

Overview of TANF Policy: In 2020, Michigan provided TANF cash support to 11% of families with children living below the poverty level, below the national average (21%).¹ The state provides a maximum monthly benefit of \$492 to a family of three (23% of the 2024 Federal Poverty Level, or FPL). Michigan's monthly benefit amount has not increased since 2008; however, budgetary legislation passed in May 2024 suggest payment standards will rise in the next year. According to a report from the Department of Health and Human Services, as of 2021 **the state held TANF funds in reserve of \$124,420,244; the state received \$772,794,194 in federal block grants the following year, 2022.**²

The state has **increased its asset limit for eligibility** to allow families to retain up to \$15,000 in cash, investments, and retirement and \$200,000 in real property assets. Michigan has **fully eliminated the ban on eligibility for those convicted of drug-related felonies** and **provides cash assistance for pregnant people with no other children beginning in the first month of pregnancy**

To be eligible for cash assistance, **families must pass income limit tests regarding issuance deficit and child support**, the latter only if they have dependent children. Michigan also **enforces a 48-month lifetime limit** on TANF cash assistance.

Assessment of TANF Policy: By **increasing maximum benefits, extending income limits, and eliminating the asset test for eligibility**, Michigan could lift more parents and children above the poverty level during periods of acute need.³

The state may also consider **eliminating TANF's full-family sanctions** by reducing rather than terminating benefits for parents not fulfilling the program's work requirements. Further, Michigan's current lifetime limit on cash assistance is more restrictive than federal guidelines. By **providing cash assistance to families at the 60-month federal lifetime limit**, the state could provide more substantial support to families.

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**.

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>.

Michigan’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>\$492 (23% FPL in 2024), an amount that has not changed since 2008.</p>	<p>Increase the maximum benefit level.</p> <p>Example: California’s maximum payment for a family of three is \$1,171/month (51% FPL).</p>
<p>Recurring benefit increases</p> <p>Has the state mandated increases to these amounts, as the cost of living rises?</p>	<p>No. In 2024, state legislation intends to increase the TANF benefit amount for the first time since 2008; however, this proposal has not yet passed, and it does not include measures for recurring adjustments.</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>After disregarding the first \$200 of income and 20% of the remaining earnings for each working person, if the resulting amount is less than \$482, the household qualifies for cash assistance.</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?	\$15,000 in cash, investments, and retirement plans; and \$200,000 in real property assets.	Consider eliminating the asset limit, as other states have (Louisiana, Ohio).
Eligibility during pregnancy for parents without children Are pregnant people with no children in the household eligible for cash assistance?	Yes.	N/A
ADDITIONAL RULES AND RESTRICTIONS		
Flexibility	Current policy	Potential improvement
Time limit Does Michigan allow families to receive cash assistance up to the federal limit of 60 months?	No. Michigan’s lifetime limit is more restrictive than federal program guidelines, cutting off at 48 months of benefits.	Raise the lifetime limit to 60 months to meet the federal maximum and provide program access to more families, as most states have done (e.g., Iowa, Tennessee, Kentucky, New Jersey).
Lifting full-family sanctions Are other family members able to continue receiving cash benefits if an adult does not meet work requirements?	No. After the first occurrence of noncompliance, a case can be closed for no less than 3 months; after a second occurrence, the suspension is at least 6 months; and a third instance results in a lifetime sanction.	Lower the benefit amount in place of full-family sanctions if parents do not meet work requirements (e.g., Illinois).
Lifting drug felony bans Are persons convicted of drug-related felonies eligible for cash assistance?	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>	<p>Yes.</p>	<p>N/A</p>
--	-------------	------------