

Overview of TANF Policy: In 2020, Alabama provided TANF cash support to 7% of families with children living below the poverty level, far below the national average (21%).¹ The state provides a maximum monthly benefit of \$215 for a family of three (10% of the 2024 Federal Poverty Level, or FPL). According to a report from the Department of Health and Human Services, as of 2021 **the state held TANF funds in reserve of \$122,706,497; the state received \$104,087,028 in federal block grants the following year, 2022.**²

Alabama **maintains the 60-month lifetime limit** on TANF cash assistance for families with no additional restrictions. In addition, the state has **eliminated its asset limit** and **eliminated the eligibility ban for those convicted of drug-related felonies.**

Like most states, Alabama provides cash assistance to families led by parents holding green cards with at least five years' residence in the U.S.

Assessment of TANF Policy: By **increasing maximum benefit amounts** and **extending income limits**, Alabama could lift more parents and children above the poverty level during periods of financial setback or acute need. **Mandating recurring benefit increases tied to inflation or cost-of-living assessments** would also ensure adequate support for families in the future. **Eliminating the requirement for parents to search for a job** before their application is approved would provide much-needed support for families in periods of critical need. In place of monthly TANF cash assistance for families who are not in *immediate* need, Alabama could consider providing a lump-sum benefit as a **one-time diversionary payment** while parents seek or continue employment; such payments can help with items such as car payments to facilitate parents' independence.

Alabama could also consider **using state funds to provide cash assistance to low-income parents holding green cards who have resided in the country less than five years.** Additionally, the state could **provide transitional assistance** to those parents who have received TANF for at least six months and are working at least 20 hours/week, granting as much as \$200/month for up to 24 additional months; this measure would **reduce benefit cliffs** for parents as they earn higher incomes and transition away from cash assistance.

Alabama may also consider **eliminating TANF's full-family sanctions** by reducing rather than terminating benefits for parents not fulfilling the program's work requirements, as more states are doing. Because sufficient economic support during pregnancy and very early childhood is essential to children's healthy development, the state may further consider **providing cash assistance for pregnant people without children.**³

¹ For more on TANF-to-poverty ratios, see <https://www.cbpp.org/research/income-security/state-fact-sheets-trends-in-state-tanf-to-poverty-ratios>.

² Block grants and spending priorities for 2022 for all states are accessible here: <https://www.acf.hhs.gov/ofa/data/tanf-and-moe-spending-and-transfers-activity-fy-2022>.

³ For research detailing effects of some state-level TANF policies and administrative practices on children and families, see <https://www.nccp.org/ec-profiles-pes-policies-related-research-and-resources/#parenting>.

Alabama’s Cash Assistance (TANF) policy: Family Independence Temporary Assistance Program		
HOW MUCH CASH ASSISTANCE CAN A FAMILY OF THREE RECEIVE?		
Flexibility	Current policy	Potential improvement
<p>Maximum benefit allowed</p> <p>What is the maximum monthly amount a family of three could receive in cash assistance?</p>	<p>\$215/month (or less than 10% FPL in 2024).</p>	<p>Increase the Standard of Need, or maximum benefit level.</p> <p>Example: Louisiana recently increased its maximum benefit for a family of three to \$484/month.</p>
<p>Recurring benefit increases</p> <p>Has the state mandated increases to these amounts, as the cost of living rises?</p>	<p>No.</p>	<p>Make recurring increases to the state’s Standard of Need or benefit amounts, tied to a cost-of-living or poverty measurement.</p> <p>Example: Ohio requires scheduled cost-of-living updates to TANF benefit amounts each year on January 1st.</p>
WHO IS ELIGIBLE FOR CASH ASSISTANCE?		
Flexibility	Current policy	Potential improvement
<p>Maximum income</p> <p>How much can a family of three earn and still be considered eligible to receive cash assistance?</p>	<p>While there is not a gross income limit in Alabama, there is a net income test. A family of three cannot earn more than \$344/month (16% FPL) after deducting 30% of work expenses and childcare from income.</p>	<p>Increase limits, disregards, and/or deductions as other states have done to enable families earning more to receive cash assistance.</p> <p>Example: A family of three in South Carolina can earn up to \$1,035/month (48% FPL) after disregarding 50% of the monthly gross countable</p>

		earned income of each earner for up to four months.
Asset limit How much can a family maintain in savings while still being eligible for cash assistance?	Alabama has eliminated the asset limit for cash assistance.	N/A
Eligibility during pregnancy for parents without children Are pregnant people with no children in the household eligible for cash assistance?	No.	Consider providing eligibility to low-income pregnant people with no other children, as several other states have. Example: Ohio provides eligibility from the sixth month of pregnancy, and Washington in the first month.
Provision of cash assistance to out-of-work parents before they search for a job Does Alabama provide eligibility to parents without a search for employment?	No. Failure of applicants to apply to job openings can result in denial of their application.	Consider eliminating this requirement, which can prevent families from receiving assistance at times of critical need. Examples: Arkansas and Louisiana have eliminated the requirement for a job search.
ADDITIONAL RULES AND RESTRICTIONS		
Flexibility	Current policy	Potential improvement
Time limit Does Alabama allow families to receive cash assistance up to the federal limit of 60 months?	The lifetime limit is 60 months.	N/A
Provision of federal TANF cash assistance to immigrant families		

<p>who are lawful permanent residents (LPRs) *after* five years' residence in US</p> <p>Can parents who hold green cards access cash assistance in Alabama once they have been in the country <i>for five years or longer</i>?</p>	Yes.	N/A
<p>Use of state funds to provide cash assistance to immigrant families who are lawful permanent residents (LPRs) with less than five years' residence in US</p> <p>Can parents who hold green cards access cash assistance in Alabama if they have been in the country for <i>less than five years</i>?</p>	No.	<p>Provide families led by parents who are lawful permanent residents (LPRs) with less than five years' residence in US with cash assistance using state funding.</p> <p>Examples: Georgia uses state funding to provide such families with cash assistance.</p>
<p>Transitional cash benefits for families when they stop receiving TANF</p> <p>Will parents who have just begun to earn enough to be ineligible for TANF cash assistance receive some additional support for a limited period?</p>	No.	<p>Consider providing families with transitional amounts of cash assistance for a few months after parents' earnings exceed the income threshold (e.g., Kansas, Kentucky, and Missouri).</p>
<p>Providing one-time cash payments to families in need</p> <p>Does the state provide a formal diversion program to support families with specific short-term needs?</p>	No.	<p>To families not in imminent need, consider providing a lump-sum payment in order to help them with expenses that may enable continued</p>

		employment, as other states have done (e.g., Arkansas, Florida and Georgia).
<p>Lifting full-family sanctions</p> <p>Are other family members able to continue receiving cash benefits if an adult does not meet work requirements?</p>	No. If a parent is noncompliant with work requirements, the family's benefits can be reduced or terminated.	Lower the benefit amount in place of full-family sanctions if parents do not meet work requirements (e.g., Illinois).
<p>Lifting drug felony bans</p> <p>Are persons convicted of drug-related felonies eligible for cash assistance?</p>	Yes.	N/A
<p>Lifting the family cap for a new birth</p> <p>Can families receive additional cash assistance if they have another child while receiving assistance?</p>	Yes.	N/A