

## Changes to TANF: What You Should Know

### Cuts to Public Assistance for Washington's Vulnerable Children and Families

Recently in Washington State, a number of supports and public benefits to low-income families and children were reduced through budget cuts and policy changes. These supports and public benefits are critical to helping poor families and children meet basic needs – such as food, housing and other necessities – and essentially provide a safety net for Washington's most vulnerable families.

In 2011, the Washington State Legislature passed ESSB 5921, which instituted a number of changes to the Temporary Assistance to Needy Families' (TANF) program. TANF is a block grant created by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, which was part of a federal effort to "end welfare as we know it" (Schott, 2011). TANF replaced the Aid to Families with Dependent Children (AFDC) program, which provided for cash welfare benefits to low-income families with children since 1935 (Schott, 2011).

Under TANF, the federal government has provided \$16.6 billion in block grant to states, which are then able to run their own programs (Schott, 2011). This amount has not increased since the block grant was established in 1996 and has resulted in the real value of the block grant falling by 28 percent (Schott, 2011). States have used these funds to create a variety of services and supports for needy families such as income support, including wage supplements for needy families, child care, education and job training, transportation, aid to children at risk of abuse and neglect, as well as a number of other services (Schott, 2011). Due to the recent economic crisis, many states were forced to make some of the harshest cuts to benefits and eligibility policy in decades at the same time as they face increased need and state fiscal shortfalls (Schott, 2011).

### What cuts to benefits have been made this year?

The following is a summary of the major changes to TANF benefits:

1. **Reduction in cash benefits:** As of February 1, 2011 households receiving TANF experienced a 15-percent reduction in their monthly cash benefits. This 15-percent cut will result in a reduction of benefits for a family of three by \$84 per month, from \$562 to \$478 (Schott and Pavetti, 2011).
2. **Means testing of benefits:** Effective November 1, 2011, income eligibility will be established for families applying for benefits for a child, other than a foster child, who lives with a caregiver other than his or her parents. A sliding fee scale benefit standard will be established when the caregiver's income is 200 hundred percent but below 300 percent of the federal poverty guideline\* based on family size.
3. **If a family includes an adult who has received TANF for 60 months after July 27, 1997, they must get a hardship extension in order to continue receiving TANF.**

On February 1, 2011, DSHS stopped the payment of TANF to 5,000 families raising approximately 10,000 children (Children's Alliance, 2011). Between January and February 2011, TANF caseloads dropped by nearly 10 percent or 6,700 families in Washington State. This drop is mainly due to the 60-month time limit case closures and the rest to lower income eligibility levels. (Schott & Pavetti, 2011).

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\* The poverty guidelines are sometimes loosely referred to as the "federal poverty level" (FPL), but that phrase is ambiguous and should be avoided, especially in situations (e.g., legislative or administrative) where precision is important.

## What does this mean for Washington State's Families?

The provisions of this bill mean that already vulnerable low-income families in Washington State are experiencing real cuts to their benefits and to their ability to make ends meet. This affected 6,700 such families between January and February alone. Cuts to the TANF budget will result in many more low-income families and children being pushed either below or further below half of the poverty line (Schott & Pavetti, 2011). These cuts to TANF are occurring at a time when unemployment remains very high, with the likelihood for people with low skill levels being even more challenging (Schott & Pavetti, 2011). Research has shown that risk of child welfare involvement significantly increases amongst families, in which a TANF reduction occurred, with no increase in employment (Berrick, J.D., Frame, L., Langs, J. & Varchol, L., 2006). These findings would suggest that the above cuts to TANF combined with current economic conditions will have some impact on child welfare involvement for this group of families. What that impact is remains to be seen.

## References

- Berrick, J.D., Frame, L., Langs, J., & Varchol, L. (2006). Working together for children and families: Where TANF and child welfare meet. *Journal of Policy Practice*, 5, 27-42.
- Children's Alliance (2011, February 1). Thousands lose income assistance today [Press release]. Retrieved from <http://www.childrensalliance.org/sites/default/files/TANF%20ends%20for%20families%20press%20release.pdf>.
- Schott, L. (2011). Policy basics: An introduction to TANF. Retrieved from <http://www.cbpp.org/cms/index.cfm?fa=view&id=936>.
- Schott, L. & Pavetti, L. (2011). Many states cutting TANF benefits harshly despite high unemployment and unprecedented need. Retrieved from <http://www.cbpp.org/files/5-19-11tanf.pdf>.

NOTE: The poverty guideline figures below are NOT the figures the Census Bureau uses to calculate the number of poor persons. The figures that the Census Bureau uses are the poverty thresholds.

### 2011 HHS Poverty Guidelines

Persons in Family	48 Contiguous States and D.C.	Alaska	Hawaii
1	\$10,890	\$13,600	\$12,540
2	14,710	18,380	16,930
3	18,530	23,160	21,320
4	22,350	27,940	25,710
5	26,170	32,720	30,100
6	29,990	37,500	34,490
7	33,810	42,280	38,880
8	37,630	47,060	43,270
For each additional person add	3,820	4,780	4,390

SOURCE: Federal Register, Vol. 76, No. 13, January 20, 2011, pp. 3637-3638