

Overview of TANF Policy: In 2020, Arkansas provided TANF cash support to just 4% of families with children living below the poverty level, far below the national average (21%).¹ The state provides a maximum monthly benefit of \$204 for a three-person family (9% 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 \$65,890,269; the state received \$63,281,802 in federal block grants the following year, 2022.**²

Arkansas has **eliminated the eligibility ban for those convicted of drug-related felonies**, and it has **raised the asset limit for savings and checking accounts to \$3,000**. Rather than enacting full-family sanctions and terminating benefits entirely for low-income families, Arkansas **reduces benefits by no more than 50%** in cases when parents are non-compliant with work requirements.

Assessment of TANF Policy: By **increasing maximum benefit amounts, extending income limits, and eliminating asset limits**, Arkansas could lift more parents and children above the poverty level during periods of acute need. **Mandating recurring benefit increases tied to inflation or costs of living** would also ensure adequate support for families in the future.

To provide support in cases when parents lose employment or experience other setbacks, the state could consider **maintaining the 60-month lifetime limit** on TANF cash assistance for families with children rather than limiting it to 12 months.

Because sufficient economic support during pregnancy and very early childhood is essential to children's healthy development, the state may also consider **eliminating the "family cap" and 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>.

Arkansas'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>\$204/month (or about 9% FPL in 2024).</p> <p>Note: This amount will be reduced by 50% if a family's gross income exceeds \$1,026, under a "reduced payment income trigger" rule.</p>	<p>Increase the 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 state 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>After deducting 20% of earnings, a family of any size cannot earn more than \$513/month (24% FPL).</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 after disregarding 50% of the monthly gross countable</p>

		earned income of each earner for up to four months.
<p>Asset limit</p> <p>How much can a family maintain in savings while still being eligible for cash assistance?</p>	\$3,000.	<p>Consider removing or further increasing the asset limit to enable families to save and promote economic mobility, as other states have done (e.g., Ohio).</p> <p>Example: Indiana has lifted the asset limit for cash assistance to \$10,000.</p>
<p>Eligibility during pregnancy for parents without children</p> <p>Are pregnant people with no children in the household eligible for cash assistance?</p>	No.	<p>Consider providing eligibility to low-income pregnant people with no other children, as several other states have.</p> <p>Example: Ohio provides eligibility from the sixth month of pregnancy, and Washington in the first month.</p>
ADDITIONAL RULES AND RESTRICTIONS		
Flexibility	Current policy	Potential improvement
<p>Time limit</p> <p>Does Arkansas allow families to receive cash assistance up to the federal limit of 60 months?</p>	No; The lifetime limit for families with children is 12 months.	Consider maintaining the lifetime limit of 60 months as many states do (e.g., Iowa, Kentucky, Mississippi).
<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>	Sanctions for noncompliance with work requirements can result in reductions of cash assistance not exceeding 50% of the benefit.	Consider reducing the benefit by no more than 20% (e.g., Washington, DC) or eliminating sanctions altogether (e.g., Maryland).

<p>Lifting drug felony bans</p> <p>Are persons convicted of drug-related felonies eligible for cash assistance?</p>	<p>Yes.</p>	<p>N/A</p>
<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>	<p>No. Benefits are not increased to support a child who is born a) while cash assistance is provided to anyone in the household or b) “within nine months of the month such assistance was terminated to the mother.”</p>	<p>Discontinue the family cap. It is not a federal requirement and does not exist in most states. Cash support during early childhood is important for reducing parental stress and building better developmental outcomes in children.</p>