal government sets some general rules, states have been given an enormous amount of control, both over the ways that they spend the federal funds they receive and over the rules that they set for families receiving TANF cash assistance. This flexibility results in an enormous amount of variation from state to state.

Most of the time, when I see an article about a state legislative proposal that affects TANF cash assistance, it's about something bad that is happening. Outrage drives people to forward the article to their friends, to press the share button or to retweet. This is helpful-for example, the public outrage over the Tennessee proposal to punish families for children's failure at school by cutting benefits [led to the sponsor withdrawing the bill](#). But the good things that some state legislators are trying to do in TANF don't always get as much attention. So, this week, I'm highlighting some of the positive developments in the states.

**Asset limits:** Many states have rules denying cash assistance to families who have modest levels of savings. These rules are outdated, as the low benefit levels, stringent work requirements, and time limits on benefits are sufficient to ensure that families won't apply for TANF unless they really need the help. Moreover, these rules add to administrative costs and discourage low-income families from developing the habit of saving. In recognition of this fact, **Hawaii** acted this legislative session to eliminate the TANF asset limit. A **California** bill to exclude the value of a car from the asset limit has cleared the Assembly Human Services committee.

**Family caps:** Early in welfare reform history, a number of states adopted "family cap" policies, under which children who are presumed to have been conceived while the parents were receiving cash assistance are denied benefits. These caps were created to eliminate the presumed "incentive" that some felt was driving families to have more children so their cash benefits would increase. This policy has never been shown to reduce family size, but does increase child poverty and hardship among some of the most vulnerable families. The **California** Assembly Human Services committee has cleared [a bill to repeal the family cap](#) (known as the "maximum family grant" in California) and provide benefits to currently excluded children. This legislation is supported by a partnership of anti-poverty organizations and groups that oppose abortions.

**Employment and training:** The most reliable way to help families escape poverty is through employment in good jobs. However, many states spend only a small fraction of their TANF funds on employment and training programs. **Massachusetts** is [considering amendments to the budget bill that would create and provide \\$2 million in funding for a "Pathways to Family Economic Self-Sufficiency" Pilot program](#) to support a range of education and training activities related to gainful employment, including paid work-study positions, plus supportive services such as case management, job placement assistance, career counseling and funding to help with emergency needs. The **Nebraska** legislature is [considering a bill that would use existing TANF funds to create a subsidized employment program](#), modeled after those created under the TANF Emergency Fund that infused federal stimulus funds into TANF during the depths of the Great Recession. This would give employers opportunities to bring on additional employees to help their businesses grow, using wage subsidies that would phase out over time, following the model that [Mississippi's STEPS program](#) used under the Emergency Fund. Low-income workers would earn wages while acquiring valuable real work experience.

We know that when negative bills related to TANF are passed in one state, the next year there are sure to be copycat bills in other states. Hopefully, there will be a new crop of positive bills springing up this year and next, and that many of them will become law and lead to cross-pollination of similar positive bills in other states.

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