

Overview of TANF Policy: In 2020, South Dakota provided TANF cash support to 18% of families with children living below the poverty level, slightly below the national average (21%).¹ The state provides different monthly benefits depending on whether a family lives independently or in a shared arrangement, including subsidized housing. The maximum cash assistance for a family of three in an independent living arrangement is \$701/month (33% FPL) and \$507/month (25% FPL) in a shared living arrangement. According to a report from the Department of Health and Human Services, as of 2021 **the state held TANF funds in reserve of \$24,539,957; the state received \$21,207,402 in federal block grants the following year, 2022.**²

Assessment of TANF Policy: By **increasing maximum benefits, extending income limits, and dropping its asset limit**, South Dakota could greatly benefit parents and children during periods of acute need. **Mandating recurring benefit increases tied to inflation or cost-of-living assessments** would also ensure adequate, continued support for families.

South Dakota could also consider **eliminating 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.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>.

South Dakota’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>\$701/month (33% FPL) in an independent living arrangement; or</p> <p>\$507/month (24% FPL) in a shared living arrangement.</p>	<p>Increase the maximum benefit level.</p> <p>Example: Minnesota’s maximum benefit for a family of three is \$1,370/month (64% 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.</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 making a standard income deduction of \$90 plus 20% of every individual's remaining gross earned income, parents can earn no more than:</p> <p>\$701/month (33% FPL) in an independent living arrangement; or</p> <p>\$507/month (24% FPL) in a shared living arrangement.</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 earned income of each earner for up to four months.</p>

<p>Asset limit</p> <p>How much can a family maintain in savings while still being eligible for cash assistance?</p>	<p>\$2,000.</p>	<p>Consider removing or raising the asset limit to enable families to save and promote economic mobility.</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>	<p>No.</p>	<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>
<p>ADDITIONAL RULES AND RESTRICTIONS</p>		
<p>Flexibility</p>	<p>Current policy</p>	<p>Potential improvement</p>
<p>Time limit</p> <p>Does South Dakota allow families to receive cash assistance up to the federal limit of 60 months?</p>	<p>The lifetime limit is 60 months.</p>	<p>N/A</p>
<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>	<p>Not if an adult is noncompliant with work requirements a fourth time.</p>	<p>Lower the benefit amount in place of full-family sanctions if parents do not meet work requirements (e.g., Illinois).</p>
<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>