



BUDGET TRENDS

What are the budget trends for the safety net?

Arizona has a history of bipartisan support for policies that provide temporary help to prevent hunger, homelessness, illness, abuse and neglect. All of these can have lifelong consequences for children and high costs for taxpayers. Budget cuts have weakened the safety net and resulted in expensive emergencies for the state to handle.

Public funding for the safety net works together with private charitable efforts to help struggling families working to get back on their feet—especially families with children. In fiscal year 2016, no state general fund money is appropriated for child care assistance for low-income working families and only a total of \$5.7 million is appropriated for cash assistance, job training and services to address hunger, domestic violence, and homelessness—less than 1 percent of the general fund budget.

What is Cash Assistance?

Cash assistance is a small monthly payment (not more than \$278 per month for a family of three) to very poor qualified parents to help them pay for basic needs such as rent and clothing while they prepare to join the workforce.

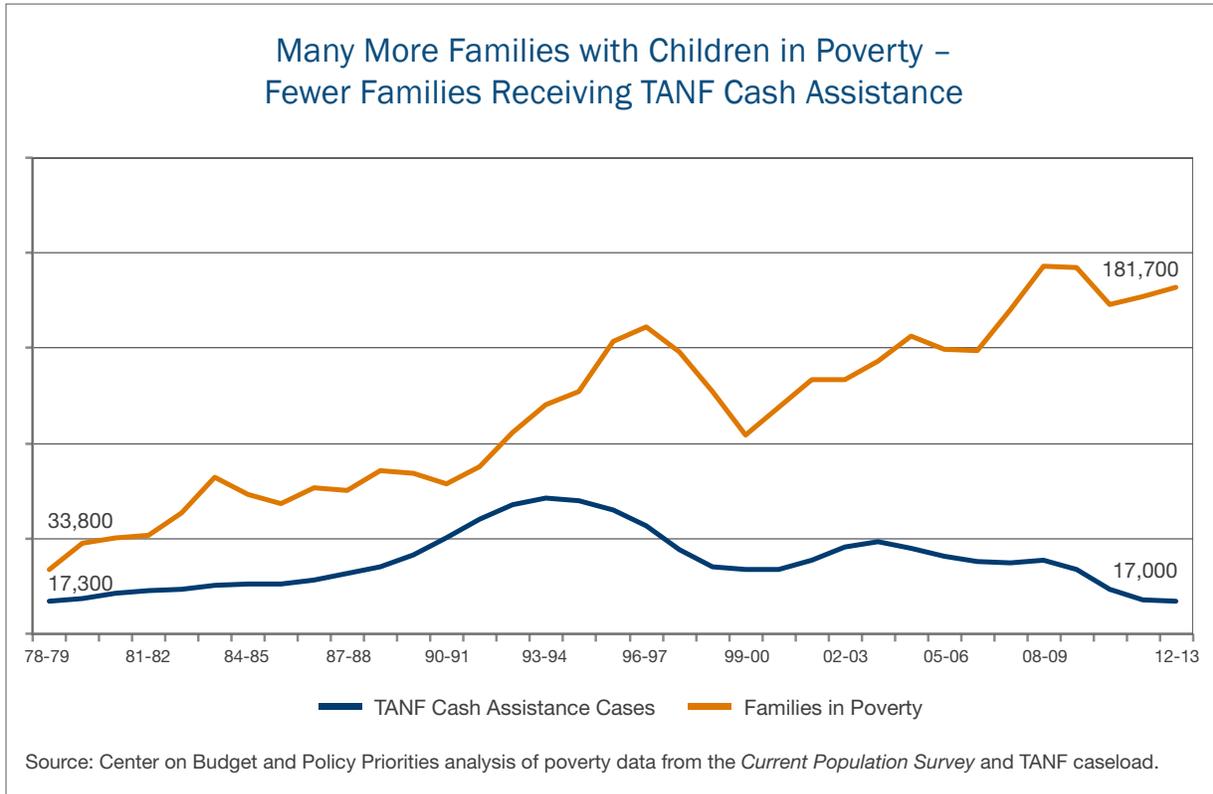
Before and during the Great Recession, many budget cuts to the safety net were passed with a short term goal of saving state spending. But the longer term results have been more families in crisis with nowhere to turn for help and expensive emergencies for the state to handle.

An important part of the safety net is welfare for the poorest mothers and children—also known as cash assistance or Temporary Assistance for Needy Families (TANF).

Over the past few years, the monthly cash amount has been cut by 20 percent. The maximum life-time limit for participation, which was five years until 2009, will be only one year effective July 1, 2016—making Arizona the only state with a limit below 21 months. Other qualification rules narrowed eligibility and cut more than 14,000 children being raised by their grandparents.

The combined result of these policy changes has been dramatic.

At the beginning of welfare reform in 1996, cash assistance was reaching more than half of families with children in poverty in Arizona. By 2013, fewer than one in 10 poor families with children received cash assistance.



Another part of the safety net, child care assistance, was also cut dramatically. All participating families have time limits on the assistance and all help pay for child care, with co-payments based on their income.

What is Child Care Assistance?

Child care assistance is a voucher paid for with tax dollars to help qualified, working parents earning low incomes afford child care of their choice in their community.

Enrollment was frozen in 2009 and participation dropped from 16,191 working families to fewer than 4,000 by 2014. Relying on federal funds only, a minimum of 10,500 children can now participate—still far below the need.

Parents who don't have affordable, reliable child care may leave their children home alone or in situations without safe supervision—conditions for child neglect. The evidence shows the loss of child care assistance contributed to the crisis in Child Protective Services with a system that couldn't handle huge growth in reports of child neglect.

