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Joint Committee on Appropriations
SENATOR ERNIE OTTEN, CO-CHAIR
REPRESENTATIVE MIKE DERBY, CO-CHAIR

March 30, 2026
Matt Althoff, Secretary
Department of Social Services
700 Governors Drive
Pierre, SD 57501

Letter of Intent Regarding Temporary Assistance for Needy Families Funding

Dear Secretary Althoff,

This Letter of Intent sets forth a particular view held by the Joint Committee on Appropriations (JCA) in approving your appropriation in the 2026 Legislative session. As such, this Letter of Intent seeks to supplement that legislation with specific policy guidance as approved on March 30, 2026.

While the guidance does not have the direct force of statutory law, it rests solidly on a long-standing tradition of Legislative-Executive relationships in South Dakota, and it will be used by the Joint Committee as one basis for the fiscal oversight of your agency and its continued funding.

During the 2025 session, the Legislature approved a reduction of $5,300,000 in general fund moneys and an increase of $5,300,000 in federal fund expenditure authority to reduce the amount of general fund moneys for the maintenance of effort required for the Temporary Assistance for Needy Families (TANF) program. During the 2025 interim, cash benefits were reduced by 10% for all TANF beneficiaries.

During the 2026 session, the Legislature approved $427,000 dollars in general fund moneys and $427,000 in federal fund expenditure authority for a partial restoration of the reduction in cash benefits, which would result in a 5% increase in benefits. It is the intention of the Legislature that the Department of Social Services (DSS) use federal fund expenditure authority to spend TANF carryover funding for this partial restoration.

Prior to the July 2026 meeting of the JCA, DSS shall issue a report on the following:

1. The total balance of all available TANF funding by funding category each year for the last five years;
2. Spending of TANF funding, including carryover funding, by expenditure category each year for the last five years, including FY26;
3. Planned FY27 spending of all TANF funding, including carryover funding, by expenditure category;
4. A projection of future available carryover funding based on current spending; and

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5. A narrative summary of options to manage cash assistance going forward.

Thank you for your cooperation.

Representative Mike Derby	Senator Ernie Otten
Lead Co-Chair, Joint Committee on Appropriations	Co-Chair, Joint Committee on Appropriations

cc: Russell Olson, Auditor General
Jim Terwilliger, Commissioner, Bureau of Finance and Management