



USING THE TANF EMERGENCY CONTINGENCY FUND IN ARRA TO HELP LOW-INCOME FAMILIES WITH CHILDREN

Illinois Department of Human Services



The Federal TANF block grant

- The federal Temporary Assistance for Needy Families (TANF) block grant is a flexible funding stream for states to provide a wide range of services aimed at increasing family self-sufficiency through job preparation, work, and marriage.

The Federal TANF block grant

- Illinois receives \$585 million in TANF funds each year from the federal government, and must use these funds to provide services aimed at increasing family self-sufficiency through job preparation, work, and marriage.
- The state is required to contribute an additional \$430 million as its “Maintenance of Effort” (MOE)

ARRA TANF Emergency Fund

- The American Recovery and Reinvestment Act of 2009 created a new and temporary TANF Emergency Fund available to states for federal fiscal years 2009 and 2010
- Illinois can access 80% reimbursement for increased spending for TANF services/activities, up to \$292.5 million

ARRA TANF Emergency Fund

- DHS can identify third-party funding that can count as MOE and can serve as the 20% portion of the increase that is not reimbursed by TANF ARRA funds
- Third-party funding can include foundation funding, private fundraising, etc.

ARRA TANF Emergency Fund: The Opportunity

- Private funding can have an incremental impact on services to low-income families:

\$100,000 contribution

+ \$400,000 federal reimbursement

\$500,000 total additional funding

ARRA TANF Emergency Fund

- The TANF Emergency Fund will finance 80% of the increased spending in three categories:
 1. Basic Assistance/monthly cash grants
 2. Short-term, non-recurrent spending
 3. Subsidized Employment

1. Basic Assistance

- This is primarily cash assistance provided to very low-income families by the Illinois Department of Human Services

2. Short-term non-recurrent benefit

To qualify under this category, the service provided must meet the following requirements:

- Be designed to deal with a specific crisis situation or episode of need
- Not be intended to meet recurrent or ongoing needs
- Not to extend beyond 4 months for an individual or family
- NOTE: these benefits can be paid to others on behalf of the family, such as a payment to a landlord

2. Short-term non-recurrent benefit

- Funds can be used for benefits DHS delivers directly, or to support benefits or services provided by other government agencies or community-based organizations such as homeless shelters or food banks

2. Short-term non-recurrent benefit

- Since third-party expenditures can count as MOE spending, DHS can partner with non-profits or private philanthropy to provide the 20% “match” then pass the leveraged ARRA funds to the partnering agency

3. Subsidized employment

- Subsidized employment is designed to help participants enter the labor market through the acquisition of work experience and enhanced connection to employers
- Included are activities like transitional jobs programs that involve payments to employers or third parties to supplement the cost of employee wages

3. Subsidized employment

- Transitional jobs (TJ) assists low-income parents facing barriers to employment
- TJ provides a bridge to unsubsidized employment by combining time-limited, wage-paying employment with a comprehensive set of services—including education and training—designed to develop skills and prepare them for success in the workplace

3. Subsidized employment

- Illinois can receive reimbursement for 80% of subsidized employment costs over the base period for the full range of expenses related to a subsidized employment program
- Reimbursement is not limited to the actual wage subsidy, but can include the costs of workplace benefits, supervision and training, and administrative costs

Who can be served with these funds?

- For all three categories, eligible parties include families with minor children with annual income below 200% of the Federal Poverty Level (FPL)
 - The family **does not** need to be receiving TANF cash assistance to be eligible
- Under limited circumstances, non-custodial parents may be eligible for subsidized employment services

Role of the third-party partners

- Ensure spending is on eligible families (families with children that are below 200% FPL)
- Identify 20% funding to leverage 80% reimbursement in ARRA funds
- Formally agree to allow Illinois to count spending toward MOE (contract or MOU)
- Document all spending in all required quarters

Role of the Third Party

- To be eligible for matching funds from the ECF, Illinois must demonstrate an *increase* in spending as compared to the corresponding quarter in the identified base year
- Even if a third party provided services with no connection to the state, they must document any spending for the required quarters/fiscal years, and demonstrate an increase in order to be eligible for the 80% reimbursement

Current Proposals

PROPOSED PROJECTS

- Transitional Jobs
 - Increase funding for projects operating at Heartland Alliance, New Moms,
- Hunger Relief
 - Help Feeding Illinois provide food for children who cannot access food during the summer months
- Basic Needs
 - Provide one-time emergency assistance to families in need

Soros Foundation

- The Soros Foundation provided \$35 million to leverage \$140 million in federal funds to provide \$175 million dollars to provide back-to-school grants to low-income families.

What Can I Do?

If you are interested in identifying and/or providing funding, or suggesting programs for any TANF ARRA related activities, please contact:

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