



TEMPORARY ASSISTANCE FOR NEEDY FAMILIES AND CHILD CARE ASSISTANCE: A WEAKENED SAFETY NET FOR FAMILIES

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When Temporary Assistance for Needy Families (TANF) replaced the existing welfare program, Aid to Families with Dependent Children (AFDC), in 1996, it established work requirements and time limits on cash assistance, with the stated aim of helping families achieve self-sufficiency. Recognizing that mothers now required to work would need help affording child care, Congress provided a significant boost in funding for the Child Care and Development Block Grant (CCDBG). TANF had some initial success in moving mothers to work during the strong economy of the late 1990s. However, with its strict work requirements and flat funding, TANF failed to respond to the increased needs of families struggling during the economic downturn, and has left many families without assistance during the slow recovery. Compounding this challenge, many families no longer able to receive TANF cash assistance have not been able to turn to child care assistance to help them get back to work because child care funding has also been stagnant. A number of states' policy decisions have made it even more difficult for families to access TANF or child care assistance. As a result, many families are left without either a primary or back-up safety net as they struggle to meet their basic needs and ensure the well-being of their children.

- **While the number of families in poverty increased, TANF served fewer and fewer families in need.** The number of families with children living in poverty, after declining from 6.4 million in 1996 to 5.1 million in 2000, rose to 7.1 million in 2014. Yet the TANF average monthly caseload fell by about two-thirds during that time—from 4.4 million families in 1996 to 1.6 million families in 2014. In 2014, TANF served only 23 of every 100 families with children in poverty.¹

- **Under federal time limits, a family can receive TANF assistance for no more than five years in a lifetime, and states are allowed to set even shorter time limits.** A number of states have taken advantage of this option to create tighter time limits on cash assistance,² which can allow them to spend less money and tout a lower number of families on welfare. The shorter a family's time limit is, the more pressure there is for parents to find work quickly, which could mean accepting a job with low wages and irregular hours.

- o Many states set lifetime limits on TANF cash assistance that are shorter than the federal lifetime limit. These states include Arizona,³ Arkansas,⁴ California,⁵ Connecticut,⁶ Delaware,⁷ Florida,⁸ Georgia,⁹ Idaho,¹⁰ Kansas,¹¹ Michigan,¹² Missouri,¹³ Ohio,¹⁴ Rhode Island,¹⁵ and Wisconsin.¹⁶ Arizona, which limited families to no more than one year of cash assistance in their lifetime as of July 2016, has the strictest lifetime limit in the country.
- o Several other states, while allowing families to receive assistance for up to the federal lifetime limit of five years, set limits on the number of consecutive months for which they can receive cash assistance. Louisiana, Massachusetts, Nevada, North Carolina, and South Carolina allow families to receive cash assistance for only 24 consecutive months.¹⁷ Texas limits families to either 12, 24, or 36 consecutive months of assistance depending on the individual's work history and educational attainment; when a family reaches its time limit, it cannot receive assistance again for another five years.¹⁸

- **States set low income eligibility limits for families applying for cash assistance under TANF.** In 2014, 48 states had maximum earning limits for families that were below the poverty level. In 2014, the average state income limit for a family of three for initial TANF eligibility was only \$841 per month (\$10,088 per year), just 51 percent of the 2014 federal poverty level (\$1,649 per month or \$19,790 per year).¹⁹



- **Many states with tight time limits on TANF assistance have low income eligibility limits for child care assistance as well.**

Families trying to get and keep a job so they can support themselves in the absence of TANF benefits often are also not able to receive child care assistance due to states' restrictive eligibility criteria. Without help paying for the child care they need to work, these families struggle to afford the high cost of care—which averages \$3,700 to over \$17,000 a year, depending on the age of the child, the type of care, and where the family lives.²⁰ States' income limits for child care assistance, while higher than those for TANF, are still low enough that a working parent may earn too much to qualify for child care assistance but too little to afford child care on their own while paying other bills. States that have stricter lifetime limits on TANF assistance than required by federal law as well as low income limits to qualify for child care assistance include:²¹

- o Arkansas, where the income limit to qualify for child care assistance is 153 percent of poverty (\$30,926 a year for a family of three).
- o Florida, where the income limit to qualify for child care assistance is 150 percent of poverty (\$30,240 a year for a family of three).
- o Georgia, where the income limit to qualify for child care assistance is 143 percent of poverty (\$28,748 a year for a family of three).
- o Missouri, where the income limit to qualify for child care assistance is 138 percent of poverty (\$27,816 a year for a family of three).
- o Idaho, where the income limit to qualify for child care assistance is 130 percent of poverty (\$26,208 a year for a family of three).
- o Ohio, where the income limit to qualify for child care assistance is 130 percent of poverty (\$26,124 a year for a family of three).
- o Michigan, where the income limit to qualify for child care assistance is 118 percent of poverty (\$23,880 a year for a family of three).

- **Even if families are eligible for child care assistance, they may not necessarily receive it.** Twenty states had waiting lists or frozen intake (turned away eligible families without adding their names to a waiting list) for child care assistance in 2016.²² In a number of states, these waiting lists are quite long—over 25,000 children in Florida, over 24,000 children in Massachusetts, and over 20,000 children in North Carolina, as of early 2016.²³ Studies show that many families on waiting lists struggle to pay for reliable,

good-quality child care as well as other necessities, or must use low-cost—and frequently low-quality—care. Some families cannot afford any child care, which can prevent parents from working.²⁴

- **Insufficient federal and state child care funding has led to a decline in the number of families receiving child care assistance.**

In 2014, 1.4 million children were served by CCDBG in an average month, which was the lowest number since 1998, and 364,000 fewer children than in 2006. In Michigan, which has the lowest income eligibility limit to qualify for child care assistance of all states, and one of the stricter TANF lifetime limits, 8,800 children lost child care assistance between 2013 and 2014 alone.²⁵

- **While a large portion of TANF funds are used for child care, the amount has declined. Many states now use a substantial portion of their TANF funds for purposes other than child care assistance and work supports to help families stay off welfare or move from welfare to work.**

- o Only 25 percent of federal and state TANF funding was spent on basic assistance in 2015. And less than 7 percent was used for work-related activities and support and just 17 percent was used for child care.²⁶ Some states have used their TANF funds to replace state funds that previously had been used to assist poor families, and then have shifted those newly available state dollars to fund activities that do not target low-income families.²⁷
- o States can spend TANF funds directly on child care or transfer up to 30 percent of their funds to CCDBG, but they have gradually allocated less TANF money for child care. In 2000, \$4 billion of TANF funds were used for child care, but in 2015 that amount had declined to \$2.6 billion.²⁸ Nineteen states spent less than 10 percent of federal and state TANF funds on child care in 2015.²⁹

TANF and child care assistance should be working together to ensure that families can meet their basic needs while giving parents a path to work that can allow them to support their families. Yet due to insufficient funding and restrictive policies, neither program is currently serving this role. The very purpose of TANF was to help families achieve self-sufficiency, but without sufficient funding to help parents afford child care, it is nearly impossible for them to work. Federal and state investments should be increased and policies should be improved so that vulnerable families have help at their time of greatest need and have access to affordable, high-quality child care that enables parents to work and encourages children's healthy development and learning.



- 1 Center on Budget and Policy Priorities, Chart Book: TANF at 20 (Washington, DC: Center on Budget and Policy Priorities, 2016), 3, *available at* http://www.cbpp.org/sites/default/files/atoms/files/8-22-12tanf_O.pdf; and Center on Budget and Policy Priorities, United States: TANF Caseload and TANF-to-Poverty Ratio Fact Sheet (2015), *available at* http://www.cbpp.org/sites/default/files/atoms/files/tanf_trends_us.pdf.
- 2 Many of these states provide extensions or exemptions to individuals in particularly challenging situations. California, Connecticut, Georgia, Kansas, Missouri, Ohio, Rhode Island, South Carolina, Texas, and Wisconsin all have rules for exemptions and extensions.
- 3 The lifetime limit for TANF cash assistance in Arizona is one year, except in case of hardship. Arizona Department of Economic Security, Amended TANF State Plan, 17, *available at* https://des.az.gov/sites/default/files/2015_TANF_State_Plan_Amendment_Tracked.pdf.
- 4 The lifetime limit for TANF cash assistance in Arkansas is two years. Arkansas Department of Workforce Services, TANF (Temporary Assistance for Needy Families), Frequently Asked Questions, *available at* <http://www.arkansas.gov/esd/Programs/TANF/FAQs.htm>.
- 5 The lifetime limit for TANF cash assistance in California is four years. California Department of Social Services, All County Letter No. 11-33, California Work Opportunity and Responsibility to Kids (CalWORKS) Program: New 48-Month Time Limit for CalWORKS Adults, April 29, 2011, *available at* <http://www.dss.cahwnet.gov/lettersnotices/entres/getinfo/acl/2011/11-33.pdf>.
- 6 The lifetime limit for TANF cash assistance in Connecticut is 21 months. Connecticut Department of Social Services, Temporary Assistance for Needy Families State Plan: Federal Fiscal Years October 1, 2014 through September 30, 2017 (Revised March 31, 2016), *available at* <http://www.ct.gov/dss/lib/dss/pdfs/plans/CtTANFPlan.pdf>.
- 7 The lifetime limit for TANF cash assistance in Delaware is three years. Delaware Department of Health and Social Services, Division of Social Services, Temporary Assistance for Needy Families, *available at* <http://www.dhss.delaware.gov/dss/tanf.html>.
- 8 The lifetime limit for TANF cash assistance in Florida is four years. Florida Department of Children and Families, Temporary Cash Assistance, *available at* <http://www.myflfamilies.com/service-programs/access-florida-food-medical-assistance-cash/temporary-cash-assistance-tca>.
- 9 The lifetime limit for TANF cash assistance in Georgia is four years. Georgia Division of Family and Children Services, TANF Eligibility Requirements, *available at* <http://dfcs.dhs.georgia.gov/tanf-eligibility-requirements>.
- 10 The lifetime limit for TANF cash assistance in Idaho is two years. Idaho Department of Health and Welfare, About Temporary Assistance for Needy Families in Idaho, *available at* <http://www.healthandwelfare.idaho.gov/foodcashassistance/cashassistance/cashassistanceforfamilies/tabid/172/default.aspx>.
- 11 The lifetime limit for TANF cash assistance in Kansas is three years. Kansas Department for Children and Families, Economic and Employment Services, Successful Families Program – TANF, *available at* <http://www.dcf.ks.gov/services/ees/Pages/Cash/TANF.aspx>.
- 12 The lifetime limit for TANF cash assistance in Michigan is four years. Michigan Department of Human Services, Temporary Assistance for Needy Families State Plan, Effective Date: January 1, 2014 (Updated June 28, 2016), 5, *available at* http://www.michigan.gov/documents/dhs/Amended_TANF_State_Plan_October-2012_405462_7.pdf.
- 13 The lifetime limit for TANF cash assistance in Missouri is 45 months. Missouri Department of Social Services, TANF State Plan 2016, 15-16, *available at* <http://dss.mo.gov/fsd/pdf/tanf-state-plan-2016.pdf>.
- 14 The lifetime limit for TANF cash assistance in Ohio is three years. Ohio Department of Job and Family Services, Temporary Assistance to Needy Families (TANF) Program State Title IV-A Plan (2015), 6, *available at* <http://jfs.ohio.gov/ofam/pdf/2015StateTANFPlan.stm>.
- 15 The lifetime limit for TANF cash assistance in Rhode Island is four years. Rhode Island Department of Human Services, Rhode Island Works Program (August 2014), 37, *available at* http://www.dhs.ri.gov/Programs/RIWorks_Rules_and_Regulations.pdf.
- 16 The lifetime limit for TANF cash assistance in Wisconsin is four years. Wisconsin Department of Children and Families, Wisconsin's Temporary Assistance for Needy Families State Plan (Plan Effective Date: October 1, 2015 - September 30, 2018), 9, *available at* http://dcf.wisconsin.gov/tanf/pdf/2016-2018_tanf_state_plan.pdf.
- 17 Urban Institute, Welfare Rules Database, Table IV.C.2: Other State Time Limit Policies, July 2014 (Washington, DC: Urban Institute, 2014), *available at* <http://wrd.urban.org/wrd/dictionary/Wrdcategories.cfm?ShowVars=y>.
- 18 Texas Workforce Commission, Choices Guide (October 2016), 22-23, *available at* <http://www.twc.state.tx.us/files/partners/choices-guide-twc.pdf>.
- 19 Urban Institute, TANF Policy Tables, Table L3: Maximum Income for Initial Eligibility for a Family of Three (Washington, DC: Urban Institute, 2014), *available at* <http://wrd.urban.org/wrd/tables.cfm>.
- 20 Child Care Aware of America, Parents and the High Cost of Child Care: 2015 Report (Arlington, VA: Child Care Aware of America, 2015), 30, *available at* <http://usa.childcareaware.org/wp-content/uploads/2016/05/Parents-and-the-High-Cost-of-Child-Care-2015-FINAL.pdf>.
- 21 Karen Schulman and Helen Blank, Red Light Green Light: State Child Care Assistance Policies 2016 (Washington, DC: National Women's Law Center, 2016), 26-30, *available at* <http://nwlc.org/resources/red-light-green-light-state-child-care-assistance-policies-2016/>. The income limits are reported as a percentage of the 2016 federal poverty level (\$20,160 a year for family of three). For all states listed here, these income limits reflect policies as of February 2016, or updates or revisions that went into effect by October 2016.
- 22 Red Light Green Light: State Child Care Assistance Policies 2016, 7.
- 23 Red Light Green Light: State Child Care Assistance Policies 2016, 31.
- 24 See, e.g., Karen Schulman and Helen Blank, In Their Own Voices: Parents and Providers Struggling with Child Care Cuts (Washington, DC: National Women's Law Center, 2005), 10; Children's Action Alliance, The Real Reality of Arizona's Working Families—Child Care Survey Highlights (Phoenix, AZ: Children's Action Alliance, 2004); Deborah Schlick, Mary Daly, and Lee Bradford, Faces on the Waiting List: Waiting for Child Care Assistance in Ramsey County (Ramsey County, MN: Ramsey County Human Services, 1999) (Survey conducted by the Minnesota Center for Survey Research at the University of Minnesota); Philip Coltoff, Myrna Torres, and Natasha Lifton, The Human Cost of Waiting for Child Care: A Study (New York, NY: Children's Aid Society, 1999); Jennifer Gulley and Ann Hilbig, Waiting List Survey: Gulf Coast Workforce Development Area (Houston, TX: Neighborhood Centers, Inc., 1999); Jeffrey D. Lyons, Susan D. Russell, Christina Gilgor, and Amy H. Staples, Child Care Subsidy: The Costs of Waiting (Chapel Hill, NC: Day Care Services Association, 1998); Casey Coonerty and Tamsin Levy, Waiting for Child Care: How Do Parents Adjust to Scarce Options in Santa Clara County? (Berkeley, CA: Policy Analysis for California Education, 1998); Philadelphia Citizens for Children and Youth, et al., Use of Subsidized Child Care by Philadelphia Families (Philadelphia, PA: Philadelphia Citizens for Children and Youth, 1997); Greater Minneapolis Day Care Association, Valuing Families: The High Cost of Waiting for Child Care Sliding Fee Assistance (Minneapolis, MN: Greater Minneapolis Day Care Association, 1995).



- 25 Hannah Matthews and Christina Walker, *Child Care Assistance Spending and Participation in 2014* (Washington DC: Center for Law and Social Policy, 2016), 4-9, *available at* <http://www.clasp.org/resources-and-publications/publication-1/CC-Spending-and-Participation-2014-1.pdf>.
- 26 U.S. Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance, *State TANF Spending in FY 2015: Fact Sheet* (2016), *available at* <http://www.acf.hhs.gov/ofa/resource/state-tanf-spending-2015-factsheet>.
- 27 Liz Schott, Ladonna Pavetti, and Ife Floyd, *How States Use Federal and State Funds Under the TANF Block Grant* (Washington, DC: Center on Budget and Policy Priorities, 2015) *available at* <http://www.cbpp.org/research/family-income-support/how-states-use-federal-and-state-funds-under-the-tanf-block-grant>.
- 28 National Women's Law Center analysis of data from U.S. Department of Health and Human Services, Administration for Children and Families, Fiscal Year 2000 TANF Financial Data, Table A: Combined Federal Funds Spent in FY 2000 Through the Fourth Quarter, *available at* http://archive.acf.hhs.gov/programs/ofs/data/tanf_2000.html; and from U.S. Department of Health and Human Services, Administration for Children and Families, Fiscal Year 2015 TANF Financial Data, Table A.1: Federal TANF and State MOE Expenditures Summary by ACF-196 Spending Category, FY 2015, *available at* <http://www.acf.hhs.gov/ofa/resource/tanf-financial-data-fy-2015>.
- 29 National Women's Law Center analysis of data from U.S. Department of Health and Human Services, Administration for Children and Families, Fiscal Year 2015 TANF Financial Data, Federal TANF and State MOE Expenditures Summary by ACF-196 Spending Category, FY 2015: State Tables, *available at* <http://www.acf.hhs.gov/ofa/resource/tanf-financial-data-fy-2015>.

