

States are cutting TANF and child care programs: Supports for low-income working families and welfare-to-work programs are particularly hard hit ^[1]

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Source: Center on Budget and Policy Priorities

Format: Report

Publication Date: 2 Jun 2003

AVAILABILITY

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Excerpts from press release

More than 35 states have made cuts in programs funded with TANF and child care block grant funds, and most of these cuts are in programs that promote the goals of welfare reform. The cuts reflect both the exhaustion of many states' surplus TANF funds from prior years and the large budget gaps many states face. The breadth and depth of these cuts highlight the importance of upcoming Congressional action on legislation to reauthorize TANF: if this legislation imposes costly new mandates on states yet provides insufficient funds to help states fulfill these mandates, states will be forced to make even more cuts in programs that help families move from welfare to work. Recent state cuts include substantial cuts in child care programs for low-income working families, work programs designed to help TANF cash assistance recipients find jobs, services and supports for very disadvantaged families, cash assistance benefits for low-income working families, and programs designed to meet the broader "family formation" goals of TANF, such as pregnancy prevention efforts. CUTS IN CHILD CARE PROGRAMS: Some 32 states have reduced income eligibility limits, instituted waiting lists, increased the co-payments that low-income working families must make for child care, reduced provider payments, reduced funding dedicated to improving the quality of child care, or are proposing to take such steps in 2004. For example, New Mexico has reduced the eligibility limit for child care from 200 percent to 130 percent of the poverty line, Connecticut has stopped approving new applications for child care for low-income working families, Louisiana increased co-payments families must pay, and Michigan cut provider payments. The General Accounting Office (GAO) recently issued the results of its survey of child care cuts being made or proposed by states and reported similar findings. The GAO found that that since 2001, 23 states made changes in their child care programs that reduced the availability of assistance and 11 states were considering child care cuts for 2004.

Region: United States ^[4]

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