

OVERVIEW

South Dakota Temporary Assistance for Needy Families (TANF)	South Dakota	U.S. Average or Total
Annual (federal-only) block grant amount	\$21,207,402	\$16,488,600,000 (total)
% of TANF block grants spent on cash assistance, 2024	43%	21.8%
% families who participated in TANF per 100 families with children living in poverty, 2022-23	23%	20%
Total # families receiving TANF in 2025	2,484	848,631 (total)
% of cases designated "Child-Only" in 2025	81.8%	39.3%
"Unobligated balance" (or stockpiled amounts, which must be used for cash assistance or admin)		
TANF Funds "unobligated balance," as of 2024	\$22,804,052	\$7,986,470,560 (total)
"Unobligated balance" as share of total block grant amount	107.50%	49.5%
Change (+ or -) in "unobligated balance" from 2023	-\$232,080	+\$241,306,628

SOUTH DAKOTA'S CASH ASSISTANCE (TANF) POLICY

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>\$626/month, or 28% of the Federal Poverty Level (FPL).</p>	<p>Consider increasing the maximum benefit level to provide more support to families with children during challenging periods.</p> <p>Example: Minnesota provides \$1,430/month.</p>
<p>Recurring benefit increases</p> <p>Has South Dakota mandated increases to these amounts, as costs of living increase?</p>	<p>Yes, but more recently a legislative committee has made plans to enact continued <i>decreases</i> to the benefit amount.</p>	<p>Consider adhering to original intentions of providing regular updates, as costs of living increase, in support of low-income families with children.</p>

South Dakota

TANF State Profile Summary 2025/2026

Flexibility	Current policy	Potential improvement
<p>Deductions for calculation of benefit amount</p> <p>Can parents deduct some earnings or expenses from their income when calculating the benefit amount?</p>	<p>Yes, parents can deduct \$90 and then 20% of the remaining earned income.</p>	<p>Consider increasing earned income deductions to provide more support.</p> <p>Example: Arkansas provides a 20% “work-related” deduction as well as a 60% “work incentive” deduction.</p>
HOW ELSE DOES SOUTH DAKOTA DETERMINE THE GENEROSITY OF CASH ASSISTANCE?		
Flexibility	Current policy	Potential improvement
<p>Time limit</p> <p>Does South Dakota allow families to receive cash assistance up to the federal limit of 60 months?</p>	<p>Yes.</p>	<p>N/A</p>
<p>Transitional cash benefits for families who become ineligible after receiving cash assistance</p> <p>Will parents and caregivers who are newly ineligible for cash assistance receive additional cash support for a limited period?</p>	<p>Yes, if parents have increased employment to at least 80 months on average, they may receive a one-time transitional employment allowance for a single month equal to the TANF payment received in the last month of eligibility.</p>	<p>Consider providing a transitional benefit for a longer period of time to avoid benefit cliffs and support families’ economic stability.</p> <p>Example: Wyoming provides 50% of families’ former assistance amounts for up to six consecutive months.</p>
<p>Providing one-time cash payments to families in with specific financial needs</p> <p>Does South Dakota provide a formal diversion program to support families with specific short-term needs?</p>	<p>Yes.</p>	<p>N/A</p>

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Flexibility	Current policy	Potential improvement
<p>Eligibility for monthly assistance less than six months after a diversion payment</p> <p>Can families who receive diversionary payments apply for monthly assistance within six months afterward?</p>	<p>Yes. The state imposes a period of ineligibility of no more than three months.</p>	<p>N/A</p>
<p>Providing assistance with housing</p> <p>Does the state provide housing vouchers with TANF funds?</p>	<p>No.</p>	<p>Providing housing vouchers alongside cash assistance can ease high costs for eligible families.</p> <p>Examples: Hawaii and Maine provide housing vouchers worth several hundred dollars.</p>
<p>Providing assistance with diaper purchases</p> <p>Does South Dakota provide assistance to families with diaper expenses using TANF funds?</p>	<p>No.</p>	<p>Providing assistance with diaper costs provides significant support for families with young children.</p> <p>Examples: Hawaii and Washington provide assistance with diapers.</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 for cash assistance eligibility?</p>	<p>A single-parent family with two children must earn no more than \$866.25/month to be considered eligible.</p> <p>A two-parent family with one child can earn no more than \$956.25/month.</p>	<p>Consider increasing the gross income limit to provide potential eligibility to more families, including those experiencing sudden job loss.</p> <p>Example: Minnesota provides gross income eligibility for families with income up to \$3,211/month.</p>

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<p>Deductions for assessment of benefit eligibility</p> <p>Can families deduct a portion of earnings or some expenses from their income to meet income eligibility requirements?</p>	<p>Yes, parents can deduct \$90 for eligibility assessment.</p>	<p>Consider increasing disregards in order to provide support for more families.</p> <p>Example: Arkansas parents can deduct 20% from earned income.</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 increasing or eliminating the asset limit to support families' retention of savings.</p> <p>Example: Michigan has increased the asset limit to \$15,000. Ohio has eliminated it entirely.</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>Providing cash assistance during pregnancy is critical for early development outcomes and in reducing parental stress.</p> <p>Example: Michigan provides cash assistance to pregnant people in any trimester of their pregnancy.</p>
<p>Provision of federal TANF cash assistance to immigrant families who are lawful permanent residents (LPRs) *after* five years' residence in US</p> <p>Can parents who hold green cards access cash assistance in South Dakota once they have been in the country <i>for five years or longer</i>?</p>	<p>Yes.</p>	<p>N/A</p>

Flexibility	Current policy	Potential improvement
<p>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</p> <p>Can parents who hold green cards access cash assistance in South Dakota if they have been in the country for <i>less than five years</i>?</p>	No.	<p>Consider using state funds to provide cash assistance to these parents.</p> <p>Example: Maryland provides cash assistance to some caregivers before five years' residence, using state funds.</p>

HOW DOES SOUTH DAKOTA TREAT CHILD SUPPORT OWED TO A FAMILY APPLYING FOR AND RECEIVING CASH ASSISTANCE?

Flexibility	Current policy	Potential improvement
<p>Child support pass-through</p> <p>Does South Dakota “pass through” a portion of the payments received by the state in child support for the family?</p>	No.	<p>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.</p> <p>Example: Mississippi provides up to \$100 of any child support to the household. Michigan provides the entire amount to families.</p>

WHAT ARE SOUTH DAKOTA’S WORK REQUIREMENTS FOR CASH ASSISTANCE?

Flexibility	Current policy	Potential improvement
<p>Provision of cash assistance to out-of-work parents before they search for a job</p> <p>Does South Dakota provide eligibility to parents without a search for employment?</p>	Yes. No job search is required.	N/A

Flexibility	Current policy	Potential improvement
<p>Counting educational activities as “core” work requirements</p> <p>Does South Dakota provide credit for all educational activities, including college, as “core” work activities for cash assistance?</p>	No.	<p>Consider allowing postsecondary attendance and vocational education to count as “core” work participation.</p> <p>Examples: Ohio and Pennsylvania “count” participation in postsecondary education for different periods.</p>
<p>Exemption for caregivers of infants</p> <p>Are parents or caregivers caring for a child under twelve months of age exempt from work requirements?</p>	No. Exemptions apply for the care of infants under twelve weeks only.	<p>Consider providing an exemption from work requirements for the first year of each infant’s life, to support their early development and reduce parental stress.</p> <p>Example: Ohio provides exemptions for parents with children up to twelve months.</p>
<p>Other exemptions from work requirements</p> <p>What are other conditions for exemptions from work requirements?</p>	<p>Other conditions for exemptions include:</p> <ul style="list-style-type: none"> • Caring for family member living in the home who has a disability • Inability to obtain childcare for a child under 6 	<p>Consider adding other exemptions, including:</p> <ul style="list-style-type: none"> • Pregnancy • Caregiver’s disability • Circumstances involving domestic violence

WHICH RESTRICTIONS ON CASH ASSISTANCE HAS SOUTH DAKOTA EASED?

Flexibility	Current policy	Potential improvement
<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>	No. In cases of non-compliance with work requirements, the state will enact full-family sanctions although not immediately.	<p>Consider only reducing the benefit amount.</p> <p>Examples: Arkansas and Pennsylvania merely reduce the benefit.</p>

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Flexibility	Current policy	Potential improvement
Lifting drug felony bans Are persons convicted of drug-related felonies eligible for cash assistance?	Yes.	N/A
Refraining from drug testing applicants or recipients Does South Dakota refrain from enforcing drug testing of caregivers who are either receiving or applying for cash assistance?	Yes.	N/A
Lifting the family cap for a new birth Can families receive additional cash assistance if they have another child while receiving assistance?	Yes. South Dakota never implemented family cap.	N/A

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>