

## **HB 949—The SUCCESS Act**

**Supporting and Caring for Children through Economic Self Sufficiency**  
(Jeffries – M. Davis – Schock – Mulligan, Winters, Harris, W. Davis, Fritchey, Lyons, Dugan, Phelps, Turner, Watson, Washington, Eddy, Riley, Lang, Currie, Ryg, Froehlich, Mendoza, Howard, Feigenholtz, Saviano, Ramey, R. Bradley)

**House Bill 949** provides that beginning July 1, 2007, IDHS shall increase the Temporary Assistance for Needy Families (TANF) grants by 15%.

A TANF grant increase is long overdue, as shown by the following facts:

- Illinois cash grants for **families with minor children have fallen from 79.0% of the Federal Poverty Level (FPL) in 1973 to 28.6% FPL in 2006.**
- In dollar terms, a family of three received a maximum cash grant of \$237 per month in 1973 and of \$396 in 2006.
- While the cash grants were increased every few years between 1973 and 1994, they have been **increased only once since 1994—a 5% increase in 2002.**
- Although housing is considered “affordable” if rent and utilities cost no more than 30% of income, rents exceed the *entire* maximum TANF grant in almost all areas of Illinois, while **fewer than half of TANF families receive any rental subsidies.**
- Unable to obtain and maintain stable housing because they cannot afford the rent, TANF families move frequently, double-up with other families in overcrowded conditions, live in substandard housing, or end up in homeless shelters. All these disruptions **threaten children’s progress in school and parents’ progress toward self-sufficiency thru training or work.**
- Illinois TANF grants are **substantially lower than six of the seven neighboring Midwestern states** and lower, often by hundreds of dollars per month, than the TANF grants in states with similar median incomes.
- The **IDHS Social Services Advisory Committee unanimously recommended 15 percent increases in the TANF grants for the next three fiscal years to IDHS in August 2006.** If implemented, such increases would come close to recapturing the loss in TANF grant value due to inflation since 1990 and bring grants to approximately **32%** of the federal poverty level in FY 2008, **36%** of the federal poverty level in FY 2009, and **40% of the federal poverty level in FY 2010.**
- IDHS estimates that a 15% increase would cost \$19 million for FY 2008.

### **Supporters of HB 949 include:**

Protestants for the Common Good; the Sargent Shriver National Center on Poverty Law; Voices for Illinois Children; The Heartland Alliance for Human Rights and Human Needs; Action for Children; Project IRENE; Metropolitan Family Services; Chicago Jobs Council; DuPage Federation for Human Services Reform.

The following shows how the cash grant has increased from a high of 79% of the FPL in 1973 to a low of less than 29% today:

Year	Federal Poverty Level for Three Person Household, <sup>1</sup> Per year/per month	AFDC/TANF Grant for Three Person Household, Per year/per month	Grant as a Percentage of Federal Poverty Level
1973	\$3600/	\$2844/ \$237	79.0%
1974	\$3810/	\$2988/ \$249	78.4%
1975	\$4230/	\$3132/ \$261	74.0%
1978	\$5180	\$3288/ \$274	63.4%
1979	\$5600	\$3456/ \$288	61.7%
1981	\$7070	\$3624/ \$302	51.2%
1985	\$8850	\$4092/ \$341	46.2%
1987	\$9300	\$4104/ \$342	44.1%
1990	\$10,560	\$4404/ \$367	41.7%
1994	\$12,320	\$4524/ \$377	36.7%
2002	\$15,020	\$4752/ \$396	31.6%

Since the last grant increase in 2002, Illinois TANF grants have further declined as compared to the Federal Poverty Guidelines.

Year	Federal Poverty Level for Three Person Household <sup>2</sup>	TANF Grant for Three Person Household Per year/per month	Grant as a Percentage of Federal Poverty Level
2003	\$15,260 /	\$4,752/ \$396	31.1%
2004	\$15,670 /	\$4,752/ \$396	30.3%
2005	\$16,090 /	\$4,752/ \$396	29.5%
2006	\$16,600/	\$4,752/ \$396	28.6% <sup>3</sup>

The increase for a family of three would increase the monthly cash grant by less than \$60 per month, just over \$712 per year. \$5465 annually for a family of three.



<sup>1</sup> See Social Security Administration Annual Statistical Supplement, 2005, Table 3.E8, Poverty Guidelines for Families of Specified Size, 1965-2005(dollars) available at <http://www.ssa.gov/policy/docs/statcomps/supplement/2005/3e.html#table3.e8>

<sup>2</sup> Id.

<sup>3</sup> If a TANF family receives the maximum amount of Food Stamps, \$399 per month for a family of three, their TANF grant and Food Stamps combined total \$795, 57% of the 2006 monthly FPL of \$1,383.