

**Overview of TANF Policy:** In 2020, Kentucky provided TANF cash support to 21% of families with children living below the poverty level, matching the national average (21%).<sup>1</sup> The state provides a maximum monthly benefit of between \$262 and \$289 for a three-person family (12% to 13% 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 \$107,945,898; the state received \$180,689,420 in federal block grants in the following year, 2022.**<sup>2</sup>

Kentucky **maintains the federal 60-month lifetime limit** on TANF cash assistance. In addition, Indiana has **eliminated the eligibility ban for those convicted of drug-related felonies.**

**Assessment of TANF Policy:** By **increasing maximum benefits, extending income limits, and dropping its asset limit**, Kentucky 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.

Kentucky 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. Further, the state may consider **providing cash assistance for pregnant people without children**, given that sufficient economic support during pregnancy and very early childhood is essential to children's healthy development.<sup>3</sup>

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<sup>1</sup> 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>.

<sup>2</sup> 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>.

<sup>3</sup> 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>.

Kentucky'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><b>Maximum benefit allowed</b></p> <p>What is the maximum monthly amount a family of three could receive in cash assistance?</p>	<p>Between from \$262 and \$289/month (12%-13% FPL in 2024).</p>	<p><b>Increase the maximum benefit level.</b></p> <p><b>Examples:</b>                      Louisiana recently doubled its maximum benefit for a family of three to \$484/month (22% FPL).                       California's maximum payment for a family of three is \$1,171/month (51% FPL).</p>
<p><b>Recurring benefit increases</b></p> <p>Has the state mandated increases to these amounts, as the cost of living rises?</p>	<p>No.</p>	<p><b>Make recurring increases to the state's Standard of Need or benefit amounts, tied to a cost-of-living or poverty measurement.</b></p> <p><b>Example: Ohio requires scheduled cost-of-living updates to TANF benefit amounts each year on January 1st.</b></p>
WHO IS ELIGIBLE FOR CASH ASSISTANCE?		
Flexibility	Current policy	Potential improvement
<p><b>Maximum income</b></p> <p>How much can a family of three earn and still be considered eligible to receive cash assistance?</p>	<p>A family of three must have a gross income below \$974/month (45% FPL).</p>	<p><b>Increase limits, disregards, and/or deductions as other states have done to enable families earning more to receive cash assistance.</b></p> <p><b>Example: Wisconsin provides gross income eligibility to</b></p>

		three-person families earning up to \$2,382/month (111% FPL).
<p><b>Asset limit</b></p> <p>How much can a family maintain in savings while still being eligible for cash assistance?</p>	\$2,000.	<p>Consider removing or raising the asset limit to allow families to retain emergency funds and savings.</p> <p>Example: Nebraska raised its asset limit to \$6,000.</p>
<p><b>Eligibility during pregnancy for parents without children</b></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>
<b>ADDITIONAL RULES AND RESTRICTIONS</b>		
<b>Flexibility</b>	<b>Current policy</b>	<b>Potential improvement</b>
<p><b>Time limit</b></p> <p>Does Kentucky allow families to receive cash assistance up to the federal limit of 60 months?</p>	The lifetime limit is 60 months.	N/A
<p><b>Lifting full-family sanctions</b></p> <p>Are other family members able to continue receiving cash benefits if an adult does not meet work requirements?</p>	No. After a third sanction, cash assistance can be terminated for the entire household.	Lower the benefit amount in place of full-family sanctions if parents do not meet work requirements (e.g., Illinois).
<p><b>Lifting drug felony bans</b></p> <p>Are persons convicted of drug-related felonies eligible for cash assistance?</p>	Yes.	N/A

<b>Lifting the family cap for a new birth</b>  Can families receive additional cash assistance if they have another child while receiving assistance?	Yes.	N/A
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