



ADMINISTRATION FOR
CHILDREN & FAMILIES

330 C Street, S.W., Washington, DC 20201 | www.acf.hhs.gov

August 26, 2021

Dear State TANF Administrators, CCDF Administrators, and Child Welfare Agency Leaders:

On behalf of the Office of Family Assistance, the Office of Child Care and the Children's Bureau in the Administration for Children and Families (ACF), we are writing to make you aware of recently passed federal legislation affecting benefits to youth in or formerly in foster care. We urge coordination among state child welfare, Temporary Assistance for Needy Families (TANF), and Child Care and Development Fund (CCDF) programs to ensure that young people receiving benefits from the Chafee Program for Successful Transition to Adulthood (Chafee program), or their children, who also qualify for, or would otherwise qualify for TANF and CCDF, receive much needed assistance.

On December 27, 2020, the "Supporting Foster Youth and Families through the Pandemic Act," Division X of the *Consolidated Appropriations Act, 2021* (Public Law 116-260) was enacted into law. Among its provisions, this law provides increased funding and greater flexibilities in the Chafee program, the federal program focused on providing support and assistance to older youth in foster care and those who have aged out of the foster care system. (Please see Program Instruction [ACYF-CB-PI-20-04](#) issued by the Children's Bureau for detailed information on the law.)

We know that the Coronavirus Disease 2019 (COVID-19) pandemic and public health emergency has disproportionately impacted some groups in our country, including young people who have aged out of the foster care system or are currently in foster care. For these young people, many of whom are themselves now parenting young children, the COVID-19 pandemic and public health emergency has meant the loss of employment, disruption in school, and closing of child care providers. Further, we have heard from many young people who are in, or were in, foster care that they have not benefited from other COVID-19 relief assistance, such as economic impact payments or unemployment compensation.

The Children's Bureau strongly encourages states to use some of their additional Chafee program funding to provide unrestricted direct cash assistance to these young people, similar to the economic impact payments made over the last year, and/or to help them pay living expenses such as rent, utility, and car payments. However, we understand that receiving these cash payments may have the unintended impact of decreasing other benefits some young adults might be receiving, including TANF and CCDF.

ACF reminds agencies that, under the TANF and CCDF programs, states have the flexibility to disregard direct payments or other emergency assistance provided through the Chafee program when determining eligibility or benefit amounts for children and families receiving TANF or CCDF benefits. ACF encourages TANF and CCDF agencies to exercise this discretion when determining TANF and CCDF eligibility and benefit levels for young people currently or

formerly in foster care who have children. We urge state child welfare agencies to coordinate closely with their TANF and CCDF agencies so that they are aware of the types of assistance being offered and coordinate to ensure that these young parents do not lose TANF or CCDF benefits when receiving assistance from the child welfare agency through the Chafee program.

In addition, we want to make you aware of a provision in the law *requiring* that certain assistance be disregarded as income when determining a youth's eligibility for any other federal or federally supported assistance. From April 1, 2020, through September 30, 2021, Division X allows child welfare agencies to provide up to \$4,000 per year to eligible youth, ages 15- 26, for *driving and transportation assistance* (section 3(d)(4)(B) of Division X). These costs may be related to obtaining a driver's license, vehicle insurance, driver's education classes and testing fees, practice lessons, practice hours, license fees, roadside assistance, deductible assistance, and assistance in purchasing an automobile. The law directs that the driving and transportation assistance *must* be disregarded when determining the youth's eligibility for any other federal or federally supported assistance (section 3(d)(4)(B) of Division X).

Finally, we are aware that other federal agencies have now issued guidance addressing how assistance provided through the Chafee program is to be treated in determining eligibility for other federal programs. On July 23, 2021, the Social Security Administration issued updated guidance on the effect of COVID-19 pandemic-related financial assistance (including assistance paid under the Chafee program) on Supplemental Security Income (SSI) eligibility determinations. That guidance is available [here](#). On August 6, 2021, the U.S. Department of Agriculture (USDA) issued guidance for the Supplemental Nutrition Assistance Program (SNAP) on how additional funding for the Chafee program may impact benefit calculations for the SNAP. That USDA guidance is available [here](#). We urge state child welfare agencies to review this guidance to ensure that agency staff and young people are aware of how receipt of assistance under the Chafee program may affect their eligibility for other federal benefits.

The past year has been an extraordinarily challenging time. We thank you for the work your agencies have carried out to support children and families through the pandemic. We thank you in advance for taking steps to ensure that young people who have experienced foster care receive the assistance they need now to care for themselves and their own children. If you have questions with respect to use of the Chafee funds provided through Division X, please contact your [Children's Bureau regional office](#). If you have questions about how such assistance affects TANF or CCDF eligibility, please contact the [TANF](#) or [Office of Child Care](#) Program Manager in your region.

Sincerely,

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