MONTANA
ADMINISTRATIVE
REGISTER

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

NOTICE OF PROPOSED RULEMAKING

MAR NOTICE NO. 2026-529.1

Summary

Amendment of ARM 37.78.102 and 37.78.420 pertaining to TANF benefit and payment standards

---

Hearing Date and Time

Friday, July 31, 2026, at 2:00 p.m.

Virtual Hearing Information

Join Zoom Meeting

https://mt-gov.zoom.us/j/82603461734?pwd=3NKNkQmwPP2jS9dW94ING798G5UDOV.1

Meeting ID: 826 0346 1734 Password: 791875

Dial by Telephone +1 646 558 8656

Meeting ID: 826 0346 1734 Password: 791875

Find your local number: https://mt-gov.zoom.us/u/kdrHe86lzK

Join by SIP 82603461734@zoomcrc.com

Join by H.323 (Polycom) 162.255.37.11##82603461734

Comments

Comments may be submitted using the contact information below. Comments must be received by Friday, August 7, 2026, at 5:00 p.m.

Accommodations

The agency will make reasonable accommodations for persons with disabilities who wish to participate in this rulemaking process or need an alternative accessible format of this notice. Requests must be made by Friday, July 17, 2026, at 5:00 p.m.

Contact

Nicole Balcerzak
(406) 444-6902
hhsadminrules@mt.gov
Fax: (406) 444-9744

Rulemaking Actions

AMEND

The rules proposed to be amended are as follows, stricken matter interlined, new matter underlined:

37.78.102 ~~TANF:~~ FEDERAL REGULATIONS ADOPTED BY REFERENCE

(1) The TANF program shall be administered in accordance with the requirements of federal law governing temporary assistance for needy families as set forth in Title IV of the Social Security Act, 42 USC 601~~ et. seq. (2012).~~ through 619 (March 1, 2026).

(2) The ~~"Montana TANF Cash Assistance Manual"~~ TANF Policy Manual dated ~~January 1, 2013~~ December 1, 2025, is adopted and incorporated by ~~this~~ reference. A copy of the ~~Montana TANF Cash Assistance Manual~~ TANF Policy Manual is available for public viewing at each local Office of Public Assistance, and at the Department of Public Health and Human Services, Human and Community Services Division, ~~111 N. Jackson St., 5th Floor~~ 2021 N. Montana Avenue, P.O. Box 202925, Helena, MT 59620-2925. Manual and draft manual updates are also available on the department's web site at ~~www.dphhs.mt.gov~~ https://dphhs.mt.gov/hcsd/tanfpolicymanual.

Authorizing statute(s): 53-4-212, MCA

Implementing statute(s): 53-4-211, ~~53-4-601,~~ MCA

37.78.420 ~~TANF:~~ ASSISTANCE STANDARDS; TABLES; METHODS OF COMPUTING AMOUNT OF MONTHLY BENEFIT PAYMENT

(1) Income standards as set forth in this rule are used to determine whether need exists with respect to income for any person who applies for or receives TANF cash assistance or TANF ~~cash assistance~~ Post-Employment Program benefits and to determine the benefit amount the assistance unit will receive if eligible. Four sets of assistance standards are used ~~which are as follows~~:

(a) The gross monthly income (GMI) standard sets the level of gross monthly income for each size assistance unit which cannot be exceeded if the assistance unit is to be eligible for TANF cash assistance.

(b) The net monthly income (NMI) standard is used to determine the GMI.

(c) The benefit standard sets the level of net countable income which cannot be exceeded if the assistance unit is to be eligible for assistance.

(d) The payment standard is used to determine the amount of the monthly cash payment in the TANF cash assistance program and is based on the size of the ~~or~~ TANF cash assistance ~~Post-Employment Program benefits assistance~~ unit, unless the household is receiving benefits through the TANF ~~Cash Assistance~~ Post-Employment Program. Payment standards in the Post-Employment Program are a set amount as defined in (4)(e). This amount is not based on household size. The household's net countable income is subtracted from the payment standard to determine the amount of the payment for the TANF ~~case~~ cash assistance unit. This amount is prorated for the month of application if eligibility is for less than a full month.

(2) The income standards vary depending on the number of persons in the assistance unit.

(3) The assistance unit's GMI as defined in ARM 37.78.103 is compared to the applicable GMI standard, and after specified disregards, to the benefit standard. If the assistance unit's GMI exceeds the GMI standard, or their countable monthly income as defined in ARM ~~37.78.103~~ 37.78.402 exceeds the benefit standard, the assistance unit is ineligible for assistance. Monthly income is compared to the full standard even if the eligibility is being determined for only part of the month.

(a) Eligibility for assistance and the amount of the monthly benefit payment ~~which~~ a TANF cash assistance unit will receive is determined prospectively, that is, based on the department's best estimate of income and other circumstances which will exist in the benefit month.

(b) When comparing income to the income standards, income anticipated to be received in the benefit month is used.

(4) The GMI standards, NMI standards, and benefits standards are as follows:

(a) Gross monthly income standards are compared with the assistance unit's gross monthly income as defined in ARM 37.78.406.

GROSS MONTHLY INCOME STANDARDS (GMI)	
Number of Persons in Household	Gross Monthly Income (GMI)
1	$ ~~557~~ 859
2	~~777~~ 1,162
3	~~979~~ 1,465
4	~~1,178~~ 1,768
5	~~1,378~~ 2,070
6	~~1,580~~ 2,373
7	~~1,780~~ 2,676
8	~~1,980~~ 2,979
9	~~2,179~~ 3,282
10	~~2,381~~ 3,585
11	~~2,581~~ 3,887
12	~~2,781~~ 4,190
13	~~2,980~~ 4,493
14	~~3,182~~ 4,796
15	~~3,382~~ 5,099

16	~~3,582~~ 5,402
17	~~3,783~~ 5,704
18	~~3,983~~ 6,007
19	~~4,183~~ 6,310
20	~~4,383~~ 6,613

(b) Net monthly income standards are used to compute gross monthly income standards (GMI).

NET MONTHLY INCOME STANDARDS (NMI)	
1	$ ~~312~~ 464
2	~~420~~ 628
3	~~529~~ 792
4	~~637~~ 955
5	~~745~~ 1,119
6	~~854~~ 1,283
7	~~962~~ 1,446
8	~~1,070~~ 1,610
9	~~1,178~~ 1,774
10	~~1,287~~ 1,938
11	~~1,395~~ 2,101
12	~~1,503~~ 2,265
13	~~1,611~~ 2,429
14	~~1,720~~ 2,592
15	~~1,828~~ 2,756

16	~~1,936~~ 2,920
17	~~2,045~~ 3,083
18	~~2,153~~ 3,247
19	~~2,261~~ 3,411
20	~~2,369~~ 3,575

(c) Benefits standards are compared with the assistance unit's countable income as defined in ARM 37.78.406.

BENEFITS STANDARDS	
1	$ ~~245~~ 365
2	~~330~~ 493
3	~~415~~ 622
4	~~500~~ 750
5	~~585~~ 879
6	~~670~~ 1,007
7	~~755~~ 1,136
8	~~840~~ 1,264
9	~~925~~ 1,393
10	~~1,010~~ 1,521
11	~~1,095~~ 1,650
12	~~1,180~~ 1,778
13	~~1,265~~ 1,907
14	~~1,350~~ 2,035
15	~~1,435~~ 2,164
16	~~1,520~~ 2,292

17	~~1,605~~ 2,421
18	~~1,690~~ 2,549
19	~~1,775~~ 2,678
20	~~1,860~~ 2,806

(d) The payment standards for ~~the~~ TANF ~~Cash Assistance Program~~ cash assistance are compared to the assistance unit's net countable income as defined in ARM 37.78.406.

CASH ASSISTANCE PAYMENT STANDARDS ~~(33% of the FY 2007 Federal Poverty Level)~~	
1	$ ~~298~~ 425
2	~~401~~ 575
3	~~504~~ 725
4	~~606~~ 875
5	~~709~~ 1,025
6	~~812~~ 1,175
7	~~915~~ 1,325
8	~~1,018~~ 1,475
9	~~1,121~~ 1,625
10	~~1,223~~ 1,775
11	~~1,326~~ 1,924
12	~~1,429~~ 2,074

13	~~1,532~~ 2,224
14	~~1,635~~ 2,374
15	~~1,738~~ 2,524
16	~~1,841~~ 2,674
17	~~1,943~~ 2,824
18	~~2,046~~ 2,974
19	~~2,149~~ 3,124
20	~~2,252~~ 3,274

(e) The payment standards for the TANF ~~Cash Assistance~~ Post-Employment Program are ~~compared to the assistance unit's net countable income as defined in ARM 37.78.406 and are set at the following~~ a set benefit amount, which is not based on household size:

~~POST-EMPLOYMENT~~

~~PAYMENT STANDARDS~~

~~1st Month~~	~~$~~	~~375~~
~~2nd Month~~		~~275~~
~~3rd Month~~		~~175~~

Monthly Post-Employment Payment (PEP) Standards	Benefit Amount
Months 1-6	$100/Month PEP Payment
	$300 additional Work Pays Incentive in Month 1
Months 7-12	$50/Month PEP payment

	$300 additional Work Pays Incentive in Months 7 and 12

(5) The adult's gross monthly earned income as defined in ARM 37.78.103 and ~~ARM~~ 37.78.406 is compared to the applicable GMI limit. If the assistance unit's GMI exceeds the GMI limit, the assistance unit is ineligible for assistance. Monthly income is compared to the full limit even if the eligibility is being determined for only part of the month. When comparing income to the income limits, income anticipated to be received in the benefit month is used.

Authorizing statute(s): 53-4-212, MCA

Implementing statute(s): 53-4-211, 53-4-241, ~~53-4-601,~~ MCA

General Reasonable Necessity Statement

The Department of Public Health and Human Services (department) is proposing to amend ARM 37.78.102 and 37.78.420.

ARM 37.78.102

ARM 37.78.102 currently incorporates by reference the TANF policy manual dated January 1, 2013. The department proposes to make revisions to the manual with an updated date of December 1, 2025. This proposed amendment to the rule is necessary to incorporate by reference the updated TANF policies, and to provide all interested parties with notice and an opportunity to review and comment on the department's proposed, updated policies. Manuals and draft manual material are available for review on the Human and Community Services Division website, and the department proposes changes to the rule that notify the public of these documents and where they can be located.

The department also proposes to incorporate by reference the most recent version of the federal code applicable to TANF. This gives readers notice of the applicable law and which version is being used by the department.

The department proposes amending the mailing address for the Human and Community Services Division to reflect a change in location and to update the public. Minor edits are proposed to help with the rule's clarity and ease of use, as well as the removal of an implementing statute that has been repealed.

ARM 37.78.420

The 2023 Legislature passed and Governor Gianforte signed into law House Bill 2 (HB 2) which, among other things, authorized an increase to the TANF Eligibility and Payment Standards effective July 1, 2023. The proposed rule changes are necessary to implement this increase.

Additionally, ARM 37.78.420 needs to be updated to support the increase to 30% of 2023 Federal Poverty Level (FPL) for the Gross Monthly Income and Benefit Standard, and also to increase the Payment Standard to 35% of the 2023 FPL, as required by HB 2.

In 2014, the department convened a committee of stakeholders to review the structure of the TANF program and make recommendations to the department regarding its administration of TANF. Results from a TANF participant and interested party focus group survey addressed participant barriers, including lessening the cliff-effect (the sudden ending of various public assistance benefits when family's monthly income increases beyond the limit for such assistance) when transitioning off of TANF benefits. National research on post-income supplements, like Montana's Post-Employment Program, recommended smaller supplements over a longer period of time to lessen the cliff-effect, help clients transition off of public assistance, and decrease recidivism. The TANF steering committee's recommendations and revisions to the Post-Employment Program were implemented on August 1, 2016. The revisions increased the number of eligible months from three months to 12 months, and revised the benefit from $375 in month one, $275 in month in two, and $175 in month three to $100 per month in months 1 through 6, and $50 per month in months 7 through 12. Additionally, a $300 work pays incentive is provided in months 1, 7, and 12. This increased the total amount of benefits a client can receive from $825 to $1500, providing smaller individual amounts over a longer period of time. The purpose of this change is to help clients transition from public assistance and into sustainable employment by lessening the cliff-effect and decreasing future need for public benefits. A standard benefit amount, not reduced by earnings, was implemented for ease of administration, as an incentive to work, and because a set benefit amount is easier for families to understand and include in a monthly budget. The proposed rule changes would align the provisions to this long-standing change in the Post-Employment Program.

There is no anticipated impact on the number of eligible families as a result of the proposed increase in the Gross Monthly Income and Benefits standard. In fact, the TANF caseload saw a decrease in the average monthly eligible households, from an average monthly caseload of 383 households during the 2022 State Fiscal Year to an average monthly caseload of 358 households for the period of July 1, 2023, through March 30, 2024, following the passage and implementation of HB 2.

The department also proposes minor changes to clarify that the Post-Employment Program is a benefit that provides cash assistance to qualified participants, but is different from the general TANF cash assistance program. The current language is imprecise and potentially confusing. Additional minor edits and organization changes are proposed to help with the rule's clarity and ease of use, as well as the removal of an implementing statute that has been repealed.

Small Business Impact

Small businesses that may be affected include private or non-profit vocational training providers, childcare providers, and small employers who participate in TANF-funded work programs or employment subsidies.

The proposed amendments are administrative and technical. The department anticipates no significant or direct financial effect on small businesses. The update ensures that businesses partnering with the TANF program are referencing current policy, reducing potential for administrative non-compliance.

The department estimates a cumulative fiscal impact of $0.00. These changes do not create, increase, or decrease any fees, costs, or benefit rates paid by or to small businesses.

No individuals or business entities will experience a change in monetary exchange as a result of these specific technical updates.

Fiscal Impact

The department saw an increase in benefits spending amounting to $1,206,891 in SFY 2024, largely resulting from the payment standard increase. However, the department does not anticipate an additional increase in SFY 2025: Cash expenditures in the first six months of SFY 2025 align with spending during the same time period in SFY 2024 and are projected to remain steady.

Bill Sponsor Notification

The bill sponsor contact requirements do not apply.

Interested Persons

The department maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by the department. Persons who wish to have their name added to the list shall make a written request that includes the name, e-mail, and mailing address of the person to receive notices and specifies for which program the person wishes to receive notices. Notices will be sent by e-mail unless a mailing preference is noted in the request. Such written request may be emailed, mailed or otherwise delivered to the contact person above.

Rule Reviewer

Heidi Sanders

Approval

Charles T. Brereton, Director
Department of Public Health and Human Services