

## What's In the Proposed Fiscal Year 2019 Budget for Temporary Assistance for Needy Families (TANF)?

By Kate Coventry

The District's Temporary Assistance for Needy Families (TANF) program provides cash assistance, subsidized childcare, and employment resources to help families with children facing economic hardship. The program, operated by the Department of Human Services (DHS), is funded with a mix of federal and local funds.

The fiscal year (FY) 2018 budget reformed DC's TANF program by repealing the District's rigid 60-month time limit which would have left approximately 6,000 DC families—including over 10,000 children—without vitally need case benefits. The FY 2019 budget includes funding to continue benefits for these families.

The FY 2019 budget also preserves increases in TANF benefits adopted in the FY 2015 budget and then modified in FY 2016 to alter the timeline for implementation. Under these changes, the maximum benefit for a family of three will increase from \$576 in FY 2018 to \$644 in FY 2019, which is more in line with benefits in other high-cost jurisdictions (*Figure 1*).

### FY 2018 Elimination of TANF Time Limits

Prior to 2011, the District of Columbia did not implement a TANF time limit. This was in full compliance with federal law, which grants states and DC the flexibility to design and implement their own time limit policies.

Even without a time limit, the number of DC families receiving TANF assistance today—approximately 16,000—is one-third lower than in 1996, when federal welfare reform legislation was

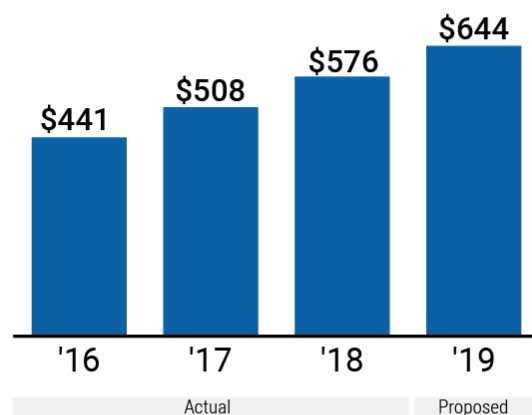
### SUMMARY

- The FY 2019 budget includes funding to continue FY 2018 policy that families should not lose benefits because of reaching a time limit.
- While included in the FY 2018 budget, this policy just went into effect on April 1<sup>st</sup> because of implementation challenges.
- Benefits will increase by 11.8 percent, a family of 3 will receive \$644 per month.

FIGURE 1.

### TANF Benefits Will Rise for All Families in FY 2019 Budget

Monthly benefits for a family of three, not adjusted for inflation.



Source: Fiscal Year 2018-19 Budget & Financial Plans; Fiscal Year 2016 Budget Support Act of 2015; 29 DCMR § 7200; DC Code § 4-205.52; Rule Number 29-5814.

adopted. Although the argument for time limits has always been that they encourage self-sufficiency and prevent low-income parents from relying on government assistance, the data on DC's caseload indicate otherwise.

The District's TANF caseload fell through 2008—with a modest temporary increase during the recession of the early 2000s—even though the District did not have TANF time limits in place the eligibility requirements remained unchanged. The fact that DC's TANF caseloads fell up until the Great Recession instead suggests that receipt of TANF assistance is tied to the strength of the economy and job opportunities. Parents find gainful employment and leave TANF when the economy is growing and jobs are available. Predictably, the number of families receiving TANF rose during the Great Recession that started in 2008, but the total caseload remained well below the 1996 level.

Although the District's TANF caseload fell significantly without a time limit, District policymakers chose to establish one in 2011. Under that policy, any family that had received assistance for more than 60 months in their lifetime faced an immediate reduction in cash assistance benefits. The policy called for reducing benefits further in subsequent years and then eliminating benefits entirely. Concerned that families would face great hardship, the mayor and Council chose to delay the complete elimination of benefits three times.

In 2016, Mayor Bowser convened a working group within the Department of Human Services to develop a permanent policy to replace DC's existing TANF time limit.<sup>1</sup> The working group was informed by a [significant body of research](#), as well as information from leading national experts on the importance of economic stability for the wellbeing and health of children. That research shows that instability and extreme poverty increase the likelihood of problems in school, chronic health conditions, and other negative outcomes. In contrast, policies that help stabilize

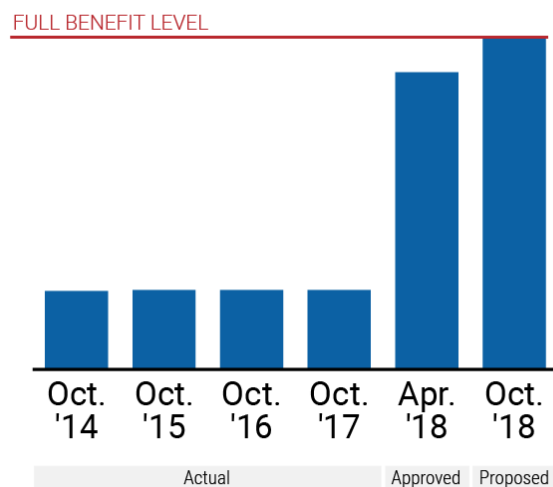
the incomes of low-income families have long-lasting [positive effects](#) on a child's ability to succeed in school, get a high school or college degree, and find work as an adult.

Additionally, the working group learned that strict time limits often push vulnerable families deeper into poverty, with devastating consequences for children, based on [research on time limits in many states](#). This research finds that the vast majority of families cut off TANF are not able to replace lost benefits with employment income, leaving many to lead chaotic and unstable lives. This leads to [increases in homelessness and child neglect](#) as families cannot meet their children's most basic needs. Current economic conditions in the District would have exacerbated these issues observed nationwide, given our high rate of homelessness, [lack of affordable housing](#), and extreme [economic and racial disparities](#).

FIGURE 2.

## Eliminating Time Limits Will More Than Double Resources for Families

Monthly benefits for a family of three after 60 months on TANF, not adjusted for inflation.



Source: Fiscal Year 2018-19 Budget & Financial Plans; Fiscal Year 2016 Budget Support Act of 2015; 29 DCMR § 7200; DC Code § 4-205.52; Rule Number 29-5814.

Recent research also revealed more about the characteristics of families who stay on TANF for long periods of time. These families often have substantial problems, including high rates of mental illness, domestic violence, and disabilities. A recent [survey](#) of long-term TANF recipients in the District found that roughly 40 percent had a physical health issue and over 30 percent had depression or anxiety severe enough to prevent them from participating in meaningful work activities.

In light of this research, the working group recommended that 80 percent of a family's TANF benefit would be considered the child portion that cannot be cut for any reason. The remaining 20 percent is considered the parent's portion and can be reduced, also known as sanctioned, if the parent is not fully meeting TANF participation requirements.

The DC Mayor and Council adopted the working group recommendation in the FY 2018 budget, but the changes did not go into effect until April 1, 2018 because the Department of Human Services needed time to reprogram its computer systems (*Figure 2*, pg. 2).

## Budget Maintains Planned Increases in Cash Assistance

The FY 2019 budget includes the last of three planned annual increases to TANF benefits, with annual inflation adjustments after that. As a result, monthly benefits for a family of three will increase to \$644 in FY 2019 (*Table 1*).

This will put DC's benefits in line with benefits in other high-cost jurisdictions such as Boston (\$618), Los Angeles (\$714), and New York City (\$789).<sup>2</sup> Even with the increase, however, cash benefits will be only 37 percent of the poverty line in FY 2019.

TABLE 1.

### TANF Benefit Increase Schedule, for a Family of Three

Not adjusted for inflation.

	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Approved	FY 2019 Proposed
Year-Over-Year % Increase	–	1.5%	1.6%	15.3%	13.3%	11.8%
Monthly Benefit	\$428	\$434	\$441	\$508	\$576	\$644

Sources: Fiscal Year 2017-19 Budget and Financial Plans; Fiscal Year 2016 Budget Support Act of 2015; 29 DCMR § 7200; DC Code § 4 0205.52; Rule Number 29-5814.

<sup>1</sup> DCFPI was a voting member of the working group.

<sup>2</sup> Center on Budget and Policy Priorities, 2014, "[TANF Cash Benefits Have Fallen by More Than 20 Percent in Most States and Continue to Erode](#),"