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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

Denver
7700 East First Place
Denver, Colorado 80230
Phone 303.364.7700 Fax 303.364.7800

Washington
444 North Capitol Street, N.W. Suite 515
Washington, D.C. 20001
Phone 202.624.5400 Fax 202.737.1069

Website www.ncsl.org

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