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The Honorable Dianne Feinstein
U.S. Senate
331 Hart Senate Office Building
Washington, DC 20510

Dear Senator Feinstein,

On behalf of the County Welfare Directors Association of California (CWDA), we request your assistance in overturning a recent Department of Housing and Urban Development (HUD) ruling affecting low-income families who have assumed legal guardianship of a relative child. HUD has reversed its previous policy and will now count as income the assistance provided by California's Kinship Guardian Assistance Program (KinGAP). That income will now increase the tenant's Section 8 or public housing rental payment.

The State's KinGAP program mirrors assistance provided under the federal Title IV-E foster care program. HUD continues to correctly exclude IV-E as income under the Code of Federal Regulations (Title 24, Sec. 5.609), but has now determined that since a KinGAP child is cared for by a relative, KinGAP payments should be considered as welfare since the child is related to the guardian. This new HUD policy penalizes low-income households that have assumed the moral and legal responsibility for a relative child. The HUD reversal affects, at a minimum, over 1,000 of California's 16,000 KinGAP families.

The policy reversal contradicts federal child welfare policy. Under federal law, state IV-E plans must "provide that the State shall consider giving preference to an adult relative over a non-related caregiver when determining placement for a child" (USC 42-671 (a) (19)). When appropriate, placing youth with relatives leads to better outcomes for them. KinGAP was created specifically to meet this goal and federal policy objective. The loss of the HUD subsidy may force some low-income families to reconsider guardianship of their relative child, due to the increased financial pressure placed upon them. Such a decision would result in a federally-financed IV-E placement that increases federal costs and diverts scarce resources from those youth most at-risk.

Late last year, all California Democratic House members sent a letter to HUD Secretary Jackson urging him to reverse the decision (copy attached). Unfortunately, HUD stands by its decision. Given HUD's refusal to revert to its prior policy, we urge you to enact a statutory provision directing HUD to disregard KinGAP assistance for guardians paying Section 8 or public housing rents.

Thank you for your attention to this matter. If you have any questions, please have your staff contact Tom Joseph, Director of CWDA's Washington Office at 202.898.1444 or tj@wafed.com.

Sincerely,

Frank Mecca
Executive Director
County Welfare Directors Association of California

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