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Vice Chair

Raymond C. Scheppach
Executive Director

March 3, 2010

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Harry Reid
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable John Boehner
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, D.C. 20510

Dear Madam Speaker, Mr. Boehner, Senator Reid and Senator McConnell:

On behalf of the nation's governors, we are writing to urge your support in extending the Temporary Assistance for Needy Families Emergency Contingency Fund (TANF ECF).

Enacted as part of the American Recovery and Reinvestment Act, the TANF ECF is a \$5 billion fund to help states provide greater support to children and families during the economic downturn. The fund reimburses states for 80% of their increased expenditures, and is set to expire on September 30th of this year.

As soon as the Department of Health and Human Services finalized its rules for drawing down the fund and ensuring transparency and accountability, states began utilizing the fund to help speed economic recovery through subsidized employment and training programs, and vital financial and supportive service offerings for needy families facing increased hardship. Currently, 23 states are drawing down the fund for subsidized jobs, with several more state applications pending approval. Many of these programs take time to develop and implement, and by allowing states more time to access these funds, Congress can help maximize the impact of the TANF ECF in providing crucial skill development and training to our workers.

We urge you to support extending the TANF ECF. This extension will allow us to capitalize on the resources made available in ARRA to best serve children and families, and help rebuild our nation's economy.

Sincerely,

Governor M. Michael Rounds
Chair
Health and Human Services Committee

Governor Chester J. Culver
Vice Chair
Health and Human Services Committee



NATIONAL CONFERENCE *of* STATE LEGISLATURES

The Forum for America's Ideas

February 18, 2010

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

The Honorable John Boehner
House Minority Leader
U.S. House of Representatives
Washington, DC 20515

Don Balfour
Senator
Georgia Senate
President, NCSL

Nancy Cyr
Senior Legal Counsel
Nebraska Legislative Research Office
Staff Chair, NCSL

William Pound
Executive Director

RE: TANF Emergency Contingency Fund

Dear Speaker Pelosi and Representative Boehner:

The National Conference of State Legislatures (NCSL) asks you to extend the Temporary Assistance for Needy Families Emergency Contingency Fund (TANF ECF). Addressing the expiring TANF ECF whether by simply excluding the time allowed to draw down the fund or by some other mechanism, is critical. Otherwise, states will have no choice other than to scale back their efforts to create employment opportunities and provide services for vulnerable populations.

The American Recovery and Reinvestment Act (ARRA, P.L. 111-5) contained a \$5 billion TANF Emergency Contingency Fund to help states deal with an increased demand for services during the current economic downturn. The fund, made available for two years, reimburses states for 80% of the increased expenditures on basic assistance (cash welfare), short-term nonrecurring benefits and/or subsidized employment, allowing states to implement or expand activities that provide critical assistance to children and families.

Once they received guidance on the use of funds, states found TANF ECF essential in the rebuilding of our economy, especially by helping those who have lost their jobs in the recession to find new, stable employment. The latest information available shows that 23 states are already using TANF ECF for subsidized employment and even more projects are in the approval process. States are requesting more time to draw down the funds, and this is particularly important to allow states to maximize the use of funds for subsidized job programs, which require a longer time to implement and operate.

It is imperative to maintain the capacity of the TANF ECF program to improve the lives of those hardest hit by the current economic conditions. Please contact Sheri Steisel (sheri.steisel@ncsl.org) or Lee Posey at (Lee.Posey@ncsl.org) in our Washington, DC office for more information.

Sincerely,

Senator Renee Unterman
Georgia
Chair, NCSL Human Services
and Welfare Committee

Representative Ruth Kagi
Washington
Past Chair, NCSL Human Services
and Welfare Committee

cc: U.S. House of Representatives

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HUMAN SERVICES AND EDUCATION STEERING COMMITTEE

RESOLUTION ON THE TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF) EMERGENCY CONTINGENCY FUND

Issue: Support for Extending the TANF Emergency Contingency Fund.

Adopted Policy: The National Association of Counties urges Congress to extend the current TANF Emergency Contingency Fund past September 30, 2010 and provide additional funding through all of FY 2011 to assist counties in providing subsidized employment, cash assistance and short-term supports to needy families.

Background: The American Recovery and Reinvestment Act (ARRA) created a new Emergency Contingency Fund under the Temporary Assistance to Needy Families (TANF) program to enable states and counties to respond to increased demands for assistance. The \$5 billion allocated over two years may be drawn down by states for cash assistance; non-recurrent assistance such as paying for a utility bill; and/or subsidized employment.

In most states, the program was not implemented until late last fall, due to federal delays in crafting guidance for the new program and subsequent clarifications to states and counties requesting further information on activities eligible for the 80 percent federal funding and what sources of local, in-kind matches could be used under the program.

Without further congressional action, TANF-ECF will expire on September 30, 2010. Subsidized jobs supported by TANF-ECF and facilitated by counties in the public, non-profit and private sector will be terminated. Planning for additional slots will be phased out before that time, since such job slots are supported for a number of months. ECF earnings reduce greatly or eliminate the family's TANF cash grant. Work skills and relationships developed by individuals in ECF jobs help build the foundation for permanent employment. In California counties alone, nearly 15,000 jobs have been created and supported by TANF-ECF. Federal support for cash assistance grants and short-term assistance needs would also end.

In its federal fiscal year 2011 budget, the Obama Administration is proposing a new, \$2.5 billion program to extend TANF-ECF for an additional year, through September 30, 2011. Subsidized employment positions would be supported with 100 percent federal funds and other activities, including additional work supports, would receive an 80 percent federal contribution.

Ways and Means Income Security and Family Support Subcommittee Chairman Jim McDermott (D-WA) has introduced H.R. 4564, a bill similar to the administration's budget proposal.

Given the need to get families back to work, state budget timelines and historic county and state fiscal stress, it is critical that the federal government act to extend the TANF-ECF program to ensure that these supports may continue after September 30, 2010.

Fiscal/Urban/Rural Impact: The bill would provide additional federal resources to assist counties in serving low-income individuals and families.

Adopted by the NACo Board of Directors
March 8, 2010



February 23, 2010

United States House of Representatives
Washington, D.C. 20515

Dear Representative:

The American Public Human Services Association and its affiliate, the National Association of State TANF Administrators, strongly support any effort to maintain an emergency fund for the Temporary Assistance for Needy Families program. Such action would allow states to continue and expand allowable efforts initiated under the existing American Recovery and Reinvestment Act TANF Emergency Contingency Fund (ECF) to help struggling families during this jobless recovery.

Options proposed in the President's fiscal year 2011 budget to establish a new emergency fund for TANF as of October 1, 2010, as well as a replenished regular Contingency Fund, are critical to states. We also support the provisions of H.R. 4564, *The Emergency Jobs Program and Assistance for Families Extension Act*, which embodies much of the President's proposal for additional funds and offers some additional flexibility under the current ECF.

State TANF agencies have been able to respond to the unprecedented need for family support and employment services in large part due to funding made available in ARRA. By adopting legislation for emergency TANF funding, including the provisions of both the President's proposal as well as those of H.R. 4564, Congress can ensure that state TANF agencies can continue and expand their efforts to provide subsidized employment and one-time non-recurring benefits as well as continue to receive 80 percent federal reimbursement for the costs of rising caseloads. However, we underscore that Congress needs to act quickly. Some states must have budgets prepared by July and other states must have budgets finished even earlier; most of these states will have to make very serious choices about what services to save and what services to cut. The knowledge that emergency TANF funding would be available for FY 2011 is critical in this decision-making process.

Currently, 23 states have been able to implement subsidized employment programs. However, these programs are complicated, and both start-up tasks and steps necessary to conform to the required protocols are time-consuming. States have been aggressively implementing subsidized employment, and the new emergency funding under ECF will allow them to mature these programs by bringing in more private and public employers

willing to provide subsidized employment slots. It will also finance needed supportive services such as transportation and child care so that clients can keep these vital jobs.

Without replenished emergency funding states will be hard-pressed to continue these efforts since they face, collectively, an estimated \$142 billion budget deficit that will require them to continue the painful process of scaling back programs.

We are also very supportive of both the President's and Congressman McDermott's efforts to increase the federal reimbursement rate for subsidized employment from its current 80 percent to 100 percent beginning in FY 2011 and the inclusion of a fourth allowable category of reimbursable expenditures for work supports and services. H.R. 4564 would allow this new category of work supports to be an allowable expenditure eligible for 80 percent federal reimbursement not only in FY 2011, but also under the current ECF that can be claimed through September 30, 2010.

This is why we ask that Congress find some vehicle, whether it be under a Jobs bill, a UI/COBRA extension bill, or some other avenue, to provide additional emergency funds for TANF, thus ensuring that states can continue and expand their current efforts after September 30, 2010, with minimal interruption.

If you have any questions please call or e-mail Robert Ek (robert.ek@aphsa.org), (202) 682-0100 x235, or Larry Goolsby (larry.goolsby@aphsa.org), (202) 682-0100 x239.

Sincerely,



Cari DeSantis
Interim Executive Director
APHSa



Russell Sykes
Chairperson
NASTA