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TANF's Non-Recurrent Short-Term Benefits Can Provide Necessary Assistance to Meet Families' Immediate Needs

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The Temporary Assistance for Needy Families (TANF) program can provide direct financial assistance to families with the lowest incomes beyond providing ongoing cash benefits. As states consider the full array of ways to make TANF more effective, including raising benefit levels and expanding access to the program, they should consider utilizing a mechanism known as non-recurrent short-term (NRST) benefits to expand and improve assistance for low-income families. This could provide a positive, incremental step toward expanding access to cash, as well as to other important supports, when TANF basic assistance reaches far too few families in poverty and often isn't enough to meet families' basic needs.[2]

Understanding NRST Benefits

A long-time allowable spending category in TANF enables states to provide short-term assistance to families experiencing a crisis or one-time "episode of need" in the form of non-recurrent short-term benefits.[3] NRST benefits can be administered as cash, vouchers, or direct services, making them more flexible and therefore less burdensome to administer than regular TANF benefits. Some

[1] Maria Manansala was an intern with CBPP from June 2024 through May 2025. Tonanziht Aguas was an intern with CBPP from September 2023 through May 2024.

[2] This is the result of policy choices made by states using the wide flexibility provided to them within TANF. To illustrate these choices, consider that in 2022, states spent just 23 percent of their total TANF funds on basic cash assistance. This is a drop from 69 percent in 1997, the first year of the TANF program. See Aditi Shrivastava and Maria Manansala, "To Strengthen Economic Security and Advance Equity, States Should Invest More TANF Dollars in Basic Assistance", CBPP, updated September 23, 2024, https://www.cbpp.org/research/income-security/to-strengthen-economic-security-and-advance-equity-states-should-invest-0. Despite recent increases in benefit levels, many families who participate in TANF are still well below the poverty line. See Diana Azevedo-McCaffrey and Tonanziht Aguas, "Continued Increases in TANF Benefit Levels Are Critical to Helping Families Meet Their Needs and Thrive," CBPP, May 29, 2024, https://www.cbpp.org/research/income-security/continued-increases-in-tanf-benefit-levels-are-critical-to-helping.

[3] Non-recurrent short-term benefits are defined in 45 C.F.R. § 260.31(b)(1)as benefits that: "(1)are designed to deal with a specific crisis situation or episode of need; (2) are not intended to meet recurrent or ongoing needs; and (3) will not extend beyond four months.

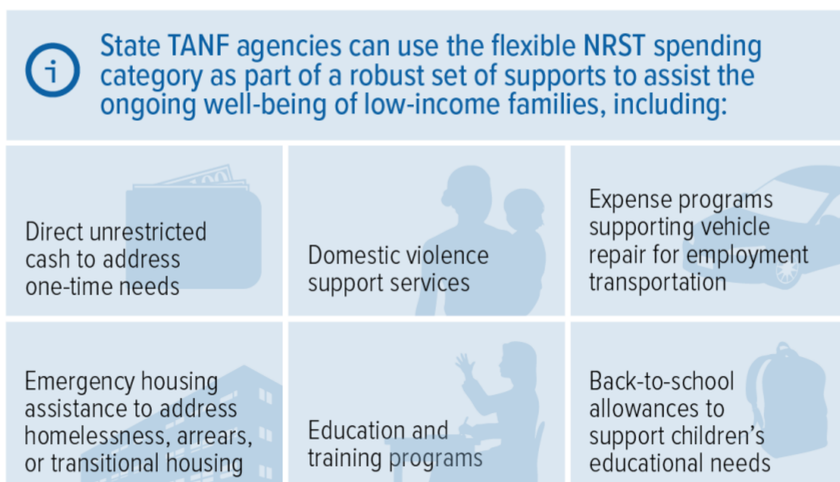
limitations exist, however; NRSTs cannot be provided on an ongoing basis, with each benefit not to exceed four months.

States have used NRSTs as a form of benefit diversion — that is, they provide families with immediate financial assistance to help stabilize them and thereby "divert" them from needing ongoing benefits. Concerns have been raised that such policies divert families who would be better off with ongoing benefits, highlighting the importance of using NRSTs to supplement, not replace, access to ongoing cash assistance.[4] Depending on states' policy choices, NRST payments can disqualify recipients from receiving ongoing cash benefits for varying periods of time. When structured as one-time payments, NRSTs typically aren't counted as income by other assistance programs, meaning families will not have those other benefits reduced regardless of the size of their NRST benefits.[5]

FIGURE 1

States Can Use Non-Recurrent Short-Term Benefits to Flexibly Meet Needs of Families with the Lowest Incomes

The Temporary Assistance for Needy Families (TANF) program enables states to provide non-recurrent, short-term assistance (NRST) to families experiencing a crisis or episode of need



Source: CBPP, "TANF's Non-Recurrent Short-Term Benefits Can Provide Necessary Assistance to Meet Families' Immediate Needs "

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[4] Carmen Solomon-Fears, "Welfare Reform: Diversion as an Alternative to TANF Benefits," Congressional Research Service, June 16, 2006, https://www.everycrsreport.com/files/20060616_RL30230_b270bf7c3d243a9144db47248058bef65c4b2163.pdf.

[5] Kimberly Drew and Aditi Shrivastava, "Memo: Benefits Interaction Considerations Between TANF Non-Recurrent Short-Term Benefits Payments & Federal Assistance Programs," Aspen Institute, January 30, 2025, https://docs.google.com/document/d/1NDkvM5C2MBuehS6tz7Q30JKwJcp_fZHGcx_lLgcC85c/edit?tab=t.0.

There is no comprehensive demographic data collected on whom TANF "non-assistance" funds serve, but there is much evidence on current and historical racially disparate access to TANF cash assistance.[6] NRSTs could help bridge these gaps until better systemic solutions are found. By design, NRSTs are subject to state rules and regulations, with many states mandating a maximum cap or a single lifetime use. States should structure their NRSTs to allow flexibility and autonomy and to limit unnecessary restrictions that can harm families experiencing a crisis or an episode of need.

Opportunity in Flexibility

NRSTs can allow families greater access to financial assistance or services, and states can be creative in how they structure and implement NRSTs. NRSTs do not count towards the 60-month (or state-specific) limit on TANF assistance, nor do they come with the work and child support enforcement requirements that accompany basic assistance benefits, making it possible for more families to qualify. NRSTs can also be provided to both families receiving TANF cash assistance and to other low-income, non-TANF families. States can establish different eligibility criteria for each NRST that they provide.

The flexibility of NRSTs allows states to use them as a quick and efficient mechanism for helping families address a short-term crisis or episode of need. TANF allows states to determine which type of NRSTs, if any, to provide. States most commonly elect to provide access to one of the following:

- some form of emergency housing assistance to address homelessness, arrears, or transitional housing;
- domestic violence support services;
- education and training programs; or
- miscellaneous expense programs for vehicle repair (ensuring transportation for employment) or back-to-school allowances to support children's educational needs.

Though state TANF agencies have employed NRSTs in a variety of ways for nearly 30 years, NRSTs have recently garnered attention because of their use in innovative programs such as Rx Kids. Launched in early 2024, Rx Kids prescribes cash allowances to every parent expecting an infant across several Michigan communities, including Flint, Kalamazoo, and the Eastern Upper Peninsula. Birthing parents receive a one-time payment of $1,500 during pregnancy, while babies receive $500 per month for a designated period, which ranges from 6 to 12 months. In recognition that the first year of life is critical for child development, and that families are at the highest risk of experiencing poverty immediately surrounding the birth of a child, the program is open to all families. The first four payments to low-income families (defined as those eligible for Medicaid) can be funded by TANF as NRST benefits. Following Rx Kids' and other examples below, states can use NRSTs as part of a robust set of supports for low-income families' well-being.

Maryland, for instance, provides NRST benefits in the form of electricity assistance of $300 or more to low-income families or households experiencing a crisis such as imminent loss of power.[7]

[6] Ife Floyd *et al.,* "TANF Policies Reflect Racist Legacy of Cash Assistance," CBPP, August 4, 2021, https://www.cbpp.org/research/income-security/tanf-policies-reflect-racist-legacy-of-cash-assistance.

[7] Maryland Department of Human Services, Form ACF-204: Annual Report on State Maintenance-of-Effort Programs, Fiscal Year 2023.

Massachusetts administers HomeBASE, a program that offers flexible NRST funds to unhoused families or those at risk of becoming unhoused — covering costs such as rent, security deposits, furniture, and other expenses that could otherwise hinder their ability to secure stable housing.[8]

Beyond these traditional applications, some states have begun to leverage NRSTs in more groundbreaking ways. For example, Florida's Relocation Assistance Program offers NRST benefits to TANF recipients or applicants seeking to move to neighborhoods with greater opportunities for employment, education, and family support.[9] Meanwhile, low-income families in Georgia receive 300 diapers a month for four months,[10] while those in Oregon receive $270 three times a year to purchase clothing for their children.[11] These benefits meet families' essential but often overlooked needs, allowing parents to put their income toward other critical expenses.

Looking Ahead

States can employ a variety of NRST benefits to meet families' needs as part of a larger effort to ensure economic justice for low-income families.

Long-standing misconceptions, policy obstacles, and administrative barriers that prevent families with children from accessing TANF benefits must be addressed to ensure that low-income families dealing with emergencies and crises, as well as everyday problems, have the support they need.[12] States should review how NRSTs can be utilized with other improvements to TANF to provide this critical support.

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8 Massachusetts Department of Transitional Assistance, "Massachusetts TANF State Plan," December 2021, https://www.mass.gov/doc/tanf-massachusetts-state-plan-2024-pdf/download#:~:text=The%20TAFDC%20program%20provides%20economic,economic%20mobility%20through%20meaningful%20employment.

9 Florida Department of Children and Families, Form ACF-204: Annual Report on State Maintenance-of-Effort Programs, Fiscal Year 2023.

10 Department of Human Services, "Georgia's TANF State Plan Renewal FY2023 Amendment," December 2022, https://dfcs.georgia.gov/services/temporary-assistance-needy-families.

11 Oregon Department of Human Services, Form ACF-204: Annual Report on State Maintenance-of-Effort Programs, Fiscal Year 2023.

12 Aditi Shrivastava and Gina Azito Thompson, "TANF Cash Assistance Should Reach Millions More Families to Lessen Hardship," CBPP, updated February 18, 2022, https://www.cbpp.org/research/family-income-support/cash-assistance-should-reach-millions-more-families.