

**Overview of TANF Policy:** In 2020, Texas provided TANF cash support to 4% of families with children living below the poverty level, far below the national average (21%).<sup>1</sup> To three-person households, the state provides a maximum monthly benefit of \$353 for a single-parent family with two children and \$386 for a two-parent family with one child (16% and 18%, respectively, of the 2024 Federal Poverty Level, or FPL). Texas **provides recurring increases to this maximum benefit**, tied to the FPL. According to a report from the Department of Health and Human Services, as of 2021 **the state held TANF funds in reserve of \$237,402,433; the state received \$542,387,696 in federal block grants the following year, 2022.**<sup>2</sup>

Additionally, the state **maintains the 60-month lifetime limit on TANF cash assistance** for families with no additional restrictions.

**Assessment of TANF Policy:** By **increasing maximum benefits, extending income limits, and increasing or eliminating its asset limit**, Texas could lift more parents and children above the poverty level during periods of financial setback or acute need.

Texas 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. Additionally, the state could also consider **eliminating the eligibility ban for those convicted of drug-related felonies**.

**Providing cash assistance to pregnant people with no other children** would also be a critical support, 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>.

Texas'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>\$353 for a single-parent family with two children (16% FPL).</p> <p>\$386 for a two-parent family with one child (18% FPL).</p>	<p><b>Increase the maximum benefit level.</b></p> <p><b>Examples: Louisiana recently increased its maximum benefit for a family of three to \$484/month (22% FPL). South Dakota's maximum payment for a family of three is \$701/month (33% FPL).</b></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>Yes.</p>	<p>N/A</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>\$751/month for a single-parent family with two children (34% FPL); or</p> <p>\$824/month for a two-parent family with one child (38% FPL); under Budgetary needs test.</p>	<p><b>Increase limits as other states have done to extend cash assistance to more families.</b></p> <p><b>Example: South Carolina provides gross income eligibility to three-person families earning up to \$1,914/month (89% FPL).</b></p>
<p><b>Asset limit</b></p> <p>How much can a family maintain in savings while still being eligible for cash assistance?</p>	<p>\$1,000.</p>	<p><b>Consider removing or increasing the asset limit to allow families to retain emergency funds and savings.</b></p>

		<b>Example: Alabama has fully eliminated its asset limit, and Idaho has increased its asset limit to \$5,000.</b>
<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.	<b>Consider providing eligibility to pregnant people with no other children, from the first month of pregnancy if possible (e.g., Maryland).</b>
<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 Texas 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.	<b>Lower the benefit amount in place of full-family sanctions if parents do not meet work requirements (e.g., Maryland).</b>
<p><b>Lifting drug felony bans</b></p> <p>Are persons convicted of drug-related felonies eligible for cash assistance?</p>	No.	<b>Fully eliminate the ban on eligibility for those convicted of drug-related felonies (e.g., Mississippi).</b>
<p><b>Lifting the family cap for a new birth</b></p> <p>Can families receive additional cash assistance if they have another child while receiving assistance?</p>	Yes. Texas has never instituted a family cap.	N/A