



Final TANF Rules Include Modest Improvements Further Action Needed to Restore the Safety Net

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This week, the Department of Health and Human Services placed on public display the final rules implementing the changes to the Temporary Assistance for Needy Families (TANF) program made by the Deficit Reduction Act of 2005. These regulations are scheduled for publication in the *Federal Register* next week.

The final rule contains a number of modest changes from the interim final rule published in June 2006 and the guidance that HHS has given states since then. Many of the changes respond to concerns that CLASP and numerous other organizations submitted in response to the interim final rule. The rule also provides some helpful clarifications in areas where states were concerned that they might be subject to penalty.

These provisions provide states with some additional flexibility in counting hours of participation toward the work requirement. In particular, the provision allowing states to credit students for time spent on homework – without requiring them to attend supervised study halls – will significantly reduce the burdens on low-income students who are often juggling the demands of work, school and family. However, the final rule retains the emphasis of the interim rule on ensuring consistency across states. Case workers will continue to have to spend most of their time monitoring and documenting participation in the limited set of countable activities rather than providing services to help clients achieve economic security.

The interim final rule went far beyond legislative intent to impose additional restrictions. While the final rule is in many respects an improvement over the interim final rule, HHS could have done more to relieve the administrative burden on states.

The TANF program is a key source of funding for work supports for low-income families. However, the changes made by the Deficit Reduction Act of 2005 create a disincentive for states to allow needy families to receive assistance, even in the face of a recession, and make it harder for states to help the most vulnerable families. Given the current economic climate and the deficits faced by many states, Congress should make it easier for states to draw down funds from the TANF contingency fund and make other changes to restore TANF's role as a safety net for families who are unable to meet their basic needs through employment alone

A complete listing of the policy changes in the final rule can be found at:

http://clasp.org/publications/summary_of_tanf_final_rule.pdf

CLASP's comments on the interim final rule can be found at:

<http://www.clasp.org/publications/commentstohhsontanfinterimfinalrule.pdf>