

# Temporary Assistance for Needy Families Spending by Child Welfare Agencies in SFY 2022

Child welfare agencies across the United States are charged with protecting and promoting the welfare of children and youth who are at risk of or have been victims of maltreatment. State and local child welfare agencies rely on multiple funding streams to administer programs and services. In state fiscal year (SFY) 2022, state and local child welfare agencies spent \$34.3 billion in federal, state, local, and other funds. While many funding sources are available to child welfare agencies, each source has its own unique purposes, eligibility requirements, and limitations creating a complex financing structure that is challenging to understand and administer. Each state's unique funding composition impacts what services are available to children and families and the way in which child welfare agencies operate.

## Other available resources

This document is one of many child welfare financing resources available on the [Child Trends](#) website, including a summary of national findings and detailed information on the following funding sources used by child welfare agencies:

- Title IV-E
- Title IV-B
- Social Services Block Grant
- Medicaid
- Other federal funds
- State and local funds

This document presents information about Temporary Assistance for Needy Families (TANF) spending by child welfare agencies in SFY 2022 collected through Child Trends' national survey of child welfare agency expenditures.<sup>1</sup>

## Background

Created in 1996, TANF replaced the Aid to Families with Dependent Children (AFDC) program. The AFDC program was an entitlement program created in 1935 to provide cash assistance to children in families where one or both parents were not present or unemployed.<sup>2</sup> In 1996, the Personal Responsibility and Work Opportunity Reconciliation Act (P.L. 104-193) created TANF to replace AFDC. TANF was created as a federal block grant as opposed to an entitlement program and has four overarching purposes:

1. Provide assistance to needy families so that children can be cared for in their own homes or in the homes of relatives
2. End the dependence of needy parents on government benefits by promoting job preparation, work, and marriage
3. Prevent and reduce the incidence of out-of-wedlock pregnancies
4. Encourage the formation and maintenance of two-parent families

**A federal block grant** provides state and local governments a set level of federal funding for services and benefits. Block grants are commonly used to provide money for general areas of social welfare, rather than for specific programs, and allow jurisdictions more freedom to choose how best to use the funds.

Currently, while many people think of TANF as a cash assistance program for families with low incomes, just more than a fifth of TANF dollars (23%) in SFY 2022 were spent to provide basic (cash) assistance for families.<sup>3</sup> The remaining amount supported other activities, such as child care, work supports, refundable tax credits, and administration.<sup>4</sup> Because TANF funds are designed to be flexible, they can be used for a wide array of services and supports aimed at achieving one or more of the program's four goals. States use this flexible funding for supporting child welfare activities. As described above, TANF replaced AFDC, which provided significant funding for child welfare activities. Federal law allows states to use TANF funds to cover some programs and activities that a state had conducted under its pre-TANF AFDC program, and thus some states use TANF to fund foster care for children ineligible for Title IV-E.<sup>5</sup> In past surveys<sup>6</sup> states indicated child welfare agencies primarily used TANF for:

- Family preservation
- Relative foster care payments (for children for whom the child welfare agency has legal placement and care responsibility) and adoption/guardianship subsidies
- Services provided to children and families involved in the child welfare system that are no longer allowed under TANF but that a state was authorized to provide under AFDC
- Services provided to children and families at risk of or involved in the child welfare system (e.g., legal action, transportation, independent living services)

TANF funds are governed by various federal program rules and regulations, including work requirements and time limits for families receiving assistance (payments to meet ongoing basic needs). Work requirements and time limits generally do not apply when TANF benefits are given to households in which the child is the only recipient ("child-only" cases), such as when the child welfare agency does not have legal placement and care responsibility and the child lives with relatives (or, in some states, specified nonrelatives) who would not otherwise be eligible for benefits.<sup>7</sup> Such requirements also do not apply when TANF funds are used for services other than assistance. Federal law allows states to transfer up to 10 percent of TANF funds to the Social Services Block Grant (SSBG), which creates even greater flexibility for states to use the funds. While no state match is required for TANF, there are financial maintenance of effort (MOE) requirements for states.<sup>8</sup>

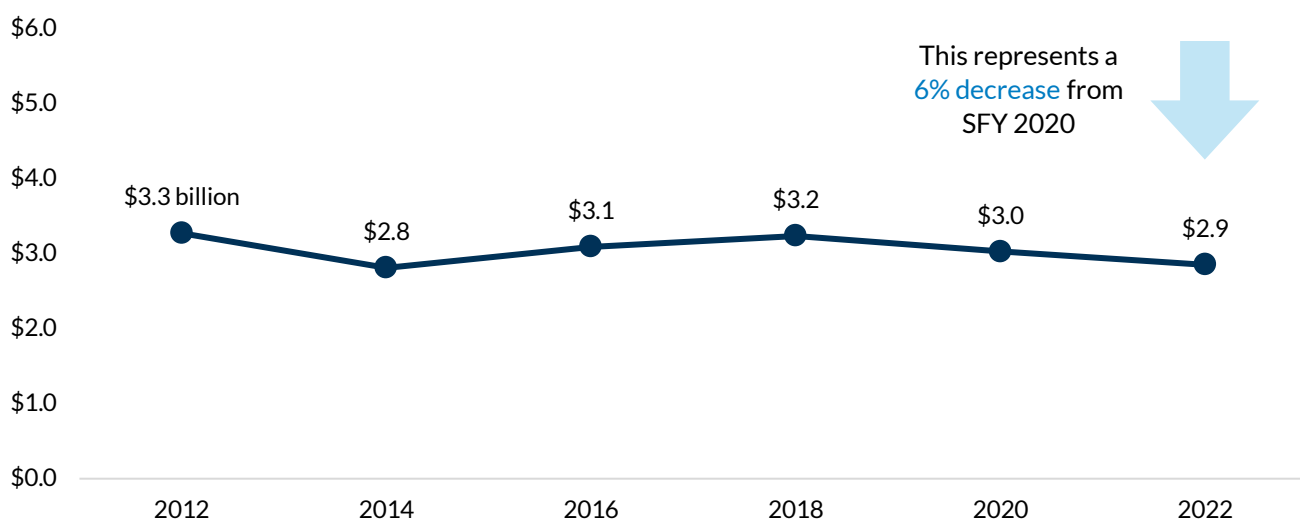
**Maintenance of effort (MOE)** refers to a requirement for states to contribute a fixed amount of state funds to access federal funds.

## Overview of TANF spending

**\$2.9  
billion**

In SFY 2022, child welfare agencies reported spending **\$2.9 billion** in TANF funds on child welfare services.<sup>9</sup>

TANF expenditures have **decreased by 13 percent** over the decade (among states with sufficient data in SFYs 2012 and 2022).<sup>10</sup>



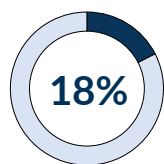
All dollar amounts have been inflated to 2022 levels. The figures presented in this graph reflect an analysis of 42 states with sufficient data across all six surveys conducted between 2012 and 2022 (surveys conducted every two years).

Between SFYs 2020 and 2022, **more states reported a decrease** than an increase in the use of TANF funds by child welfare agencies.<sup>11</sup> Changes in TANF expenditures ranged from **-100 percent to 228 percent**, depending on the state.

### States experiencing changes in the use of TANF funds



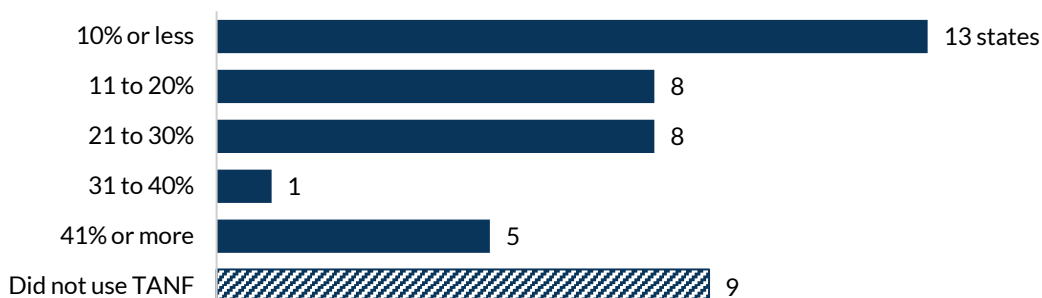
## TANF as a share of all federal funds



TANF funds made up **a little less than one fifth** of federal funds spent by child welfare agencies in SFY 2022.<sup>12</sup>

TANF funds accounted for **zero** to **57 percent** of federal dollars spent by child welfare agencies in SFY 2022, depending on the state.

### Percentage of federal expenditures



## States appear to be shifting TANF funds from child welfare to other purposes

Child welfare agencies may not have access to TANF dollars in every state or in every year, or they may receive reduced funds in some years. The lack of access or reduced funding is particularly likely during an economic downturn when there is often increased pressure on the TANF block grant due to higher caseloads involving cash assistance. This could make it difficult for child welfare agencies to rely on TANF to sustain ongoing services and activities. In fact, when asked why their TANF spending changed over time, several states indicated that they decided to shift TANF funding from child welfare to other purposes. For instance, Delaware indicated its state child welfare agency (Department of Services for Children, Youth & Their Families) no longer receives any TANF funding pass throughs from the Department of Health and Social Services. Kansas also indicated it began limiting the amount of TANF used for foster care in 2022. Mississippi indicated it experienced a decrease in TANF expenditures because the Mississippi Department of Child Protection Services has changed how TANF is used to maximize all available funding. Montana shared that it temporarily shifted TANF to other purposes in 2022.

On the other hand, some states experienced increases in TANF expenditures. For instance, Ohio increased its use of TANF for child welfare purposes between SFYs 2020 and 2022 due to the provision of time-limited child care for some kinship caregivers. New York used TANF for a post-adoption contract in SFY 2022, which resulted in an increase in TANF expenditures.

**Acknowledgement:** We thank the Annie E. Casey Foundation and Casey Family Programs for their support and expert consultation throughout the project. We acknowledge that the findings and conclusions presented in this resource are those of the authors alone and do not necessarily reflect the opinions of these organizations.

**Main Report:** Rosinsky, K., Fischer, M., Haas, M., Ibarra, A., & Williams, S.C. (2025). *Child Welfare Financing SFY 2022: A survey of federal, state, and local expenditures*. Child Trends. DOI: 10.56417/5123x6901v

## Endnotes

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<sup>1</sup> See the main report (*Child Welfare Financing SFY 2022: A survey of federal, state, and local expenditures*) for more specific information about the methodology, interpretation of findings, and important caveats.

Each state reported data based on its SFY 2022, which for most states is July 1, 2021, to June 30, 2022. Of the 46 participating states, only four (the District of Columbia, Michigan, New York, and Texas) reported a different SFY period.

The survey instrument has been revised over the 13 rounds of the survey, so some data are not directly comparable. See the main report for more details about changes to the survey and comparability.

For the purposes of the survey, the District of Columbia and Puerto Rico are considered states.

This year, Alabama, Alaska, Hawai'i, Kentucky, North Dakota, and West Virginia were unable to participate, resulting in a total of 46 participating states.

<sup>2</sup> U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation. (n.d.) *Aid to Families with Dependent Children (AFDC) and Temporary Assistance for Needy Families (TANF) – Overview*. Available at: <https://aspe.hhs.gov/aid-families-dependent-children-afdc-temporary-assistance-needy-families-tanf-overview>

<sup>3</sup> Falk, G. (2024). *The Temporary Assistance for Needy Families (TANF) Block Grant: Responses to Frequently Asked Questions*. Congressional Research Service (RL32760; November 5, 2024), Washington, D.C. Available at: <https://www.congress.gov/crs-product/RL32760?q=%7B%22search%22%3A%22TANF+child+welfare%22%7D&s=5&r=36>

<sup>4</sup> Falk (2024).

<sup>5</sup> Falk, G. (2023). *The Temporary Assistance for Needy Families (TANF) Block Grant: A Primer on TANF Financing and Federal Requirements*. Congressional Research Service, (RL32748; August 14, 2023), Washington, D.C. Available at: <https://fas.org/sgp/crs/misc/RL32748.pdf>

<sup>6</sup> Rosinsky, K., Williams, S.C., Fischer, M., & Haas, M. (2021). *Child Welfare Financing SFY 2018: A survey of federal, state, and local expenditures*. Bethesda, MD: Child Trends. Available at: [https://cms.childtrends.org/wp-content/uploads/2021/03/ChildWelfareFinancingReport\\_ChildTrends\\_March2021.pdf](https://cms.childtrends.org/wp-content/uploads/2021/03/ChildWelfareFinancingReport_ChildTrends_March2021.pdf)

Rosinsky, K., Fischer, M., & Haas, M. (2023) *Child Welfare Financing SFY 2020: A survey of federal, state, and local expenditures*. Bethesda, MD: Child Trends. Available at: [https://cms.childtrends.org/wp-content/uploads/2023/04/ChildWelfareFinancingReport\\_ChildTrends\\_May2023.pdf](https://cms.childtrends.org/wp-content/uploads/2023/04/ChildWelfareFinancingReport_ChildTrends_May2023.pdf)

<sup>7</sup> We do not collect information about TANF child-only expenditures on this survey given recipients may not be involved with the child welfare system.

<sup>8</sup> Falk (2023).

<sup>9</sup> Based on an analysis of 46 states that reported TANF expenditures. Nine of those states reported that their child welfare agencies did not use TANF dollars for child welfare activities in SFY 2022. Total excludes funds transferred to SSBG.

<sup>10</sup> To enable comparisons, all dollar amounts from previous years have been inflated to 2022 levels using the gross domestic product deflator (accessed at [www.measuringworth.com/uscompare/](http://www.measuringworth.com/uscompare/)).

When comparing expenditures or funding proportions between two or more years, we restricted the analysis to states with sufficient data in the years being compared. This is because some states provided incomplete information or did not respond to the survey in some years.

The percentage change between SFYs 2012 and 2022 is based on an analysis of 46 states with sufficient data.

The percentage change between SFYs 2020 and 2022 is based on an analysis of 44 states with sufficient data.

<sup>11</sup> Based on an analysis of 44 states with sufficient data

<sup>12</sup> This percentage is based on an analysis of 44 states with complete federal expenditure data in SFY 2022.