

FORM 5, BFM 50.10

ADMINISTRATIVE PROCEDURES ACT FISCAL NOTE Prepared by Submitting Agency

	CODE	NAME	PROPOSED RULES
DEPT.	08	Social Services	§§ 67:10:05:03 to 67:10:05:06, inclusive
DIVISION	082	Economic Assistance	
PROGRAM	082313	Temporary Assistance to Needy Families (TANF)	

IMPACT ON GOVERNMENT SUMMARY: (Changes to any existing process, schedule, or activity of any state or local gov't entity resulting from the proposed rule change.)

The updates to §§ 67:10:05:03 and 67:10:05:05 reduce the Temporary Assistance to Needy Families (TANF) payment standard amount by 10%. §§ 67:10:05:04 and 67:10:05:06 are being repealed as there will no longer be a separate payment category for agency placed and non-agency placed children without a parent in the household.

FISCAL IMPACT STATEMENT: (Estimate the overall fiscal impact--in terms of increases or decreases--because of, or to carry out, the proposed changes. Take into consideration staffing and resource changes (i.e. dollars, employees, equipment, supplies). Include a brief explanation if there is a minimal, incalculable, or no fiscal impact.)

There is a proposed fiscal savings of \$1,529,314 for the 10% reduction to TANF payment standards found in §§ 67:10:05:03 and 67:10:05:05. During the 2025 Legislative Session, the TANF budget was reduced by \$5.3M in general funds. These rule changes align expenditures with the appropriated budget.

Individuals previously eligible under § 67:10:05:04 will now be eligible under Kinship foster licensure or § 67:10:05:05, if they do not choose to be licensed as a Kinship provider. There is no additional staffing or resources anticipated.

FISCAL IMPACT BASIS: (Provide the assumptions, any computations, and any statistics that went into this Fiscal Note; and describe the accuracy of the estimated impacts on this form.)

In FY 24 the average monthly number of TANF cases was 2,460. The average monthly payment was \$518.06. 15% of TANF cases fell under 67:10:05:03 where there is a parent in the household. 85% of the cases fell under 67:10:05:04 and 67:10:05:05 where there was a relative caretaker. 2,460 average monthly cases multiplied by \$518.06 average monthly pay multiplied by twelve months equals \$15,293,131.20 in annual TANF costs. A reduction of 10% of the TANF payment standards equals \$1,529,313.12.

COST INCREASES (DECREASES)

State Agencies:	First-Year Impact	Continuous-Yearly Impact
Social Services 0823	(\$229,398)	(\$229,398)
67:10:05:03	(Fed \$114,699/Gen \$114,699)	(Fed \$114,699/Gen \$114,699)
67:10:05:05	(\$1,299,916)	(\$1,299,916)
	(Fed \$649,958/Gen \$649,958)	(Fed \$649,958/Gen \$649,958)
TOTAL	(\$1,529,314)	(\$1,529,314)
	(Fed \$764,657/Gen \$764,657)	(Fed \$764,657/Gen \$764,657)
Local Gov't Agencies:		
TOTAL	\$0	\$0

REVENUE INCREASES (DECREASES)

Revenue Increases (Decreases) State & Local Gov't Agencies:		
TOTAL	\$0	\$0

APPROVED  DATE 22-May-2025
Matthew K. Althoff, Cabinet Secretary
Department of Social Services

RULE CHANGE SUMMARY

<u>RULE NUMBER:</u>	<u>DESCRIBE CHANGE(S) AND THE EFFECT(S):</u>	<u>FISCAL IMPACT:</u>
	Economic Assistance	
Art. 67:10	Temporary Assistance to Needy Families (TANF)	
67:10:05:03	<p>During the 2025 Legislative Session, the TANF budget was reduced by \$5.3M in general funds. This rule change reduces the TANF standard payment by 10% to align expenditures with appropriated budget.</p> <p>Fiscal Impact: The payment standard for all TANF assistance units will be reduced by 10%.</p>	<p>(\$229,398) (Fed \$114,699/ Gen \$114,699)</p>
67:10:05:04	<p>Repeal. Children who are ‘agency placed’ may still receive TANF if they choose not to be licensed for kinship foster care pursuant to ARSD chapter 67:42:18.</p> <p>If these rules are adopted, the ‘agency placed’ children will now have the same TANF payment standard as other children who are not with parents but are not agency placed.</p>	None
67:10:05:05	<p>During the 2025 Legislative Session, the TANF budget was reduced by \$5.3M in general funds. This rule change reduces the TANF standard payment by 10% to align expenditures with appropriated budget.</p> <p>Fiscal Impact: The payment standard for all TANF assistance units will be reduced by 10%.</p>	<p>(\$1,299,916) (Fed \$649,958/ Gen \$649,958)</p>
67:10:05:06	<p>Repealed. There will no longer be two payment standards. The ‘agency placed’ children will now have the same TANF payment standard as other children who are not with parents but are not agency placed.</p>	None