

# Take Urgent Action for TANF Emergency Fund Extension

By Karl Kramer

## Background

States are using the Temporary Assistance for Needy Families (TANF) Emergency Fund to create jobs, stimulate the economy, and reduce hardship. Some 22 states had been authorized to use TANF Emergency Funds to establish new or expand subsidized employment programs. Several additional states plan to begin operating such programs this year. These states have plans in place to provide subsidized jobs to almost 120,000 individuals by the end of September.

These families spend quickly any funds they receive, so this assistance helps sustain local merchants and, through them, neighborhood economies. But in anticipation of the fund's scheduled expiration on September 30, various states and counties are planning to start dismantling their TANF subsidized jobs programs and to cut cash assistance for impoverished families and about 70,000 jobs will be lost.

The states receiving TANF Emergency Funds for increased basic assistance costs served almost 165,000 more families in their TANF programs in August 2009 than in December 2007. When states act this spring to adopt budgets for the next fiscal year, many are likely to institute cuts in TANF cash assistance in anticipation of the expiration of the TANF Emergency Fund. The cuts will lead to virtually a dollar-for-dollar reduction in household consumption and thus to a further loss of economic activity and jobs, while pushing already-poor families deeper into poverty. Most of these states would not make such decisions if they knew Congress would extend the fund. Some of the money that Congress provided for the fund may revert to the Treasury unspent on September 30.

## Current Status of Legislation

The TANF Emergency Fund ends on September 30. If Congress does not extend the date, the money that is left unspent is returned to Washington.

On March 9, Senator Patty Murray (D-WA) and Senator John Kerry (D-MA) introduced an amendment from the floor for a six-month extension of the TANF Emergency Fund and provide an additional \$1.3 billion. The amendment also included \$1.3 billion for a youth summer employment program. The Republicans challenged the amendment on a procedural point of budget rules, which needed 60 votes to over ride. The Democrats only have 59 votes. Four Democrats switched their votes when they saw the amendments failing so the final vote was 55 to 45. We need to peel off some Republican votes to get it passed, as well as the votes of all the Democrats. Key swing votes would be those Republican Senators who defied their party to support the \$15 billion job stimulus bill passed in February.

**We need to get in touch with organizations and members of national organizations in those states to put pressure on those Senators. They are as follows:**

### **Republicans**

Senators Susan Collins and Olympia Snowe of Maine

Senator Scott Brown of Massachusetts

Senator Kit Bond of Missouri

Senator George Voinovich of Ohio

### **Democrats**

Senator McCaskill of Missouri

Senator Ben Nelson of Nebraska

Senator Warner of Virginia

Senator Webb of Virginia

**Contact your Congressional Representative to have the extension of the TANF Emergency Fund included in a bill before the House.**

For background information about the TANF Emergency Fund go to the:  
Center for Budget & Policy Priorities

<http://www.cbpp.org/cms/index.cfm?fa=view&id=3097>