# Summary of States’ Annual TANF Benefit Adjustments and COLAs

As of 2023, fifteen states have periodic adjustments or formal COLAs in their state law or administrative manuals. States adjust their TANF benefits in one of three ways: (1) tying it directly or indirectly to the social security/SSI cost of living adjustment; (2) tying it to a state cost of living index or (3) typing it to some percentage of the federal poverty line. More detail for each state can be found following this summary. (This information is current as of August 2023. Please reach out to CBPP staff for updated information.)

**States adjusting benefits based on the Social Security/SSI COLA**

* **Colorado.** Beginning in July 2024, Colorado will implement a COLA that is the greater of either a) 2% or b) the average Social Security/SSI COLA for the fiscal year and the previous 2 fiscal years.
* **DC:** Since 2021, D.C.’s benefit is increased every October based on the CPI-U for the previous calendar year.
* **Maine** – initiated a COLA in October of 2022. It is based on SSA’s adjustment for Social Security and SSI benefits.
* **Minnesota’s** benefit is adjusted each October based on the CPI-U (enacted 2021). (In 2023, MN passed legislation to also index the housing supplement that it provides to families who do not receive housing assistance to inflation.)
* **Ohio’s** benefit is adjusted each January based on the Social Security Administration’s COLA for Social Security and SSI benefits in the previous year. Enacted in 2012. This is one of the oldest COLAs that have been enacted.

**States adjusting benefits based on a percentage of the federal poverty line (FPL)**

* **Illinois’** benefit has been tied to 30% FPL starting October 1, 2019. (Advocates are actively working to try and get the benefit to 50 percent FPL.)
* **Connecticut’s** Standard of Need is tied to 55 percent of FPL. Benefits are 73 percent of the Standard of Need, meaning that benefits are effectively indexed to 40 percent of FPL. Prior to 2022, Connecticut had a COLA based on the Social Security/SSI COLA but suspended its COLA for several the past few years, funding it for the first time in a while in 2021.
* **New Hampshire’s** benefit is tied to 60% of the federal poverty line.
* **South Carolina** – the benefit is 33.72% of the Need Standard, which is tied to 50% of the federal poverty line.
* **Texas’** benefit is 17% of the federal poverty line.
* **Wyoming’s** benefit level shall be adjusted according to the Wyoming cost-of-living index

**States adjusting benefits on a state-defined index**

* **California** – In 2018 the state passed legislation to re-establish a COLA in 2022-2023. It would increase the benefit based on the California Necessities Index (which considers food, clothing, fuel, utilities, rent, and transportation for low-income consumers) and will be applied to the CalWORKs maximum aid payment each July 1.
* **Maryland** – the value of the state’s benefit and SNAP benefits, is equal to at least 61% of the State minimum living level. The Minimum Living Level is indexed the Consumer Price Index for All Urban Consumers (CPI-U). (We do not recommend this approach. It is problematic to tie the TANF benefit level to the SNAP benefit level.)
* **Nebraska’s** benefit is tied to 55% of the state’s standard of need. The standard of need is adjusted biannually using the Consumer Price Index
* **Tennessee’s** grant cannot go below 25 percent of the state’s standard of need which is updated every year.

**In progress**

* **Vermont’s** benefit is tied to a state standard of need which is updated every year. The state uses its budget allocation to determine what percentage of the standard of need (known in VT as the ratable reduction) the grant will be each year. In 2023, the legislature passed a bill that requires the state to determine the cost of eliminating the ratable reduction.

# Details of TANF Benefit Adjustments COLAs in Statute for Select States

## California

SEC. 27. Section 11453.01 is added to the Welfare and Institutions Code, to read:

11453.01. (a) Commencing July 1, 2022, and each year thereafter, the maximum aid payment set forth in subdivision (a) of Section 11450 shall be adjusted annually to reflect any increases or decreases in the cost of living, and these adjustments shall become effective October 1 of each year. The annual cost-of-living adjustment shall be based on the increase in the California Necessities Index for the year in which the adjustment becomes effective. (b) Notwithstanding subdivision (a), unless otherwise specified in the annual Budget Act, the cost-of-living adjustment pursuant to subdivision (a), commencing on or after July 1, 2022, and for each year thereafter, shall be 0 percent.

<https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180AB1811>

## Colorado

## Colorado Revised Statutes, 26-2-709(b)(I)… FOR THE

## STATE FISCAL YEAR COMMENCING JULY 1, 2024, AND EACH STATE FISCAL

## YEAR THEREAFTER, THE AMOUNT OF BASIC CASH ASSISTANCE MUST BE

## EQUAL TO OR EXCEED THE AMOUNT OF BASIC CASH ASSISTANCE FOR THE

## PREVIOUS STATE FISCAL YEAR PLUS A TWO PERCENT 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 TWO FISCAL

## YEARS, WHICHEVER IS GREATER.

<https://leg.colorado.gov/sites/default/files/2022a_1259_signed.pdf>

## Connecticut

Sec. 17b-104. (Formerly Sec. 17-2). State supplementation to the Supplemental Security Income Program. Payment **standards**. (b) On July 1, 2007, and annually thereafter, the commissioner shall increase the payment standards over those of the previous fiscal year under the temporary family assistance program and the state-administered general assistance program by the percentage increase, if any, in the most recent calendar year average in the consumer price index for urban consumers over the average for the previous calendar year, provided the annual increase, if any, shall not exceed five per cent, except that the payment standards for the fiscal years ending June 30, 2010, June 30, 2011, June 30, 2012, and June 30, 2013, shall not be increased.

<http://www.cga.ct.gov/current/pub/chap_319s.htm>

## D.C.

d-1)(1) Effective October 1, 2014, the assistance levels set forth in subsection (c) of this section shall be adjusted annually for the rate of inflation, except for the following:

(A) For Fiscal Year 2017, the assistance level shall be increased by 15.3%;

(B) For Fiscal Year 2018, the assistance level shall be increased by 13.3%; and

(C) For Fiscal Year 2019, the assistance level shall be increased by 11.8%.

(2) In annually adjusting the assistance levels for the rate of inflation, the prior year’s assistance level shall be increased by an amount equal to the prior year’s assistance level multiplied by the CPI-U for all items from the preceding calendar year, as determined by the United States Department of Labor Bureau of Labor Statistics. <https://code.dccouncil.us/us/dc/council/code/sections/4-205.52>

## Illinois

Beginning October 1, 2019, and each October 1 thereafter, the maximum benefit levels shall be annually adjusted to remain equal to at least 30% of the most recent poverty guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services under the authority of 42 U.S.C. 9902(2) for each family size. <http://ilga.gov/legislation/publicacts/fulltext.asp?Name=101-0103>

## Maine

Beginning October 1, 2018 and for each year thereafter, the department shall increase the maximum amount of monthly TANF assistance by an amount equal to the increase, if any, in the cost of living and shall increase the standard of need to maintain the same differential between the maximum payment and the standard of need that was in effect on January 1, 2017. The increase in the cost of living for each year must equal the percentage increase, if any, in the federal supplemental security income program for that year. [http://legislature.maine.gov/legis/statutes/22/title22sec3769-C.html](https://urldefense.proofpoint.com/v2/url?u=http-3A__legislature.maine.gov_legis_statutes_22_title22sec3769-2DC.html&d=DwMFAw&c=1IUvw6fBZaO6DQT7_qzSfw&r=dp68oQgG5aV7tmtAqPlwKQ&m=xu4MPt_dX3-RDDKygOqbWWUl85ACb0-jyRuhRSg1-Tw&s=M5blrTHgmAII9v4f4i8IEAwE_GEP6YX4TxLs1J3uwoA&e=)

## Maryland

Md. Human Services Code Ann. § 5-316 (2012)

(1) Except as provided in paragraph (2) of this subsection, the Governor shall provide sufficient funds in the budget to:
(i) ensure that the value of temporary cash assistance, combined with federal food stamps, is equal to at least 61% of the State minimum living level; and
(ii) maintain the FIP at the level of the fiscal year 1997 appropriation.
(2) The funds provided under this subsection may be less than the amount required under paragraph (1) of this subsection if the Governor reports to the General Assembly, in accordance with § 2-1246 of the State Government Article, on the reasons for the reduced funding for temporary cash assistance and food stamps.
(3) This subsection does not limit the flexibility of local departments regarding the provision of services.
(b) Adjustments in event of insufficient funding. -- If the Secretary determines during the fiscal year that the funds available for the FIP are insufficient to make payments in accordance with the amount of assistance otherwise established by law, the Secretary shall:
(1) provide for a uniform method of adjusting individual payments;
(2) notify the Joint Committee on Welfare Reform; and
(3) submit emergency regulations, in accordance with Title 10, Subtitle 1 of the State Government Article, to implement the adjustment.

**HISTORY:** An. Code 1957, art. 88A, § 52(c)-(g); 2007, ch. 3, § 2.

See page 4 for more detail on Maryland’s minimum living level

<https://dhr.maryland.gov/documents/Data%20and%20Reports/FIA/FY-2017-Minimum%20Living%20Level%20Report.pdf>

## Minnesota

(c) On October 1 of each year, the commissioner of human services shall adjust the cash assistance portion under paragraph (a) for inflation based on the CPI-U for the prior calendar year.

## Nebraska

Except as may be otherwise provided, payments shall be made by unit size and shall be consistent with subdivisions (1)(p), (1)(q), (1)(t), and (1)(u) of section 68-1713. Beginning on August 30, 2015, the maximum payment level for monthly assistance shall be fifty-five percent of the standard of need described in section 43-513. <https://nebraskalegislature.gov/laws/statutes.php?statute=43-512&print=true>

The standard of need for aid to dependent children payments shall be adjusted on July 1 of every second year beginning July 1, 1997. The adjustment shall be made on the basis of the rate of growth of the Consumer Price Index as determined by the United States Department of Labor, Bureau of Labor Statistics, for the two previous calendar years. The aid to dependent children payment made shall not be greater than the amount specified by section 43-512. <https://nebraskalegislature.gov/laws/statutes.php?statute=43-513&print=true>

## New Hampshire

Caps the maximum monthly temporary assistance for needy families’ cash benefit at 60 percent of federal poverty guidelines

<http://www.gencourt.state.nh.us/bill_status/billText.aspx?sy=2017&id=744&txtFormat=html>

## Ohio

<http://codes.ohio.gov/orc/5107.04>

5107.04 Sources of cash assistance payments.

As used in this section, “cost-of-living adjustment” means the cost-of-living adjustment made by the United States commissioner of social security under 42 U.S.C. 415(i) for benefits provided under Title II of the “Social Security Act of 1935.”

The department of job and family services shall make all cash assistance payments for Ohio works first from funds appropriated for the Ohio works first program. The amount of a cash assistance payment the department is to make to an assistance group shall be determined in accordance with rules adopted under section [5107.05](file://orc/5107.05) of the Revised Code and shall not exceed the payment standard. The department shall increase the payment standard on January 1, 2009, and the first day of each January thereafter by the cost-of-living adjustment made in the immediately preceding December.

A county department of job and family services may use county funds to increase the amount of cash assistance an assistance group receives. An increase in the amount of cash assistance that results from such a use of county funds shall not be included as countable income, gross earned income, or gross unearned income of the assistance group.

Effective Date: 2007 HB119 06-30-2007

## South Carolina

To determine Payment Standard/Award (benefit levels), multiply the Need Standard by .3372 and drop the cents. The Need Standard is tied to 50% of the federal poverty line.

<https://dss.sc.gov/media/1845/tanf_policy_manual_vol-48.pdf> (manual updated each October)

## Tennessee

The maximum grants for the temporary assistance program, expressed as a percentage of the standard of need, may be raised in approved as a line item in the annual appropriations act or by rule.

The maximum standard grant for the temporary assistance program for all assistance groups sizes is no less than 25% of the standard of need for applicable assistance group size. <https://publications.tnsosfiles.com/acts/112/pub/pc0515.pdf>

## Texas

Through appropriations enacted in the state budget process, TANF recipients who find work will have most of their earnings for four months not counted toward TANF eligibility. Knowing they will not immediately lose their eligibility for TANF benefits should encourage recipients to find and keep work. This new procedure will cost $17.7 million over the next two years. An additional $61.6 million in federal TANF funds will be applied toward maintaining the average monthly TANF

grant at 17 percent of the federal poverty level and provide once-a-year grants of $60 for each child receiving TANF.

<http://www.senate.state.tx.us/src/pdf/ib0899.pdf>

## Wyoming

Beginning July 1, 2009 and annually thereafter, the maximum payment level shall be adjusted for the percentage change in the Wyoming cost-of-living index for the previous fiscal year as determined by the division of economic analysis of the department of administration and information.

  Wyoming Statutes 42-2-103(e)(iii)

Here is inflation index info – (Benefit increases in recent years have not been solely due to inflation.)

<http://eadiv.state.wy.us/wcli/inflation.pdf>

<http://eadiv.state.wy.us/wcli/wcli.html>