

GAO Highlights

Highlights of [GAO-25-107226](#), a report to congressional requesters

Why GAO Did This Study

Annually, TANF provides about \$16.5 billion to states to help millions of low-income individuals and families. In fiscal year 2022, states spent more than 44 percent of federal TANF and state funds on non-assistance services. Questions have arisen about how states use and account for TANF funds. GAO was asked to review TANF non-assistance spending.

This report examines (1) how selected states have used TANF non-assistance funds, (2) non-assistance data collected and used by selected states, and (3) any data challenges faced by selected states and the extent to which HHS provides support to address these challenges. This report is part of a series of reports on TANF GAO issued in 2024 and 2025 ([GAO-25-107235](#) and [GAO-25-107290](#)).

GAO analyzed selected states' fiscal year 2022 TANF expenditure data, the most recent available at the time of GAO's analysis. GAO also interviewed HHS officials, those knowledgeable about TANF, and state and local officials in a nongeneralizable selection of seven states (Illinois, Mississippi, New Mexico, New York, Ohio, Texas, and Wyoming). These states were selected to reflect variation in geographic region and the percentage of residents in poverty. GAO reviewed relevant federal laws, regulations, and agency documents.

What GAO Recommends

GAO is recommending that HHS facilitate information sharing among state TANF agencies on using data on non-assistance services. HHS agreed with this recommendation.

View [GAO-25-107226](#). For more information, contact Kathryn A. Larin at (202) 512-7215 or larink@gao.gov.

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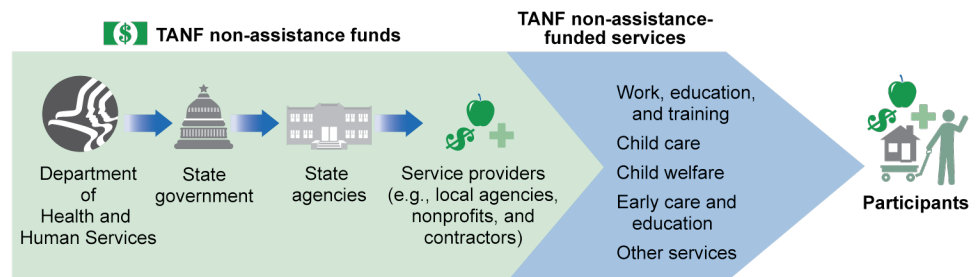
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

HHS Could Facilitate Information Sharing to Improve States' Use of Data on Job Training and Other Services

What GAO Found

The Department of Health and Human Services' (HHS) Temporary Assistance for Needy Families (TANF) block grant funds cash assistance and certain "non-assistance" services. These services include work, education, and training activities; childcare; and child welfare services (see fig.). The seven states GAO reviewed varied in the percentage of TANF funds spent on these different services, reflecting their distinct priorities. State officials told GAO that their states often combined TANF funds with other funds, including other federal grants or state funds, to provide these services.

Overview of the Flow of Temporary Assistance for Needy Families (TANF) Non-assistance Funds from the Federal Government to State and Local Service Providers



Source: GAO analysis of interviews with federal, state, and local officials; HHS and GAO (icons). | GAO-25-107226

Officials from selected states generally reported collecting various demographic, participation, and outcome data on individuals and families receiving services supported by TANF non-assistance funds. Officials reported that they used various data to make eligibility determinations, monitor program performance, and adjust the delivery of TANF non-assistance services. Service providers report some data on services funded with non-assistance to state agencies, but there are no federal TANF reporting requirements for performance information on services funded with non-assistance funds. To address this, in December 2024, GAO recommended that Congress consider granting HHS additional oversight authority and also recommended that HHS improve existing reporting requirements. For certain instances in which states used TANF non-assistance funds in combination with other federal funding streams, states and service providers were subject to other federal reporting requirements.

Officials from selected states reported that they encountered a range of challenges using data on those served with TANF non-assistance funds. These challenges sometimes hindered states' ability to assess whether the services improved participant outcomes. HHS's technical assistance initiatives have supported states' TANF data efforts. However, HHS's initiatives have focused on assistance while non-assistance has accounted for an increasingly large share of TANF spending. Officials from the selected states expressed an interest in learning from one another to improve their efforts to use data on those served with TANF non-assistance funds. By facilitating such information sharing, HHS could help states improve their oversight of non-assistance funds and their efforts to improve participant outcomes.