

GAO Highlights

Highlights of [GAO-25-107235](#), a report to congressional requesters

Why GAO Did This Study

Since 1996, the TANF block grant has annually provided \$16.5 billion in federal funding to states to help low-income families. In addition, states collectively spend approximately \$15 billion of their own funds. States have broad flexibility to use these funds to meet TANF's statutory purposes. There is limited detail reported on state spending of these federal funds.

GAO was asked to review TANF spending. This report addresses, among other things, trends in states' use of TANF funds; selected states' TANF budget decisions; and the extent to which HHS collects expenditure data for oversight purposes. This report is part of a series of reports on TANF to be issued in the coming months.

GAO analyzed HHS TANF expenditure data; reviewed federal laws, HHS regulations and guidance, and TANF reporting; interviewed HHS officials and officials in eight selected states. GAO selected these states to reflect a range of geographic regions and poverty rates.

What GAO Recommends

Congress should consider granting HHS authority to collect additional TANF-related information from states, as appropriate, for oversight purposes. GAO is also making two recommendations, including that HHS (1) ensure states submit complete narrative data in their expenditure reporting and (2) review reporting requirements to enhance the information it collects from states consistent with its statutory authority. HHS agreed with our recommendations and outlined plans to address them.

View [GAO-25-107235](#). For more information, contact Jeff Arkin at (202) 512-6806 or arkinj@gao.gov.

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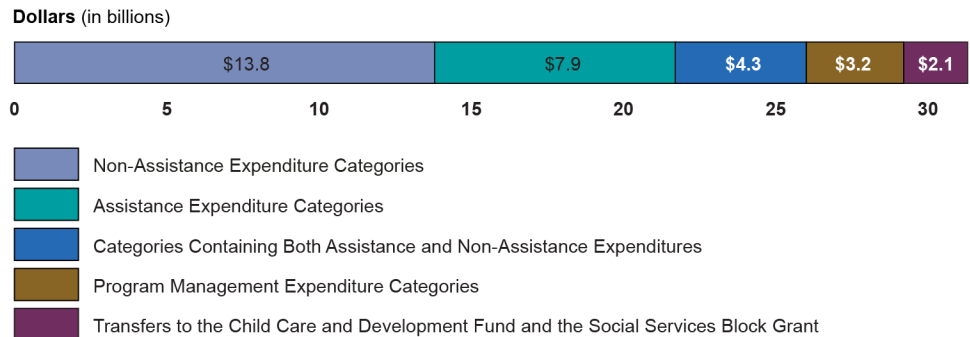
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

Enhanced Reporting Could Improve HHS Oversight of State Spending

What GAO Found

Nationwide, state spending on Temporary Assistance for Needy Families (TANF) "non-assistance" services—such as work activities, education, and training activities—increased as a percentage of total TANF spending between fiscal year 2015 and fiscal year 2022 (from 40.8 to 44.2 percent). During that period, "assistance" spending, including cash payments to needy families, decreased as a percentage of total spending (from 27.2 to 25.2 percent). Individual state spending on those categories varied. See figure below for total fiscal year 2022 spending and transfers by TANF category.

Temporary Assistance for Needy Families Funds Spent or Transferred, Fiscal Year 2022



Source: GAO analysis of Administration for Children and Families TANF expenditure data. | GAO-25-107235

Officials GAO interviewed from selected states said they considered various factors—such as the number of families eligible for cash assistance, legislative priorities, and historical precedent—when making decisions about assistance and non-assistance spending and transfers to other allowable block grants. Selected states attributed increases in unspent funds (from \$4 billion in 2015 to \$9 billion in 2022, nationwide) to overestimation of program needs and availability of other time-limited federal funds, such as those for COVID-19 relief.

States are required to file various reports on their TANF expenditures with the Department of Health and Human Services (HHS). However, GAO found that:

- In March 2024, seven states (out of 31 whose reported expenditures required narrative explanations) were missing or had incomplete narratives for fiscal year 2022. New control activities to improve the completeness of required reporting would enhance HHS oversight of states' TANF spending.
- States' reporting does not include detailed information on aspects of TANF expenditures—such as information on planned non-assistance spending or on subgrantees that administer TANF-funded programs. This type of information could strengthen oversight, potentially including that of improper payments, and guide future decision-making on TANF. While current law limits what information HHS can collect from states, HHS could identify additional reporting requirements within its existing statutory authority to enhance the completeness of states' reporting. Further, Congress could consider providing HHS statutory authority to collect additional information as appropriate for oversight purposes.