



Tennessee TANF Opportunity Act: Pilots' Benefits Cliff Mitigation Strategies



APPAM Conference

November 13, 2025

Agenda

- Project Background & Evaluation Methods
- The Benefits Cliff in Tennessee
- Overview of Transitional Benefit Programs Design
- Implementation Findings
- Lessons Learned

Tennessee's TANF Opportunity Act



Seven pilots across the state each received \$25 million grant, **funded by Tennessee's TANF reserve funds**



Collective impact models, operated by community organizations, provide: care coordination and coaching, employment, financial, and family supports



Most participating families are **receiving at least one public benefit** at time of enrollment



MEF is evaluating pilots, including **impact, implementation, and cost studies**

Evaluating Pilots' Transitional Benefits Programs

Three Pilot Programs:

ETC, Our ChanceTN, STRONG Families

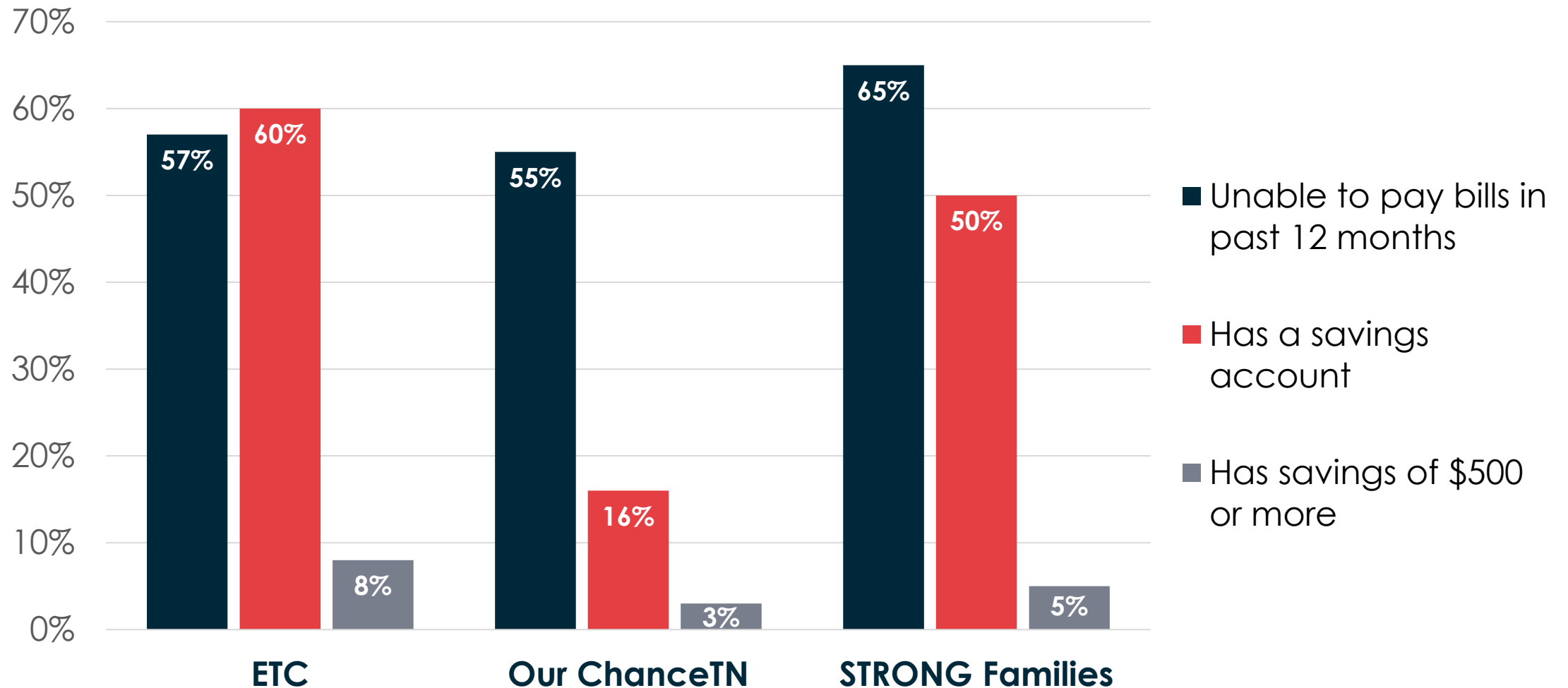
Implementation Research Questions:

- How did the three pilots design and implement their transitional benefits programs?
- How many participants received these benefits?
- What were the lessons learned?

Data Collection:

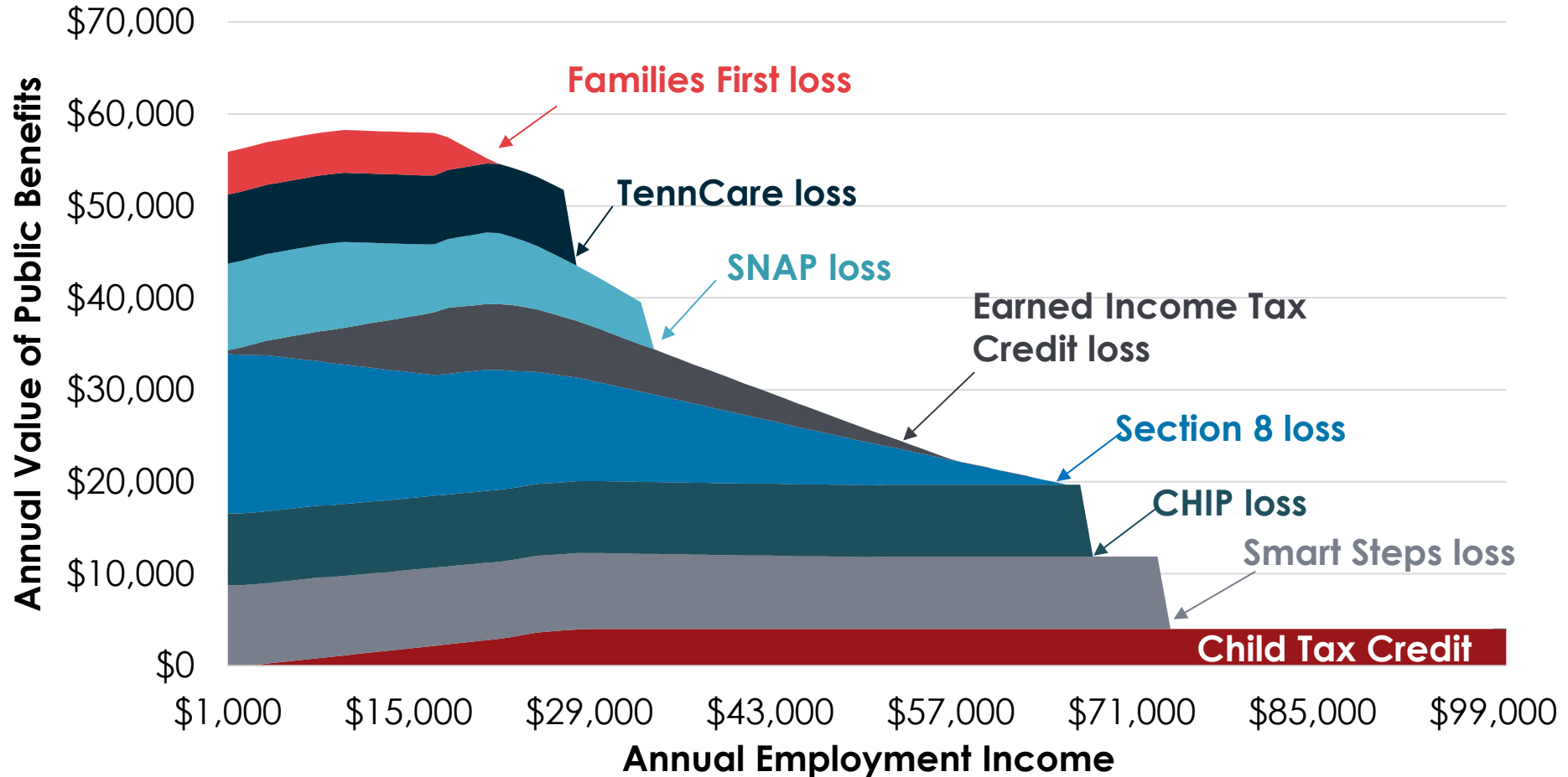
- Qualitative
 - Interviews with pilot leadership & frontline staff
 - Focus groups with participants
- Quantitative
 - Baseline survey for participant characteristics
 - Program MIS data on service delivery, benefit receipt

Pilot participants were financially precarious



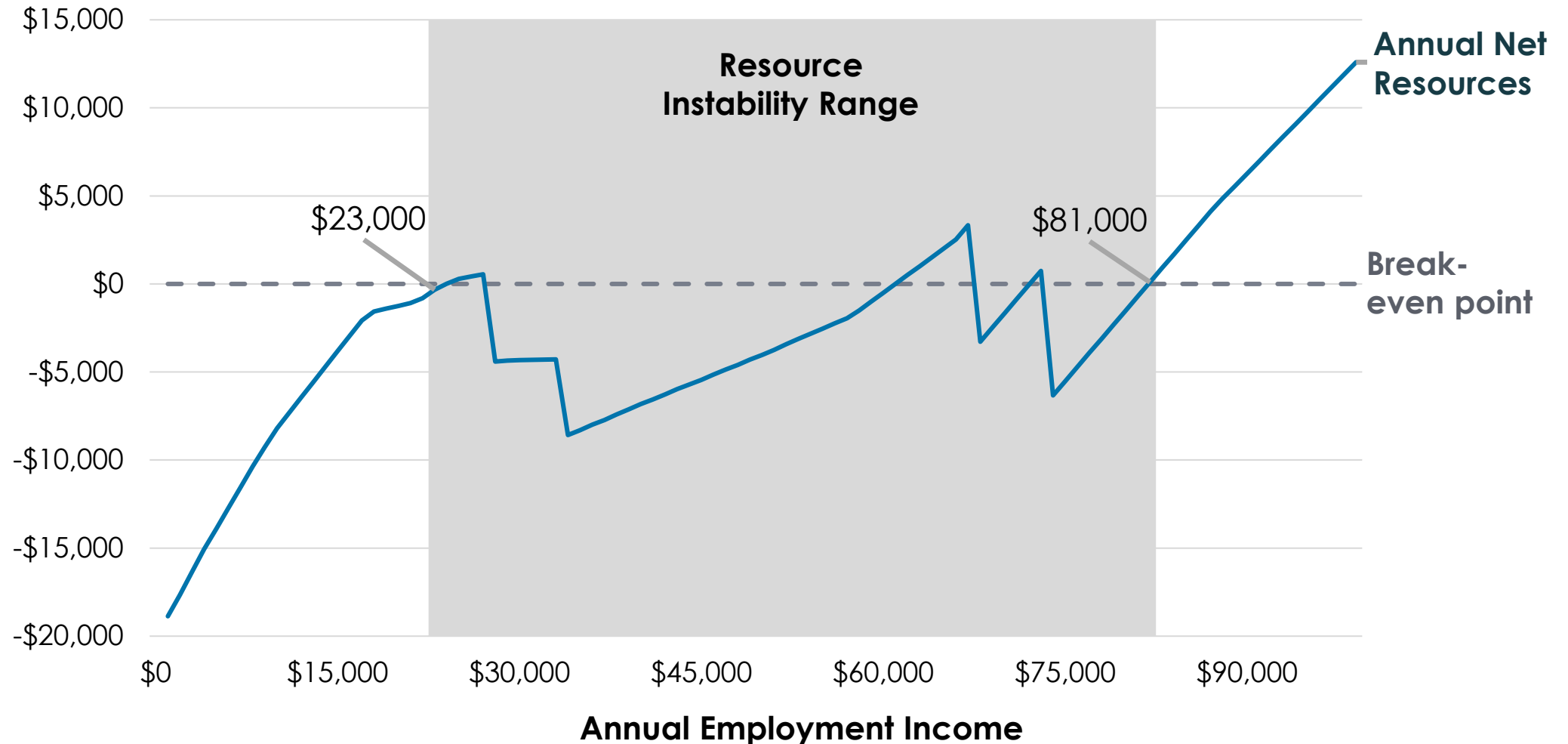
Source: Baseline surveys collected during program enrollment.

Benefits Cliffs: Program Phase-outs



Source: Atlanta Federal Reserve CLIFF Tool & Policy Rules Database.

Cliff Effect: Change in Net Resources



Source: Atlanta Federal Reserve Cliff Tool; ALICE budget and income status tool.

How did pilots address the benefits cliff?



Improving knowledge of
benefits cliffs



Providing transitional benefits
to offset benefit loss

Differences in program design



Framing of the transitional benefit



Use of benefit cliff calculator



Types of benefits covered and
ability to pay for partial benefit loss



Time limits

Payments: direct to providers or via gift cards



Housing: mortgage or rent payments to landlords, utility providers, late fees



Food: gift cards to grocery stores, direct purchase of groceries, in-kind food boxes



Childcare: direct payments to childcare providers



Other: gas cards, transportation costs, and other bills

Take-up of transitional benefits was low

- **Take-up rates were low** (range: 6% to 11%), but we don't know real eligibility—number of participants who lost benefits.
- Programs provided transitional benefits payments to an average of **56 participants per program** (range: 29 to 78).
- Participants received their first transitional benefit an average of **10 months after enrollment** (range: 9 to 12).
- Programs spent an average of **\$1,774 per participant** on transitional benefit payments (range: \$649 to \$3,120)

The Critical Role of Coaching

- **Benefits counseling and financial education** are critical component before, during, and after benefits transitions
- Coaching served two functions: **Informational & Emotional**

“At first it was scary to think about, but my mentor was kind of easing my mind like, ‘Once you do get to that point, we're not just going to kick you out...we will help you work your way off of it, so [you] feel comfortable...and don't end up in another hardship situation.’”

–Pilot participant

Implementation Challenges & Adaptations

- While staff and participants understand what the “benefits cliff” is, there was widespread confusion about **complex eligibility rules and processes**
 - Solutions: On-going staff training; specialized staff roles
- A **four-month time limit** was not always enough time for families to stabilize after substantive changes to net resources
 - Solutions: Maximized benefit amounts; conducted re-assessments
- The **direct payment to provider** model for transitional benefits added administrative burden (documentation and wait times)

Lessons Learned

- **Service delivery was low:** Limited number of families experience benefits loss, but pilots also experienced implementation challenges in establishing processes and staff training.
- **Benefits counseling:** Payments are only one component of helping families transition benefits loss. Pilots all found that coaching is also a powerful supplement, though potentially resource-intensive.
- **Flexibility in funding is important:** The direct payment-to-provider documentation and restrictions were a barrier. More flexible or cash-like options, and/or longer transition periods, should be explored.

Contact information

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This study is part of a larger evaluation of the TOPI pilots, including pilot-specific implementation reports coming early 2026, and a Final Report in late 2026.

Scan the QR code below to visit the project website, where you can access the cliff effect brief when it is released this Fall!



Scan me!