The Temporary Assistance to Needy Families program, known as TANF, provides assistance to needy families so children may be cared for in their homes, or in the homes of families; and provides work-eligible individuals with job preparation, work opportunities, and support services with the goal to enable them to gain work skills that will allow them to leave the program and become self-sufficient.

TANF is a time-limited cash assistance program created in the *Personal Responsibility and Work Opportunity Reconciliation Act of 1996*. This law allows a five-year lifetime limit on receipt of TANF benefits and provides flexibility to the states on how eligibility is determined. In Nevada, recipients may receive 24 months of assistance, after which they must remain off TANF for 12 consecutive months, unless they meet established hardship criteria. Receipt of benefits may continue until the lifetime limit of five years is reached.

In fiscal year 2016, the average number of recipients receiving cash benefits in Nevada each month was 26,717. The total cash grant expenditure for TANF in 2016 was $41,928,830, with an average monthly grant of $130.90 per recipient. The average TANF grant household size was 2.55 people (State Fiscal Year Fact Book 2016).

Additionally, in Nevada, there are currently asset limits for TANF recipients and applicants in place to ensure that these benefits are given to those most in need. Advocates and policy makers argue that asset limits penalize families for having substantial assets, discouraging low-income households from becoming financially stable.

The asset limits and eligibility requirements were recently changed in 2015 by Governor Brian Sandoval. Currently the asset limits in Nevada are set to $6,000 and exempt one vehicle from being counted as an asset among other savings and accounts. These exemptions allow households to own property, a vehicle, and build assets through specific accounts. This includes exemptions for funds placed into Individual Development Accounts and tax-preferred education accounts as described in Section 529 of the Internal Revenue Code of 1986, and Coverdell education savings accounts under Section 530 in the same code. These exemptions are thought to encourage asset building in low-income households (TANF State Plan, 2015).

However, the removal of asset limits could lower the administrative costs of running TANF for states, without a significant increase in caseloads. An analysis of the seven states that removed their asset limits between 2000 to 2014 demonstrated that this change did not result in a statistically significant increase in caseloads.

In fact, the rate of those who are denied due to excessive assets is low. In Alabama, 0.1% of TANF applications were denied due to excess assets in 2015 (Eliminating Asset Limits: Creating Savings for Families and State Governments,2016.) This indicates that the use of asset limits as a deterrent for abuse by those with high assets is not needed. In any case, the work requirements and low benefit levels already deter those with high assets from applying for TANF.

The work required to assess the assets of applicants and the recertification process for recipients can be costly. In addition, states that removed or increased their asset limits showed decreased administrative costs for TANF allowing states to provide families more benefits. The elimination of asset limits in Virginia resulted in a net savings of $195,850 and about $127,200 more in benefits for 40 families (Eliminating Asset Limits: Creating Savings for Families and State Governments,2016). By removing the asset limits for TANF, administrative costs could be reduced, while further encouraging households to build assets, and economic resources to mitigate unexpected costs or significant expenses such as healthcare, home ownership, or higher education.

Recommendation:
Enact legislation that would eliminate the asset limits for TANF recipients.

Justification:
Assets are essential to ensuring household financial security, helping families overcome poverty. The verification process can be confusing for workers and takes time away from working with recipients. The use of asset limits for TANF eligibility directs resources towards determining eligibility instead of increasing employability, encouraging saving, and increasing self-sufficiency. This confusion and inefficiency is unnecessary since time limits and work requirements ensure TANF recipients do not take advantage of this assistance program. Savings from the removal of these asset limits should be used for vocational and educational training to increase the employability of recipients. Increasing access to education and vocational training, will ensure that recipients can obtain employment, increasing their self-sufficiency, and decreasing their dependence on public assistance. Overall, removing the asset limits for TANF could result in reduced administrative costs, and increased efficiency.

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