

Keeping Kids with Family: How Texas Can Financially Support Kinship Caregivers

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Across Texas, family members and friends have stepped up to provide homes for children whose parents cannot care for them. These "kinship care" arrangements include all children who receive care from grandparents, siblings, aunts and uncles, cousins and close family friends for a given period of time. While court orders or the foster care system formally establish some Texas kinship care arrangements, the vast majority are informally arranged by families without any interaction with state authorities.

Informal kinship caregivers save Texas taxpayers millions of dollars every year in foster care costs as they care for children who would otherwise fall into the custody of the state.¹ And more importantly, caregivers offer love and stability to many of the state's most vulnerable children.

Although kinship caregivers have voluntarily stepped in to become substitute parents, many have limited resources and struggle to assume the sudden financial burden of parenting.

In order to support caregivers struggling to provide for the children placed in their care, it is important to acknowledge that meaningful cash assistance is often needed but not available. We must improve our Temporary Assistance for Needy Families (TANF) program to allow it to meet the needs of kinship families. The Texas Legislature has the opportunity to raise TANF benefit levels and remove program barriers such as outdated asset and vehicle limits so that we can fulfill the program's mission of providing "assistance to needy families so that children can be cared for in their own homes or the homes of relatives."

Kinship Care Arrangements Defined

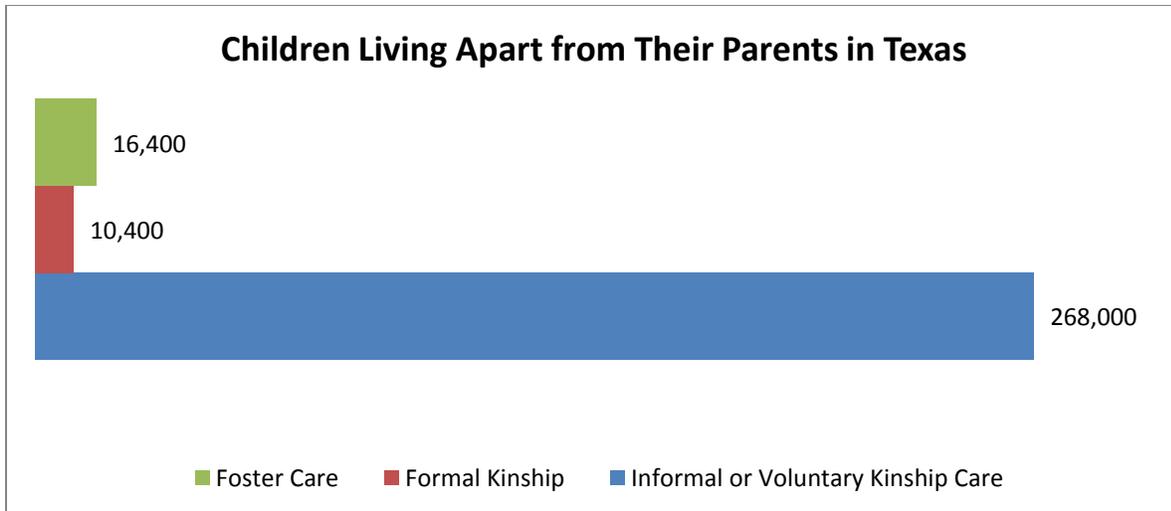
Informal Kinship care –children are cared for by a relative or family friend without the involvement of state authorities

CPS Voluntary Placement Kinship care – Child Protective Services (CPS) oversees the temporary placement of a child with a relative or close family friend, but the parent retains custody

CPS Formal Kinship care – children are removed from their parents' custody by the state and placed in the care of a relative

Kinship Care in Texas

According to the most recent Census estimates, there are 268,000 children living in an informal or voluntary placement kinship care situation in Texas.² In contrast, 10,400 children are formally placed through state-supervised kinship foster care, and 16,400 are placed in paid foster care.³ In Texas, 90 percent of all children living away from their parents are in informal or voluntary kinship care placements.



Source: Texas Department of Family and Protective Services and Kids Count Data Center

Of the estimated 268,000 children living in a kinship care household in Texas, 123,000 (46 percent) are in low-income families that struggle to support them. Kinship caregiving crosses racial lines. Among low-income kinship care households, 47 percent are Hispanic, 27 percent are White, and 26 percent are African-American.

Texas Children Living in Kinship Care Households by Race and Income 2015

Race/Ethnicity	Children Under 18 Living in Kinship Care Households		Children Under 18 Living in Kinship Care Households Below 150% of Poverty*	
	Number	Percentage	Number	Percentage
Total	268,385	100%	123,455	100%
Hispanic	124,956	47%	57,460	47%
White	76,836	29%	33,396	27%
African-American	56,881	21%	32,599	26%
Non-Hispanic Other	9,712	4%		

Source: U.S. Census Bureau, Current Population Survey 2015, Annual Social and Economic Supplement

*150 percent of the Federal Poverty Level was \$30,180 for a family of 3 in 2015.

While relatives of all types step up to become caregivers, 71 percent of children with a kinship caregiver in Texas are living with a grandparent. Like all kinship caregivers, grandparents can experience significant hardship when they take on the responsibility of caring for young children. Grandparents are often living on fixed incomes and are pushed into poverty when they take in their grandchildren.

Caregiver Relationships for Texas Children in Kinship Households 2015

	Children Under 18 Living in Kinship Care Households		Children Under 18 Living in Kinship Care Households Below 150% of Poverty	
	Number	Percentage	Number	Percentage
Total	268,385	100%	123,455	100%
Grandchild	190,548	71%	84,069	68%
Brother/sister	13,927	5%	11,679	9%
Other relative	57,321	21%	21,118	17%
Nonrelative with relatives	1,786	1%	1,786	1%
Nonrelative without relatives	4,803	2%	4,803	4%

Source: U.S. Census Bureau, Current Population Survey 2015, Annual Social and Economic Supplement

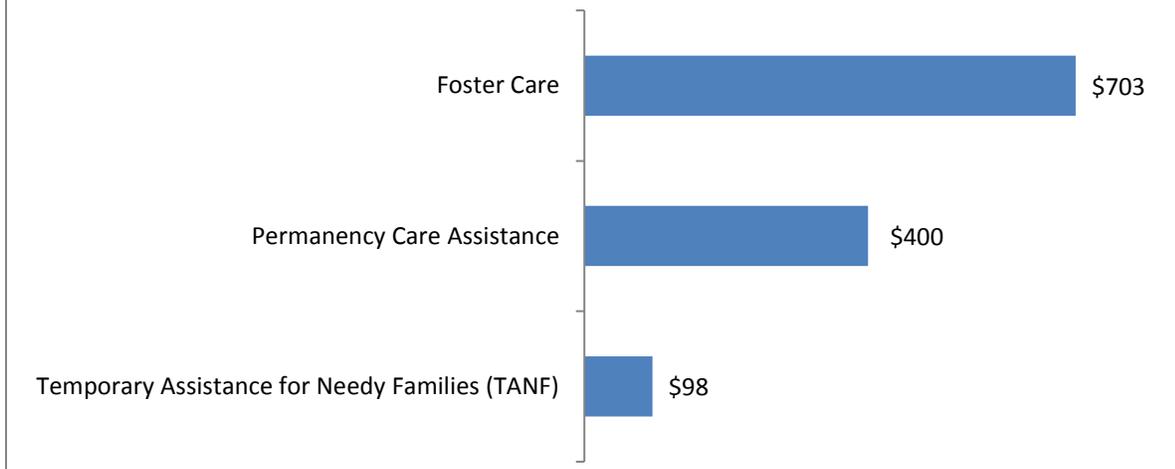
Existing State Financial Support

Despite the hardship and adverse conditions that families experience, kinship caregivers have a significant positive impact on the children they welcome. Research shows that kinship care placements are often preferable to non-kinship foster care because they provide the child with a sense of family support and familiarity. As a result many states, including Texas, attempt to place at-risk children with kinship caregivers before taking children into state custody and placing them in state-supported foster care.

For those children and kinship caregivers who do interact with the child-welfare system in Texas, there is some help available. When the Department of Family and Protective Services (DFPS) and its Child Protective Services (CPS) division become involved, caregivers may receive case management, support services, and financial assistance from the agency. DFPS runs two programs that provide state assistance to formal relative caregivers -- the Permanency Care Assistance (PCA) and Relative and Other Designated Caregiver Assistance programs (RODCAP).⁴ The PCA payment made to formal kinship caregivers in Texas is at least \$400 per month.⁵ Texas licensed foster caregivers also receive significant financial support from the state. The minimum foster care payment for a child in Texas is \$703 per month. This support helps to ensure that children receive safe, stable, and nurturing care after removal from their parents' home.⁶

Unfortunately the 90 percent of children who live apart from their parents in informal kinship care arrangements do not receive the same support as children involved with the state, although they are often in similar situations of financial, social, and emotional distress. While they may be eligible for some public benefits like Medicaid and the Supplemental Nutrition Assistance Program (SNAP), the only cash support program available, TANF, is woefully inadequate.

Monthly Payments per Child in Texas 2016



Source: Texas Department of Family and Protective Services and Texas Health and Human Services Commission

TANF Cash Assistance Payments are Insufficient

The Temporary Assistance to Needy Families (TANF) program was designed to support keeping children in need in their own homes or the homes of a relative, yet in Texas the program is failing to meet that goal.

In 2014 a kinship caregiver in Texas who received TANF monthly cash assistance only on behalf of the children in their care (known as child-only TANF) received a maximum of \$95 for one child and a maximum of only \$137 for two children.⁷ Nationally only Arkansas (\$81) and Oklahoma (\$87) provided less than Texas.⁸ Given the real costs associated with providing for a child, this amount is simply too low to ensure that a child receives adequate care. For example the minimum monthly payment provided to a foster parent in Texas is \$23 per day or approximately \$703 a month. For kinship caregivers not receiving financial assistance through DFPS on the other hand, the average TANF payment is about \$3 per day for one child.

Maximum Monthly Child-Only TANF Payment 2014	
Nevada	\$417
Utah	\$288
New Mexico	\$266
Florida	\$180
Colorado	\$128
Mississippi	\$110
Texas	\$95
Oklahoma	\$87
Arkansas	\$81
U.S. Average	\$242

Source: Urban Institute's Welfare Rules Database

TANF has become so difficult to apply for, and the benefits so meager, that few kinship families are able to turn to it for help. According to last available data from the Texas Health and Human Services Commission (HHSC), only 8,500 of the children in the care of a grandparent, other relative, or family friend were receiving monthly TANF payments in June, 2015. This is despite the fact that any child not living with a parent is considered independent and their caregiver's income does not count towards their eligibility.

The failure of the TANF program to serve kinship caregivers in Texas has also undermined the usefulness of the Legislature's one attempt to support grandparent caregivers. Grandparents who are caring for a grandchild and who have a household income below 200 percent of the federal poverty level are eligible to receive the one-time grandparent payment of \$1,000, but only if their grandchild already receives TANF. Because so few children are enrolled in TANF, HHSC reported that in 2015, only 447 households received the one-time TANF grandparent payment.

The Louisiana Model

There are better ways to support kinship caregivers that have been tested across the country. One of the most promising for Texas is Louisiana's Kinship Care Subsidy Program (KCSP). KCSP is part of the state's TANF program, but the rules and benefits are designed for the needs of kinship caregiving families. The program provides cash assistance of \$222 per month for each eligible child who resides with a qualified relative other than a parent. The main conditions are:

- The child must live in the home of qualified relatives (either biological or adoptive)
- The child must have income of less than \$222 per month
- The child must be under 18 years of age
- The qualified relative must possess or obtain within one year of certification, either legal custody or guardianship or provisional custody by mandate of the eligible child who is living in the home
- The family must have an annual income of less than 150 percent of the federal poverty threshold
- The parent(s) of the child must not live in the home of the qualified relative

By eliminating the complicated and often punitive rules normally placed on TANF applicants, and by providing a more realistic benefit amount, Louisiana has found a way to use its TANF program to offer meaningful help to kinship families. Texas can and should do the same.

Solutions

In order to support caregivers struggling to provide for the children placed in their care, it is important to acknowledge that meaningful cash assistance is often needed but not available. We must improve our TANF program to allow it to meet the needs of kinship families. The Texas Legislature has the opportunity to raise TANF benefit levels and remove program barriers such as outdated asset and vehicle limits so that we can fulfill the program's mission of assisting needy families so that children can be cared for in their own homes or the homes of relatives.

- The Legislature should create a kinship carve-out within the existing TANF program to be similar to the Louisiana Kinship Care Subsidy Program. By freeing the program of the stringent income and work requirements of the general TANF program, while raising the benefit levels, a kinship specific program would come closer to reflecting the true cost of raising a child. The program would be available to both informal and voluntary low-income kinship caregivers who step up to care for a related child.
- The Legislature should remove the state's \$1,000 liquid asset limit and \$4,650 vehicle value limit for TANF, which prevent all but the most destitute of caregivers from applying for help for themselves. The current limits are so low that receiving social security payments or owning a functional car are enough to disqualify a household.
- The Legislature should enhance the one-time TANF grandparent payment by removing the requirement that a child be enrolled in TANF as well as the \$1,000 liquid asset limit and \$4,650 vehicle value limit. The payment should also be enhanced for caregivers who take in multiple children. And while grandparents are the most common kinship caregivers, the one-time grant should be expanded to include other family members who step into the role of caregiver.

For more information or to request an interview, please contact Oliver Bernstein at bernstein@cphp.org or 512.823.2875.

About CPHP

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¹ For children in paid foster care, the Texas Department of Family and Protective Services reported total foster care payments of \$402,938,794 annually, and an average monthly payment per child of \$2,078.92 in 2015. Texas Department of Family and Protective Services Data Book 2015.

http://www.dfps.state.tx.us/About_DFPS/Data_Books_and_Annual_Reports/2015/finance.asp

² Analysis of Current Population Survey 215, U.S. Census Bureau.

³ There were a total of 27,895 children under state conservatorship in Texas on August 31, 2015.

https://www.dfps.state.tx.us/About_DFPS/Data_Books_and_Annual_Reports/2015/cps.asp

⁴ Both programs provide an opportunity for kinship caregivers to become licensed foster parents; however, Permanency Care Assistance involves a different legal arrangement in which the caregiver is named as the permanent managing conservator for the child.

⁵ For Permanency Care Assistance payments, the maximum monthly payment amount depends upon the child's authorized service level (ASL). The PCA payment ceiling for a child whose service level is Basic Care is \$400 per month; the payment ceiling for a child whose service level is Moderate, Specialized or Intense is \$545 per month.

⁶ Kinship caregivers in the Relative and Other Designated Caregiver Program who cannot or choose not to be licensed foster care parents receive case management, but are only eligible for two types of assistance: a one-time \$1,000 integration payment and a maximum reimbursement of \$500 a year on the anniversary of the child's placement in their home.

⁷ TANF applicants can apply for benefits for all members of the household or just on behalf of a child which is known as child-only TANF. When adults are included on the case each household member's income and assets are reviewed, but in a child-only case when children do not live with their legal parents they are considered independent and their caregiver's income does not count toward eligibility status.

⁸ Source: The Urban Institute's Welfare Rules Database, funded by HHS/ACF and HHS/ASPE.

<http://anfdata.urban.org/wrd/tables.cfm>