



February 6, 2025

To: Chairperson Hardin and members of the Health and Human Services Committee

From: Katie Nungesser, policy coordinator for Voices for Children in Nebraska

**Re: LB 102, Change requirements relating to the standard of need under the Aid to Dependent Children Program**

Children must have their basic needs met to grow and thrive. For children living in poverty, every extra dollar in the family's bottom-line counts. Kids in families at or near the poverty line are most likely to thrive in school and life when their parents can work or pursue education while accessing temporary support through programs like Temporary Assistance for Needy Families (TANF). These programs help families cover essential needs such as housing, food, medical care, clothing, childcare, and transportation, ensuring stability and opportunity for both parents and children. Voices for Children in strong support of LB 102, as it represents a critical step in ensuring that Nebraska families—particularly children—have the financial stability they need to grow and thrive.

Almost 60,000 children in Nebraska are living in poverty and almost 25,000 of those are living in extreme poverty.<sup>1</sup> The TANF program was designed to address this very issue: to support families if they fall on tough times and to help parents find a good job that can end their participation in the program and secure long term financial security. The Aid to Dependent Children (ADC) program is one critically important component of our TANF funding in Nebraska, providing direct financial assistance for the lowest-income parents in our state, working to support their families. Unfortunately, the statutory formula calculating eligibility for ADC has not been updated since 2015.

This bill seeks to update the Aid to Dependent Children (ADC) program by implementing an annual cost-of-living adjustment instead of the current biennial adjustment. Additionally, it adjusts ADC eligibility and benefit calculations to better reflect the real financial needs of families. These changes will make a meaningful difference in the lives of Nebraska's children by ensuring families are not left behind due to outdated numbers in statute.

**Voices for Children supports LB 102 because it:**

- **Is a Strong Child Welfare Prevention Strategy:** Investing in public benefit programs is a powerful strategy for preventing child welfare involvement and promoting family stability. An estimated 85% of families investigated by child welfare agencies earn below 200% of the federal poverty line. Each additional \$1,000 that states spend annually on public benefit programs per person living in poverty is associated with 4.3% reduction in child maltreatment reports, 4% reduction in substantiated child maltreatment, 2.1% reduction in foster care placements, and more.<sup>2</sup> Analysis suggests it also reduces racial disproportionality in CPS involvement. The National Academy of Sciences (NAS) found that cash assistance could reduce CPS investigations by 11 to 20% annually

<sup>1</sup> U.S. Census Bureau, 2022 American Community Survey 5-year Estimates, Table B17001.

<sup>2</sup> Puls, H. T. (2021). State Spending on Public Benefit Programs and Child Maltreatment. National Library of Medicine. <https://doi.org/10.1542/peds.2021-050685>

with up to 29% reduction in CPS involvement for kids of color.<sup>3</sup> This would be good news both for Nebraska children and the Nebraska general fund, which covers most of the cost of child welfare.

- **Encourages Economic Mobility** By updating eligibility and benefit calculations, LB 102 ensures that families are not unfairly penalized for modest income increases. This allows parents to pursue better job opportunities without the fear of losing necessary support too quickly, ultimately helping them move toward long-term financial self-sufficiency.
- **Maximizes Federal TANF Funds for Nebraska Families:** Nebraska receives federal Temporary Assistance for Needy Families (TANF) funds to assist low-income families, and LB 102 ensures that these funds are used effectively and in a way that best serves all families equitably. By aligning ADC adjustments with actual cost-of-living increases, the state can better serve the families who need it most and avoid unspent dollars adding to a rainy-day fund. It is also the most geographically equitable of the possible state uses for TANF: by using the funds to directly assist families, rather than funneling through nonprofits located only in certain areas of the state, ADC has the potential to spread the benefit of this federal block grant to families regardless of where they live.

### Personal Experience

I was a participant in the ADC program. I signed up in Scotts Bluff County as the mother of an infant while going through a divorce. I experienced poverty while living in rural Nebraska and later after moving to Lincoln. My needs were different in both places, but one constant was the necessity of cash assistance and its ability to meet my needs in a way that was best for my family.

In rural areas, accessing basic resources is more difficult and finding fulltime employment is also very hard to find in remote towns like the one I lived in. Transportation alone was a major challenge—I needed gas money to get to the next town to meet my program requirements and I had to cover the costs of maintaining a vehicle, an enormous burden while living in poverty. Although infant formula was available through the WIC program, it did not cover the whole month, and I used ADC benefits to cover formula, diapers, and other immediate needs for my child. ADC cash assistance allowed me to address these needs directly and make the best decisions for my family's unique circumstances.

The childcare crisis Nebraska also highlighted my need to access cash benefits. Even when I qualified for a childcare subsidy, there were no childcare openings, or the limited options were not open during the hours required at my entry level positions. This left me paying cash to neighbors and loved ones to cover my childcare gaps. Again, ADC, as opposed to other indirect supports, allowed me to plug in those benefits where I needed them the most.

LB 102 is a necessary policy change that prioritizes the well-being of Nebraska's children. By making ADC benefits more responsive to economic realities, we can help ensure that families have the support they need to provide a stable and nurturing environment for their children. Thank you Senator Spivey for introducing this pro kid policy. I respectfully urge this committee to support LB 102 and to invest in the future of Nebraska's children.

Respectfully,

Katie Nungesser

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<sup>3</sup> Pac, J., Collyer, S., Berger, L., O'Brien, K., Parker, E., Pecora, P., Rostad, W., Waldfoegel, J., & Wimer, C. (2023). The effects of child poverty reductions on Child Protective Services involvement. *Social Service Review*, Advance online publication. <https://doi.org/10.1086/723219>