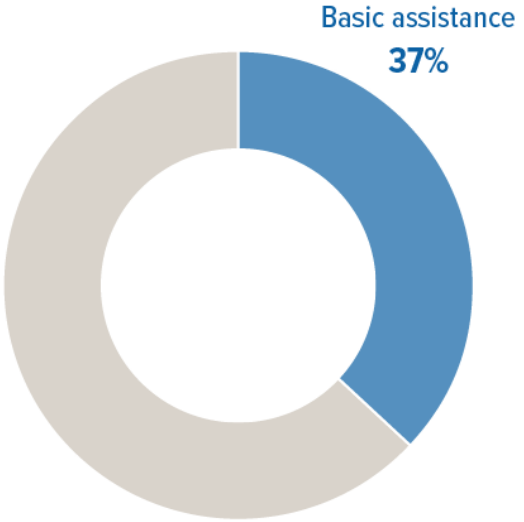
California TANF Spending

Center on Budget and Policy Priorities

In 2021 California spent about $5.7 billion in federal and state funds under the Temporary Assistance for Needy Families (TANF) program. **It spent 37 percent of these funds on basic assistance**, generally as cash assistance to TANF families.



Federal and State TANF Spending by Category, 2021

	California		National
	Millions of dollars	Share of spending	Share of U.S. spending
Basic Assistance	$2300	37%	23%
Work Activities	$895	15%	8%
Work Supports and Supportive Services	$276	5%	2%
Child Care	$989	16%	16%
Administration and Systems	$852	14%	11%
Tax Credits	$0	0%	9%
Pre-K	$0.1	0%	10%
Child Welfare	$0	0%	9%
Other Services	$811	13%	14%
Total	$5700	100%	100%

Federal and State TANF Spending on Select Activities (millions of dollars)

	2006	2011	2016	2018	2021
Basic Assistance	$3500	$3700	$2600	$2300	$230
Work Activities	$516	$627	$1300	$1800	$895
Child Care	$972	$921	$536	$743	$989

Federal TANF Allocation and State Maintenance-of-Effort (MOE) Amounts

- In 2021 California was awarded its TANF block grant of $3.6 billion.
- Since unspent block grant funds can be carried over to future years, a state may spend more or less than its annual block grant allocation in any given year. As of 2021, California has accumulated $544 million in unspent TANF block grant funds, equal to 15 percent of its block grant.
- Every year each state must also spend, from its own funds, at least 80 percent of its historical spending on low-income families with children. (A state may spend more than its minimum.) This "MOE" requirement can be reduced to 75 percent if a state meets specific work participation rate requirements. In 2021 California failed to meet these requirements and was subject to the 80 percent MOE obligation.

2021 TANF Allocation and MOE Obligation for California

Federal Funds Awarded	$3.6 billion
80% MOE Obligation	$2.9 billion

2021 Federal and MOE TANF Expenditures for California

Federal Spending	$2.8 billion
MOE Spending	$2.9 billion

The annual federal TANF block grant has been frozen since its creation and lost about 47 percent of its value between 1997 and 2021 due to inflation.

Source: The spending data are based on CBPP analysis of U.S. Department of Health and Human Services TANF financial data. California's TANF block grant amount has been adjusted to exclude Tribal TANF and research expenditures.