

## OVERVIEW

Kentucky Transitional Assistance Program (KTAP or TANF)	Kentucky	U.S. Average or Total
Annual (federal-only) block grant amount (for 2024)	\$180,689,420	\$16,488,600,000 (total)
% of TANF block grants spent on cash assistance, 2024	23.6%	21.8%
% families who participated in TANF per 100 families with children living in poverty, 2022-23	13.0%	20%
Total # families receiving TANF in 2025	15,809	848,631 (total)
% of cases designated "Child-Only" in 2025	50.9%	39.3%
<b>"Unobligated balance" (or stockpiled amounts, which must be used for cash assistance or admin)</b>		
TANF Funds "unobligated balance," as of 2024	\$52,815,649	\$7,986,470,560 (total)
"Unobligated balance" as share of total block grant amount	29.2%	49.5%
Change (+ or -) in "unobligated balance" from 2023	-\$56,664,300	+\$241,306,628

## KENTUCKY'S CASH ASSISTANCE (TANF) POLICY

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>\$341/month, or 15% of the Federal Poverty Level (FPL). This follows a reduction of 35% in KTAP benefit amounts in late 2025.</p>	<p><b>Consider increasing the benefit level to provide more support to families.</b></p> <p><b>Examples:</b> Louisiana provides \$484/month. West Virginia provides \$542/month.</p>
<p><b>Recurring benefit increases</b></p> <p>Has Kentucky mandated increases to these amounts, as costs of living increase?</p>	<p>No.</p>	<p><b>Consider making recurring increases, tied to a cost-of-living or poverty measurement.</b></p> <p><b>Examples:</b> South Carolina and Texas mandate recurring increases.</p>

Flexibility	Current policy	Potential improvement
<p><b>Deductions for calculation of benefit amount</b></p> <p>Can parents deduct some earnings or expenses from their income when calculating the benefit amount?</p>	<p>Parents may elect to deduct their income for the first full six months of assistance. They may do this twice in a lifetime.</p>	<p><b>Consider providing a larger earned income deduction on an on-going basis.</b></p> <p><b>Example:</b> Arkansas provides a 20% “work-related” deduction as well as a 60% “work incentive” deduction for each month.</p>
<b>HOW ELSE DOES KENTUCKY DETERMINE THE GENEROSITY OF CASH ASSISTANCE?</b>		
Flexibility	Current policy	Potential improvement
<p><b>Time limit</b></p> <p>Does Kentucky allow families to receive cash assistance up to the federal limit of 60 months?</p>	<p>Yes.</p>	<p>N/A</p>
<p><b>Transitional cash benefits for families who become ineligible after receiving cash assistance</b></p> <p>Will parents and caregivers who are newly ineligible for cash assistance receive additional cash support for a limited period?</p>	<p>Yes.</p>	<p>N/A</p>
<p><b>Providing one-time cash payments to families in with specific financial needs</b></p> <p>Does Kentucky provide a formal diversion program to support families with specific short-term needs?</p>	<p>Yes, the state may elect to provide families with a payment not greater than \$2,600.</p>	<p>N/A</p>
<p><b>Eligibility for monthly assistance less than six months after a diversion payment</b></p> <p>Can families who receive diversionary payments apply for monthly assistance within six months afterward?</p>	<p>No. Kentucky imposes a 12-month period of ineligibility.</p>	<p><b>Consider shortening the period of ineligibility.</b></p> <p><b>Examples:</b> Florida, Arkansas, and Arizona maintain a period of ineligibility of just three months.</p>

Flexibility	Current policy	Potential improvement
<p><b>Providing assistance with housing</b></p> <p>Does the state provide housing vouchers with TANF funds?</p>	No.	<p><b>Providing housing vouchers alongside cash assistance can ease high costs for eligible families.</b></p> <p><b>Examples:</b> Hawaii and Maine provide housing vouchers worth several hundred dollars along with TANF cash assistance.</p>
<p><b>Providing assistance with diaper purchases</b></p> <p>Does Kentucky provide assistance to families with diaper expenses using TANF funds?</p>	No.	<p><b>Providing assistance with diaper costs provides significant support for families with young children.</b></p> <p><b>Examples:</b> Hawaii and Washington provide assistance with diapers for families with very young children.</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 for cash assistance eligibility?</p>	Parents may earn up to \$1,169 per month and still qualify for potential eligibility.	<p><b>Consider increasing the gross income limit to provide potential eligibility to more families.</b></p> <p><b>Example:</b> Montana allows up to \$2,888/month. Florida allows up to \$4,109/month.</p>
<p><b>Deductions for assessment of benefit eligibility</b></p> <p>Can families deduct a portion of earnings or some expenses from their income to meet income eligibility requirements?</p>	Yes. Parents may deduct a \$90 work expense standard and either \$200 or \$175 per child, depending on the age of the child.	<p><b>Consider providing a higher deduction to provide greater support to employed parents.</b></p> <p><b>Example:</b> Arkansas provides a 20% work-related deduction.</p>

Flexibility	Current policy	Potential improvement
<p><b>Asset limit</b></p> <p>How much can a family maintain in savings while still being eligible for cash assistance?</p>	<p>Parents may retain up to \$10,000 in cash or savings accounts.</p>	<p><b>Consider eliminating the asset limit to support families' retention of savings.</b></p> <p><b>Example:</b> Ohio and Alabama have eliminated the consideration of cash assets or resource tests for eligibility.</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>	<p>No.</p>	<p><b>Providing cash assistance during pregnancy is critical for early development outcomes and in reducing parental stress.</b></p> <p><b>Example:</b> Oklahoma provides assistance from the start of pregnancy.</p>
<p><b>Provision of federal TANF cash assistance to immigrant families who are lawful permanent residents (LPRs) *after* five years' residence in US</b></p> <p>Can parents who hold green cards access cash assistance in Kentucky once they have been in the country <i>for five years or longer</i>?</p>	<p>Yes.</p>	<p>N/A</p>
<p><b>Use of state funds to provide cash assistance to immigrant families who are lawful permanent residents (LPRs) with less than five years' residence in US</b></p> <p>Can parents who hold green cards access cash assistance in Kentucky if they have been in the country <i>for less than five years</i>?</p>	<p>No.</p>	<p><b>Consider using state funds to provide cash assistance to these parents.</b></p> <p><b>Example:</b> Maryland provides cash assistance to some caregivers before five years' residence, using state funds.</p>

HOW DOES KENTUCKY TREAT CHILD SUPPORT OWED TO A FAMILY APPLYING FOR AND RECEIVING CASH ASSISTANCE?		
Flexibility	Current policy	Potential improvement
<p><b>Child support pass-through</b></p> <p>Does Kentucky “pass through” a portion of the payments received by the state in child support for the family?</p>	<p>No.</p>	<p><b>Consider “passing through” at least a portion of child support payments collected by the state for this family, to contribute to the household’s economic stability.</b></p> <p><b>Example:</b> Mississippi provides up to \$100 of any child support to the household.</p>
WHAT ARE KENTUCKY’S WORK REQUIREMENTS FOR CASH ASSISTANCE?		
Flexibility	Current policy	Potential improvement
<p><b>Provision of cash assistance to out-of-work parents before they search for a job</b></p> <p>Does Kentucky provide eligibility to parents without a search for employment?</p>	<p>Yes, no job search is required during the application process.</p>	<p>N/A</p>
<p><b>Counting educational activities as “core” work requirements</b></p> <p>Does Kentucky provide credit for all educational activities, including college, as “core” work activities for cash assistance?</p>	<p>Yes, post-secondary education enrollment counts as a core work activity, at least for the first year.</p>	<p>N/A</p>
<p><b>Exemption for caregivers of infants</b></p> <p>Are parents or caregivers caring for a child under twelve months of age exempt from work requirements?</p>	<p>Yes.</p>	<p>N/A</p>

Flexibility	Current policy	Potential improvement
<p><b>Other exemptions from work requirements</b></p> <p>What are other conditions for exemptions from work requirements?</p>	<p>Other conditions for exemption include:</p> <ul style="list-style-type: none"> <li>• Circumstances involving domestic violence</li> <li>• Providing care to an incapacitated family member</li> </ul>	<p><b>Consider adding other exemptions, including:</b></p> <ul style="list-style-type: none"> <li>• <b>Pregnancy</b></li> <li>• <b>Caregiver’s disability</b></li> <li>• <b>Inability to find childcare for a child under six</b></li> </ul>

**WHICH RESTRICTIONS ON CASH ASSISTANCE HAS KENTUCKY EASED?**

Flexibility	Current policy	Potential improvement
<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>	<p>No, the state will enact full-family sanctions although not immediately.</p>	<p><b>In cases of non-compliance with work requirements, consider only reducing the benefit amount instead and eliminating full-family sanctions.</b></p> <p><b>Examples:</b> Arkansas merely withdraws a portion of the benefit, never enacting a full-family sanction.</p>
<p><b>Lifting drug felony bans</b></p> <p>Are persons convicted of drug-related felonies eligible for cash assistance?</p>	<p>Yes.</p>	<p>N/A</p>
Flexibility	Current policy	Potential improvement
<p><b>Refraining from drug testing applicants or recipients</b></p> <p>Does Kentucky refrain from enforcing drug testing of caregivers who are either receiving or applying for cash assistance?</p>	<p>Yes.</p>	<p>N/A</p>
<p><b>Lifting the family cap for a new birth</b></p> <p>Can families receive additional cash assistance if they have another child?</p>	<p>Yes, Kentucky never enacted a family cap policy.</p>	<p>N/A</p>

## NOTES ON SOURCES:

TANF state profiles were compiled by extensive review of administrative guidelines including those published in state TANF manuals. Additionally, NCCP researchers referred to enacted state legislative resources.

NCCP gratefully acknowledges the of states' TANF-to-poverty ratios as developed and provided by the Center on Budget and Policy Priorities:

Center on Budget and Policy Priorities. (2025, April 11). *AFDC and TANF caseload and poverty data*. <https://www.cbpp.org/research/income-security/afdc-and-tanf-caseload-and-poverty-data>

We have drawn on the publication of federal data on states' TANF block grant spending, including financial data, spending allocations, and caseload information:

Office of Family Assistance. (2026, February 10). *TANF and MOE spending and transfers by activity, FY 2024*. Administration for Children and Families, U.S. Department of Health and Human Services. <https://acf.gov/ofa/data/tanf-and-moe-spending-and-transfers-activity-fy-2024>

Office of Family Assistance. (2025). *TANF caseload data 2025*. Administration for Children and Families, U.S. Department of Health and Human Services. <https://acf.gov/ofa/data/tanf-caseload-data-2025>