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February 5, 2026

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

From: Katie Nungesser, Director of Youth Justice and Child Welfare Policy

**Re: Opposition to LB 926, Change provisions relating to cash assistance under the Welfare Reform Act and transitional assistance under the aid to dependent children program**

Our economic policies should ensure that families can make ends meet as they work toward a better future for their children. When we invest in public programs, we should ensure that they actually address root causes of poverty and allow families the ability to take steps into opportunity without creating fiscal cliffs. Voices for Children is in strong opposition to LB 926, which would reduce families access to the Aid to Dependent Children Program (ADC) which helps them meet essential needs such as housing, food, transportation, medical care, and childcare. ADC is a critical component of Nebraska's TANF program, providing direct assistance to parents in extreme poverty as they work toward long-term economic security.

LB 926 would make it harder, not easier, for low-income Nebraska families to achieve lasting stability. By shortening the maximum time families can receive ADC from 60 months to 36 months, eliminating transitional benefits including transitional childcare, and eliminating biological family member's access to the program, this bill cuts off support before families are truly able to stabilize. Rather than helping families move out of poverty, changes in LB 926 increase the risk that children will experience housing instability, food insecurity, and disruptions in care.

At Voices, we connect with families who rely on ADC to survive. Nebraska's income eligibility limits are already so low that only a small fraction of children living in extreme poverty receive the support. In part because our income eligibility is so low, cutting the time that families can access ADC will not create self-sufficiency, it will push more families deeper into crisis. Parents living in extreme poverty cannot dig out in a handful of days or months, but need time to build the skills, education, and stability necessary to move off assistance successfully. Reducing that timeline only increases the risk of failure, homelessness, and continued poverty for Nebraska's children.

Nearly 60,000 children in Nebraska are living in poverty, and almost 27,000 of those children are living in extreme poverty, meaning their families survive on less than half of the federal poverty line.<sup>1</sup> To put that into perspective, a family of three on ADC must have income of just

<sup>1</sup> U.S. Census Bureau, 2024 American Community Survey 5-year estimates, Table B17001

over \$1000 a month or less to participate. The TANF program was created to respond to precisely these circumstances, supporting families through temporary hardship while helping parents secure stable employment that allows them to exit the program successfully and maintain low term financial stability.

ADC is a proven child welfare prevention strategy. As noted in the fiscal note for LB 926, this bill could potentially increase the number of child neglect cases resulting in increased spending in the child welfare programs. It is also noted the potential for increased calls to the hotline, child removals, and potential of increased cost to courts. Investments in public benefit programs like ADC play a critical role in strengthening family stability and reducing the likelihood of child welfare involvement. An estimated 85 percent of families investigated by child welfare agencies have incomes below 200 percent of the federal poverty level, underscoring the direct connection between economic hardship and system involvement.

Research shows that each additional \$1,000 a state spends annually on public benefit programs per person living in poverty is associated with a reduction in child maltreatment reports, a reduction in substantiated maltreatment, and a reduction in foster care placements.<sup>2</sup> Additional analysis suggests these investments also reduce racial disproportionality in child protective services involvement. The National Academy of Sciences has found that cash assistance programs could reduce CPS investigations by 11 to 20 percent annually, with up to a 29 percent reduction in CPS involvement for children of color.<sup>3</sup>

These outcomes would be good news for Nebraska's children and for the Nebraska general fund, which bears the majority of the cost of our child welfare system.

Removing access to ADC benefits for relatives particularly grandparents and other kin who are raising children is harmful to Nebraska's kids and its child welfare system. Denying these caregivers access to financial support creates significant financial strain for families who are already absorbing the cost of raising another generation. Many grandparents and kin caregivers live on fixed incomes. Excluding family caregivers also increases the likelihood that children will enter the formal foster care system. This disrupts family bonds, increases trauma for children, and leads to higher costs for the state.

Instead of reducing the time families can access ADC and pairing down the program, Nebraska should be looking at ways to make the program more effective at actually lifting families out of poverty. The investment of our public dollars should be leveraged most effectively to build intergenerational cycles of resilience, and unfortunately, LB 926 would do the opposite. It would set parents and children up for failure.

I would like to thank the Committee for your time and would respectfully urge you to reject this bill and instead focus on policies that provide real pathways to self-sufficiency.

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<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>

<sup>3</sup> Pac, J., Collyer, S., Berger, L., O'Brien, K., Parker, E., Pecora, P., Rostad, W., Waldfogel, 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>