

CREATING OPPORTUNITY FOR ILLINOISANS IN NEED II (COIN II ACT)

HB4423

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The Temporary Assistance for Needy Families (TANF) program provides income support to extremely impoverished children and their families.

OBSTACLE FOR TANF FAMILIES

The cash assistance grant for a family of three in Illinois is currently pegged at 30% of the Federal Poverty Level (FPL).

- ▶ The monthly grant for a family of 3, a parent and their two children, living in Illinois is \$549. Parents share that the grant is not enough to meet their basic needs, including rent, utilities, clothing, personal hygiene products, diapers, transportation, etc.

Under federal law, families receiving TANF, must cooperate with child support enforcement efforts. They must assign their rights to child support payments to the state. In Illinois families receive between \$100-200 depending on the number of children in the household.

- ▶ Child support cooperation requirements can present the conflicting choice for custodial parents to decide between pursuing a child support claim to receive cash assistance or refusing cash assistance to preserve bonds and positive relationships with the noncustodial parent.

IMPACT

Illinois spends about 4% of its federal and state TANF funding on basic assistance. This is far below the national average of 21% in spending on cash assistance.¹ Research shows children living in extreme poverty experience more educational deficits, chronic health disparities and socio-emotional deficits than other children their ages.² This impacts their brain development and leads to a host of negative life outcomes. Further, national research finds that, on average, child support contributes to 40 percent of family income among poor custodial families receiving child support; and, without child support, child poverty would increase by 4.4 percent.³

OF CURRENT POLICY

SOLUTION

- ▶ Increase monthly TANF grants to 50% of the FPL. Increasing the cash grant amount to at least 50% of FPL would lift a quarter of Illinois children living in extreme poverty out of extreme poverty, which would lead to improved economic, health and educational outcomes. This can be done by allocating federal TANF funds, without the need for new state dollars.
- ▶ Implement a full pass-through and disregard policy for TANF families receiving child support. Families living in extreme poverty greatly benefit from receiving pass-through payments. Full pass-through payments serve as additional incentive to non-custodial parents to pay child support when they know the money will go directly to the children as well as strengthen relationships between children and the non-custodial parent.

IMPACT

Research shows that cash assistance to families experiencing poverty can improve children's health and academic achievement, which in turn can lead to better health and higher earnings in adulthood. It also reduces the likelihood that a family will become involved with DCFS. The noncustodial parent's continued involvement best serves the family unit especially their children.

Colorado was the first state to enact a full pass through and disregard policy, meaning that 100% of the child support collected on behalf of TANF recipients is passed through to the family and disregarded for purposes of TANF eligibility. Minnesota has also implemented a pass through provision.

FOR MORE INFORMATION

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¹ Center on Budget and Policy Priorities, "State Fact Sheets: How States Spend Funds under the TANF Block Grant," Center on Budget and Policy Priorities, January 12, 2021, <https://www.cbpp.org/research/family-income-support/state-fact-sheets-how-states-spend-funds-under-the-tanf-block-grant>

² Hunger & Health: Impact of Poverty, Food Insecurity, and Poor Nutrition. <https://frac.org/wp-content/uploads/hunger-health-impact-poverty-food-insecurity-health-well-being.pdf>

³ Sorensen, Elaine. (Dec. 2010) Child Support Plays an Increasingly Important Role for Poor Custodial Families, Urban Institute, DC: Washington. Available at: <http://www.urban.org/publications/412272.html>