



## TANF – Emergency Contingency Fund

### American Recovery and Reinvestment Act Implementation Plan

#### A. Funding Table

(Outlays in millions)					
Temporary Assistance for Needy Families (TANF)	Program Level Estimate	FY 2009 Actual	FY 2010 Estimate	FY 2011 Estimate	FY 2012-2019 Estimate
<i>TANF Emergency Contingency Fund</i>	5,000.0	251.0	2,000	1,486	263
<b>Total</b>	5,000.0	251.0	2,000	1,486	263

#### B. Objectives and Public Benefits

Under the American Recovery and Reinvestment Act (Recovery Act), \$5 billion was appropriated for the Temporary Assistance for Needy Families (TANF) Emergency Contingency Fund (known as the Emergency Fund). Up to \$5 billion is available over fiscal years 2009 and 2010 for jurisdictions (states, territories, and tribes) that have an increase in assistance caseloads and basic assistance expenditures, or an increase in expenditures related to short-term benefits or subsidized employment. The new Emergency Fund is in addition to the existing TANF Contingency Fund that qualifying states (but not territories or tribes) can access during an economic downturn.

#### C. Activities

TANF is designed to help needy families achieve self-sufficiency. TANF funds are spent on cash assistance and various non-cash services including work activities, child care, transportation and work supports, and a wide range of other benefits and services. The purposes of the TANF program are:

- to provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;
- end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
- to prevent and reduce the incidence of out-of-wedlock pregnancies; and
- to encourage the formation and maintenance of two-parent families.

A jurisdiction may use Emergency Fund monies in the same way that annual federal TANF block grant funds are spent, except a jurisdiction may not transfer emergency funds to either the Child Care and Development Block Grant (CCDBG) or the Social Services Block Grant (SSBG)



programs. This means that it may use the funds in any manner reasonably calculated to meet a TANF purpose.

#### D. Characteristics

Purpose	Type of Award	Funding Amount	Recipients
TANF Emergency Contingency Fund	Grants to states, territories, and tribes	\$5 billion appropriation	States, territories, and tribes
<b>TOTAL = \$5 billion</b>			

#### E. Delivery Schedule

##### TANF Emergency Fund:

- Issue Policy Announcement (PA) to potential grantees describing Emergency Fund with explanation of interpretation of statute regarding adjustments, accountability, and type of expenditure data – completed (April 3, 2009)
- States, territories, and tribes notified of their ability to apply for and receive TANF Emergency Fund immediately – completed (April 3, 2009)
- Issue grant awards as requests are received – most requests to be approved within 2 weeks of receipt unless data submitted requires follow-up.
- Publish Federal Register notice on emergency processing request, which notifies the public that the application form and instructions have been submitted to OMB for review and are available for public comment – five days after forms and instructions are cleared by HHS – completed (July 20, 2009)
- Once approved by OMB, provisional form and instructions distributed to states, territories, and tribes (within five days after data collection forms and instructions are approved under emergency clearance by OMB) – completed (July 20, 2009)
- After stakeholder comments received and reviewed, submit updated final application forms and instructions under the regular review and comment process – completed (October 29, 2009).
- Distribute final form and instructions to states, territories, and tribes – completed (March 3, 2010).

#### F. Environmental Review

The distribution of the TANF Emergency Fund as a result of the Recovery Act is categorically excluded from environmental review based on Category 2 section F - Functional Exclusion: Grants for Social Services under Chapter 30-20-30 of the HHS General Administration Manual. By definition, the use of these funds: (1) mitigates social and environmental impacts; (2) does not include construction or alterations of the human environment; and (3) have no anticipated



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individual or cumulative significant effect on natural or cultural assets. Therefore the TANF Emergency Fund qualifies for a Categorical Exclusion from National Environmental Protection Act (NEPA). This activity is funded under the Recovery Act Division B and is not subject to Section 1609(c) reporting requirements.



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**G. Measures**

The following is the proposed set of performance measures for the TANF Emergency Fund, which includes measures of the number of states receiving reimbursement in each of the three funding categories, as well as the number of individuals in subsidized employment for which the state received reimbursement from the TANF Emergency Funds. Each of these measures will be updated quarterly.

Outcome / Achievement	Units	Type	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	3/31/11	6/30/11	9/30/11	Program End
Number of states providing additional cash assistance with TANF Emergency Funds. ( <i>Quarterly Output</i> )	# of states	TARGET										
		ACTUAL	11	29	36							
Number of states providing additional non-recurrent short-term benefits with TANF Emergency Funds. ( <i>Quarterly Output</i> )	# of states	TARGET										
		ACTUAL	6	15	24							
Number of states creating or expanding subsidized employment programs with TANF Emergency Funds. ( <i>Quarterly Output</i> )	# of states	TARGET										
		ACTUAL	7	18	27							
Number of individuals in subsidized jobs funded in whole or in part by the TANF Emergency Fund. ( <i>Developmental Quarterly Outcome</i> )	# of states	TARGET										
		ACTUAL										



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Data Source	Data Validation
Measures 1, 2, 3: Approved application information maintained by ACF	Comparison of approved TANF Emergency Fund applications with financial reports listing awarded funds
Measure 4: Form OFA [TBD], TANF Emergency Fund Subsidized Employment Report	ACF is in the process of drafting a data collection tool and Paperwork Reduction Act (PRA) clearance package. ACF anticipates the package being completed in summer 2010.

Information on the number of approved TANF Emergency Fund applications by category is listed on the website for ACF's Office of Family Assistance (available here: <http://www.acf.hhs.gov/programs/ofa>). Obligation and expenditure data for the TANF Emergency Fund is posted as part of the HHS weekly financial and activity reports (found under "Plans and Reports") on the HHS Recovery web site at <http://www.hhs.gov/recovery>. Information on the number of individuals in subsidized employment for which the state received reimbursement from the TANF Emergency Fund will be published on the website for ACF's Office of Family Assistance (available here: <http://www.acf.hhs.gov/programs/ofa/data-reports/index.htm>).



## H. Monitoring/Evaluation

All Recovery Act programs will be assessed for risk to ensure that appropriate internal controls are in place throughout the entire lifecycle of the program. These assessments are conducted by operating components to comply with the statutory requirements of the Federal Manager's Financial Integrity Act and the Improper Payments Information Act, as well as OMB's circular A-123 "Management's Responsibility for Internal Control" (including Appendices A, B, and C).

ACF's risk management process fits within the overall governance structure established at HHS to address Recovery Act program risks. The HHS Risk Management and Financial Oversight Board provides executive leadership and establishes accountability for the risk assessment process related to internal controls over financial reporting, and the HHS Senior Assessment Team ensures that risk assessment objectives are clearly communicated throughout the Department. ACF's Recovery Act Coordination Team carries out comprehensive annual assessments of its Recovery Act program(s) to identify risks and develop strategies to address them, including those associated with selecting recipients, awarding and overseeing funds, and achieving program goals. It meets weekly to monitor and assess the effectiveness of mitigation strategies and identify emerging risks.

In addition, ACF has presented its high level risks to the Recovery Act Implementation Team. Chaired by the Deputy Secretary and comprised of senior policy officials from throughout the Department, the Implementation Team convenes monthly to monitor progress in carrying out Recovery Act program and address the obstacles and risks that could impact on their success.

The Office of Family Assistance (OFA) will follow its existing internal control structure in implementing the Emergency Fund. States, territories, and tribes may submit estimated caseload and qualified expenditure data when applying for emergency funding. OFA will reconcile their submitted estimates with actual expenditure data on an on-going basis to ensure the jurisdictions receive the proper amount of funding; a final reconciliation will occur during FY 2011. States, territories, and tribes will be required to report all expenditures of emergency funds after the end of each quarter, and these expenditure amounts will be subject to review under the single state audit.

Current procedures for reviewing state expenditure reports will continue and states, territories, and tribes are subject to the Single Audit Act of 1984.

## I. Transparency

ACF is open and transparent in all of its grant competitions and regulations depending on what is appropriate for program activities that involve spending of Recovery Act funding consistent with statutory and OMB guidance. ACF ensures that recipient reports required by Section 1512 of the Recovery Act are submitted and reviewed for material omissions and significant errors that would mislead or confuse the public. ACF informs recipients of their reporting obligation through standard terms and conditions, grant announcements, contract solicitations, and other program guidance. In addition, ACF provides key award information to recipients and other



technical assistance to grantees and contractors and fully utilizes Project Officers to ensure compliance with reporting requirements.

Jurisdictions have to submit information on caseloads and expenditures. Jurisdictions receiving Emergency Funds will account for and report on these funds separately from other TANF funds on agency financial reports. However, the reporting burden for the TANF Emergency Fund should be minimal, as expenditure reporting requirements and timelines will be the same as for other TANF funds already reported to ACF. Funded jurisdictions must submit reports as required by Section 1512 of the Recovery Act. Audits shall be conducted by the Inspector General and the jurisdictions under Chapter 75 of Title 31, United States Code.

Performance information on the performance measures is available in the annual ACF Budget Justification and Online Performance Appendix (available here: <http://www.acf.hhs.gov/programs/olab/budget/index.html>). These measures are also published on the website for ACF's Office of Family Assistance (available here: <http://www.acf.hhs.gov/programs/ofa/data-reports/index.htm>).

## **J. Accountability**

To ensure that managers are held to high standards of accountability in achieving program goals under the Recovery Act, ACF has built upon and strengthened existing processes. Senior ACF and OFA officials will meet regularly with senior Department officials to ensure that projects are meeting their program goals, assessing and mitigating risks, ensuring transparency, and incorporating corrective actions. The personnel performance appraisal system also incorporates Recovery Act program stewardship responsibilities for program and business function managers. ACF program managers, specialists, and senior managers are accountable for the oversight of performance results and improvement actions through the Performance Management Appraisal Program (PMAP). Annual performance appraisals rate each employee on their effectiveness in meeting the goals of the agency, as well as identify the employee's contributions to the mission of the programs administered by their office.

The HHS Office of Inspector General (OIG) conducts reviews of TANF programs to determine whether the state agencies expended funds in accordance with federal and state requirements, as demonstrated by adequate documentation of eligibility and payment determinations.

## **K. Barriers to Effective Implementation**

ACF did not collect the data needed to award these funds before ARRA was enacted. As a result, ACF has issued a new data collection instrument and instructions. In addition, the statute allows jurisdictions to submit estimates and gives HHS the authority to make adjustments (e.g. for changes in program configuration) to ensure comparability between quarters for the request year and the corresponding quarters in the base years. These provisions also require new data and introduce uncertainty into the process of awarding funds. Finally, the statute did not specify procedures for reconciling estimates with actual data and for remitting funds resulting from overpayments due to estimated data. ACF has developed these



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procedures, and they have been reviewed by HHS and provided to jurisdictions with the OMB approval of our form and instructions.

**L. Federal Infrastructure**

Not applicable.

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Summary of Significant Changes:





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Updated with new performance measures to more clearly communicate the impact of Recovery Act funding for this program noting the pending status of approval for the subsidized employment measure per the PRA clearance process.