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March 8, 2023

To: Chairperson Hansen and Members of the HHS Committee  
From: Anahí Salazar, Policy Coordinator for Voices for Children in Nebraska  
**RE: Written testimony in support of LB 290 – change the standard of need requirements for the Aid to Dependent Children program, and LB 310 – change the maximum payment level under the ADC program**

Every Nebraskan deserves financial stability and security for their family. Over the past three years, the pandemic has affected all Nebraskans, but has been especially devastating for families that were already struggling to make ends meet before the start of the crisis. Voices for Children supports LB 290 and LB 310, because each bill would make a needed change in our Aid to Dependent Children assistance program that would put rainy day funds to use to support children in poverty immediately.

The federal Temporary Assistance for Needy Families (TANF) program is designed to help lower income families with children achieve self-sufficiency and is meant to respond to economic insecurity. States are allowed to carryover TANF funds from year to year – to a point – in a “rainy day” fund. **Stunningly, our state has saved over \$110 million in federal TANF funds, nearly double the block grant amount we receive annually<sup>1</sup>—even as Nebraska families are still weathering the economic crisis of the pandemic, facing record-high inflation, and preparing for a potential recession looming on the horizon.**

There are a number of programs funded in Nebraska by TANF. One is the Aid to Dependent Children (ADC) program, which provides time-limited direct cash assistance to families with children in deep poverty. Current participation in ADC is shatteringly low, in part because of administrative barriers, and in part because the formula calculated to allow families eligibility is based off a remarkably low Standard of Need (SON). The current Standard of Need, used to determine eligibility for ADC, is \$601 for an individual and \$140 for each additional individual in the home. For a two-parent household with two children, the SON by which income eligibility is determined is currently \$1,021/month or \$12,252 annually: less than 50% of the Federal Poverty Level of \$30,000 for a family of four in 2023.<sup>2</sup> LB 290’s SON more closely mirrors the Federal Poverty Line, providing a better match to the program’s target population of children in poverty, and an appropriate use of the \$110 million currently sitting in the fund.

The Standard of Need is also used as part of the formula to calculate the *amount* of aid each family in the program receives. Currently, ADC payments are made at just 55% of the standard of need. Voices for Children also

<sup>1</sup> Hruska, Liz. *LR 407 2022 Update on TANF Funds*. Nebraska Legislative Fiscal Office, 2022: available at [https://www.nebraskalegislature.gov/pdf/reports/committee/health/tanf\\_2022.pdf.gov](https://www.nebraskalegislature.gov/pdf/reports/committee/health/tanf_2022.pdf.gov)

<sup>2</sup> *HHS Poverty Guidelines for 2023*. Administrative Office of the Assistant Secretary for Planning and Evaluation. Available at <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>

supports LB 310, because it would modify the payments upward to 85% of the SON, putting more money immediately directly toward children's basic needs, the intent of the program. For the family of four described above, under the current Standard of Need, this would mean a little over \$300 per month in additional assistance to spend toward food, clothing, housing, and other basic necessities.

**TANF funding is meant for Nebraska children living in poverty, not state investment accounts.** By adjusting our calculations for standard of need and amount of aid, LB 290 and LB 310 would put accruing TANF funds immediately to use to protect children from the harmful effects of poverty in the long-term and to build stronger Nebraska communities. We thank Senator Cavanaugh and Senator Conrad for bringing these bills, and the Committee for all your time and care for Nebraska kids. We urge you to advance it.