

# State Policies in Support of Families' Economic Security: **Flexibilities for TANF Cash Assistance**

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Community of Learners Session, March 19<sup>th</sup>  
Alliance for Early Success



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# Agenda for today

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1. Why TANF Cash Assistance is important
2. State flexibilities around TANF cash assistance
3. Highlighting a new resource: the SNAP-and-TANF state profiles
4. TANF block grants and a proposed rule change for TANF spending



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## State TANF policies linked to child neglect victims and foster care placements

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“Restrictions on TANF access were associated with more than forty-four additional neglect victims per 100,000 child population and between nineteen and twenty-two additional children per 100,000 placed in foster care.”

Ginther, D. K., & Johnson-Motoyama, M. (2022). Associations Between State TANF Policies, Child Protective Services Involvement, And Foster Care Placement: Study examines associations between state-level Temporary Assistance for Needy Families policies, child protective services involvement, and foster care placement. *Health Affairs*, 41(12), 1744-1753.

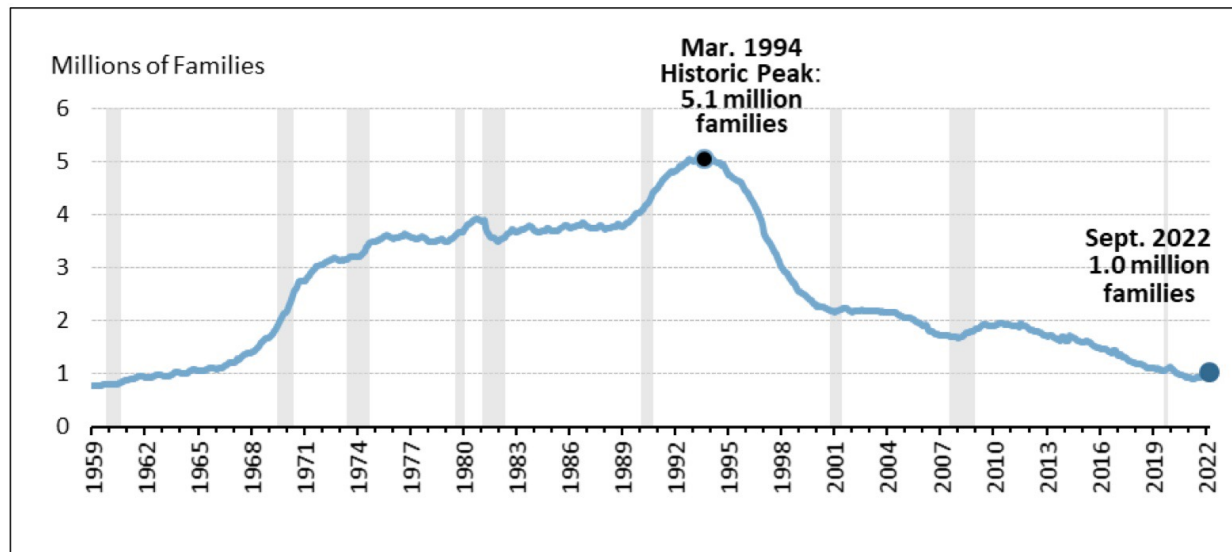


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# The decline in cash assistance for low-income families.

**Figure 2. Number of Families Receiving Assistance, July 1959 to September 2022**



**Source:** Congressional Research Service (CRS), with data from the U.S. Department of Health and Human Services (HHS). Data as of December 27, 2022, and subject to revision.

## State flexibilities for TANF cash assistance often used to provide less assistance to fewer families

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1. Benefit Calculation tied to “Standards of Need” (sometimes called by another name, such as “Flat Grant Amounts”) which were set, in many cases, long ago.
2. Eligibility: Income and Asset tests
3. Other rules and regulations, some quite punitive, including administrative barriers involving work requirements



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## **Work requirements are an important way that states restrict (or ease) families' access to cash assistance**

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Federal guidelines for states to meet the “work participation rate”:

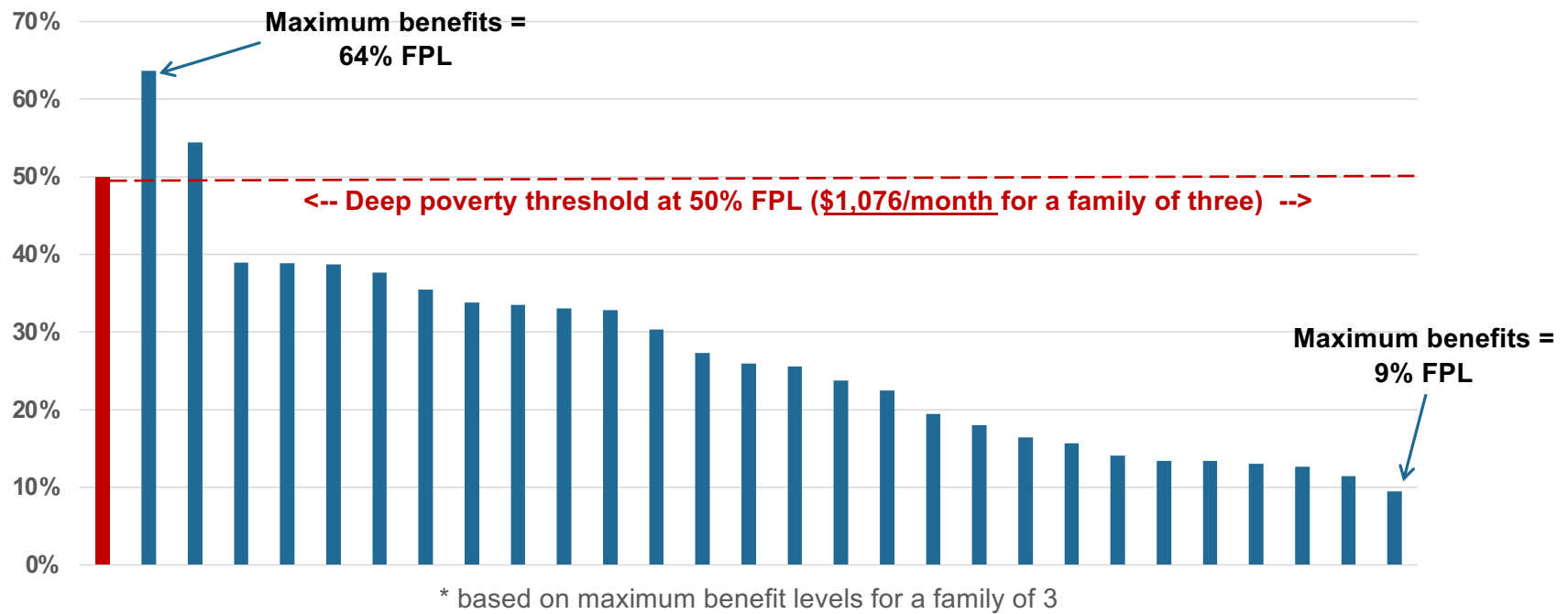
- In each state, in 50% of all families receiving cash assistance, parents must either engage in work or activities that are “work-related” such as job training, for at least 30 hours/week (20 hours a week for single parents with children under age 6);
- Of two-parent families receiving assistance, in 90% of those households at least one parent must be engaged in work or work-related activities for at least 35 hours/week.



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## Maximum TANF Benefit Level\* for 28 states in 2024 in Comparison to "Deep Poverty" Threshold (50% FPL)



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## There has been interest in some states, since the pandemic, in increasing levels of TANF cash assistance

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- Some states have still not increased their benefit amounts since **1996**.
- Some states *have* increased benefit levels since 2020, but often these amounts remain well below 50% of FPL, and in most cases these states have not instated recurring increases to keep pace with increased costs of living.
- Some states have procedures to increase benefits periodically, even annually, yet their benefit levels remain similarly quite low.



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## Benefit amounts for cash assistance vary widely

Colorado'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
<b>Maximum benefit allowed</b>  What is the maximum monthly amount a family of three could receive in cash assistance?	\$559/month for a single-parent family with two children; \$585/month for a two-parent family with one child (or between 26% and 27% FPL in 2024).	<b>Increase the maximum benefit level. Example: California's maximum payment for a family of three is \$1171/month, or 51% of the federal poverty limit.</b>
<b>Recurring benefit increases</b>  Has the state legislated mandated increases to these amounts in future, as the cost of living rises?	Yes. Beginning July 1, 2024, the amount of cash assistance must equal or exceed the amount from the previous year plus a 2% cost of living adjustment or a cost-of-living adjustment that is equal to the average of the federal social security administration's cost of living adjustment for that fiscal year plus the previous 2 fiscal years, whichever is greater.	n/a



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## Benefit amounts for cash assistance vary widely

Mississippi's Cash Assistance (TANF) policy: Family Independence Temporary Assistance Program		
Flexibility	Current policy	Potential improvement
HOW MUCH CASH ASSISTANCE CAN A FAMILY OF THREE RECEIVE?		
<b>Maximum benefit allowed</b>  What is the maximum monthly amount a family of three could receive in cash assistance?	\$260/month, or less than 15% FPL in 2024.	<b>Increase the benefit level.</b>  <b>Example:</b> Louisiana has recently increased its maximum benefit for a family of three to \$484/month.
<b>Recurring benefit increases</b>  Has the state legislated mandated increases to these amounts in future, as the cost of living rises?	No.	<b>Make recurring increases to the state's benefit levels so that they are tied to the cost of living or a poverty measurement.</b>  <b>Example:</b> Ohio legislation requires scheduled cost-of-living updates to TANF benefit amounts each year on January 1st.



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## Eligibility limits on income and assets vary widely

Colorado's Cash Assistance (TANF) policy: Family Independence Temporary Assistance Program		
Flexibility	Current Policy	Potential Improvement
WHO IS ELIGIBLE FOR CASH ASSISTANCE?		
<b>Maximum income</b>  How much can a family of three earn and still be considered eligible to receive cash assistance?	When applying, parents' gross income minus \$90/earner must be no higher than \$421/month for a single-parent family with two children, or \$439/month for a two-parent family with one child (20% FPL in 2024).	<b>Consider extending cash assistance to families earning more income; e.g., Minnesota provides eligibility to families earning up to 70% FPL.</b>
<b>Asset limit</b>  How much can a family maintain in savings while still being eligible for cash assistance?	There is no limit on savings.	n/a



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## Eligibility limits on income and assets vary widely

Mississippi's Cash Assistance (TANF) policy: Family Independence Temporary Assistance Program		
Flexibility	Current Policy	Potential Improvement
WHO IS ELIGIBLE FOR CASH ASSISTANCE?		
<b>Maximum income</b>  How much can a family of three earn and still be considered eligible to receive cash assistance?	A family of three cannot earn more than \$680/month (32% FPL) (This is a gross income limit, before applying disregards.)	<b>Enable families earning more to receive cash assistance, as other states have done, either by increasing income limits, disregards, and/or deductions.</b>  <b>Example: A family of three in South Carolina can earn up to \$1,035/month <i>after</i> disregarding 50% of the monthly gross countable earned income of each earner for up to four months.</b>
<b>Asset limit</b>  How much can a family maintain in savings while still being eligible for cash assistance?	\$2000	<b>Consider removing or increasing the asset limit to support families in retaining emergency funds and savings.</b>  <b>Example: Indiana has lifted the asset limit for cash assistance to \$10,000.</b>



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# Cash assistance for pregnant parents without other children

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Mississippi's Cash Assistance (TANF) policy: Family Independence Temporary Assistance Program		
Flexibility	Current Policy	Potential Improvement
WHO IS ELIGIBLE FOR CASH ASSISTANCE?		
<b>Eligibility during pregnancy for parents without children.</b>  Are pregnant women with no children in the household eligible for cash assistance?	No.	<b>Consider providing eligibility to low-income pregnant women with no other children, as several other states are (e.g., Ohio provides eligibility from the sixth month of pregnancy, and Washington in the first month.)</b>



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## Discussion

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**Has there been recent legislation considered or even passed in your state, that you are aware of, to upgrade state's generosity with TANF cash assistance?**



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## Stated Goals of Mississippi HB 971 (from 2023)

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- To Increase The Maximum Income And Resources Limits For Eligibility For TANF Benefits;
- To Delete The Family Cap On The Receipt Of TANF Benefits;
- To Delete The Mandatory Up-front Job Search For TANF Applicants;
- To Delete The Requirement To Be In Compliance With The Drug Testing And Substance Use Disorder Treatment Requirements In Order To Receive TANF Benefits;
- To Remove The Full Family Sanction For Refusal Of An Adult Or Caretaker Relative To Participate In Allowable Work Activity And Have The Sanction Apply Only To That Person;
- To Delete The Sanction For Permanent Disqualification For TANF Benefits;
- To Provide That The Work Requirements For TANF Recipients Shall Not Apply To Those Recipients Who Reside In Areas That Have An Unemployment Rate Or Do Not Have A Sufficient Number Of Jobs To Provide Employment, And Shall Not Apply To Any TANF Recipients During A Formal State Or Federal Declaration Of A Natural Disaster Or State Of Emergency



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## Lifetime limits on cash assistance vary

Arkansas' Cash Assistance (TANF) policy: Family Independence Temporary Assistance Program		
Flexibility	Current Policy	Potential Improvement
ADDITIONAL RULES AND RESTRICTIONS		
<b>Time limit</b>  Does Arkansas allow families to receive cash assistance up to the federal limit of 60 months?	The lifetime limit is 12 months.	<b>Consider re-extending the lifetime limit to the default of 60 months, as most other states have done; some families may need cash assistance during more than one period of challenging circumstances. Possibly limit the number of <i>consecutive</i> months of assistance.</b>  <b>Examples:</b> <ul style="list-style-type: none"><li>• Mississippi maintains the lifetime limit of 60 months for cash assistance.</li><li>• Indiana maintains the lifetime limit of 60 months for cash assistance, but limits families to 24 months of assistance out of the previous 60 months.</li></ul>



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# Full-family sanctions

Colorado's Cash Assistance (TANF) policy: Family Independence Temporary Assistance Program		
Flexibility	Current Policy	Potential Improvement
ADDITIONAL RULES AND RESTRICTIONS		
<b>Lifting full-family sanctions</b>  Are other family members able to continue receiving cash benefits if an adult does not meet work requirements?	No. After two sanctions the benefit for the entire family is terminated; after a fourth sanction the case is closed.	<b>Consider eliminating full-family sanctions, reducing the amount of benefit to exclude non-compliant adult(s) while continuing to support children in the household (e.g., Illinois).</b>



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## TANF “interactions” with other benefit programs

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1. **SNAP:** TANF cash assistance “counts” as income for those applying for SNAP.
2. **SSI:** Most states prohibit payment of TANF cash assistance to SSI recipients. However, a few states allow it, and rules may vary according to whether children or parents are receiving SSI.
3. **Regulations affecting parent students’ exemptions from work requirements** vary considerably across states (true for SNAP as well as for TANF).



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## Discussion

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What is the prevalent attitude among those with the ability to influence legislation in your state toward one or more of these “restrictive” flexibilities?

As one example: How do people in your state or community feel about the appropriateness of full-family sanctions in response to non-compliance with work requirements?



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# Importance of TANF block grants and program priorities

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An example from a state profile:

According to a report from the Department of Health and Human Services, **as of 2022 Colorado held TANF funds in reserve of \$107,854,245; the state was awarded \$151,762,363 in block grants in that year.**



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# TANF Block Grants and the Proposed Rule Change for TANF

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