A new study has shown that programs providing direct income assistance to low-income families can greatly boost a child’s success over his or her lifetime, from educational achievement to future earnings as adults. A limited number of TANF recipients are exempt, including disabled clients eligible for the POWER program and child-only cases. The new policy does not allow for any other exemptions or extensions.

How are benefits changing and who is affected?

As of April 1, 2011, District families who have received TANF benefits for 60 or months or longer experienced a 20-percent reduction in their monthly benefit check. For a family of three, the maximum monthly benefit is $428. A family of three that has exceeded the 60-month time limit will now receive at most $342 per month, with further reductions over the next few years until the benefit is completely eliminated on October 1, 2015.

The new time limit is part of a broader TANF reform effort underway in the District. The success or failure of this effort will directly affect our most vulnerable children. Poverty can have a profound impact on a young child’s ability to learn. A new study has shown that programs providing direct income assistance to low-income families can greatly boost a child’s success over his or her lifetime, from educational achievement to future earnings as adults.

What’s the policy behind the change?
The Personal Responsibility and Work Opportunity Reconciliation Act of 1996, the federal law that transformed Aid to Families with Dependent Children (AFDC) into TANF, set a

### Table 1: TANF Benefit Reductions after 60 Month Limit (March 2011–October 2015)

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Reduction* Prior benefit level</th>
<th>Maximum Monthly Benefit**</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 2011</td>
<td>20%</td>
<td>$428</td>
</tr>
<tr>
<td>April 2011</td>
<td>25%</td>
<td>$342</td>
</tr>
<tr>
<td>October 2013</td>
<td>41.7%</td>
<td>$257</td>
</tr>
<tr>
<td>October 2014</td>
<td>100%</td>
<td>$150</td>
</tr>
<tr>
<td>October 2015 and after</td>
<td>100%</td>
<td>$0</td>
</tr>
</tbody>
</table>

*Reduction is applied to previous year’s benefit level. **Benefit level for a family of three with no other income.

60-month lifetime limit on benefits using federal funds. States have the option of extending benefits using their own funds, and until now the District has used local funds for this purpose.

In the current fiscal environment, the District is under increased pressure to cut costs and justify spending on safety net programs. Because TANF was designed to move recipients from welfare to work, the fact that so many families remain on the program for longer than intended underscores the need for broader changes. The D.C. Department of Human Services (DHS) is working to address barriers to employment and self-sufficiency by providing more individualized services.

**How does D.C.’s TANF program compare with other states?**

From 1996 to 2009, the maximum benefit level in the District ranged from $379 to $428 per month for a family of three with no other income. Benefit levels in the District are comparable to other states: 22 states have lower benefit levels, while 21 states provide a monthly benefit greater than $500.

Compared with other states, the District has been more generous in providing benefits beyond the time limit. The majority of other states (37) enforce a 60-month limit, and nine states have even shorter time limits. California and Arizona recently shortened their time limits, and other states are considering similar actions. Only five states have no lifetime limits, including Maine, Massachusetts, New York, Vermont, and Washington State. Many states offer exemptions to certain recipients and some states only limit the adult portion of the benefit.

**What to expect now**

With so many families in the District experiencing deep economic hardship, the demand for TANF continues to rise. DHS does not expect to see the TANF caseload decline significantly as a result of the new time limit. Figure 1 shows the steady increase in the TANF caseload in recent years, with an increase of more than 17 percent from fiscal year (FY) 2008 to FY 2011. As this policy change affects more families each month, long-term recipients are likely to turn to other forms of support, creating an increased burden on other safety net programs that are also facing budget cuts.

Time limits are part of a broader redesign of TANF in D.C. The District is focusing on building the capacity of recipients and tailoring services to the needs of individual families, with a higher expectation that recipients take advantage of available services. DHS is working to expand the number of vendors that provide job placement and work readiness services. Some long-term TANF recipients face additional challenges that make it difficult to move into the workforce, such as access to child care, transportation, low educational attainment, health concerns or substance abuse.

DHS is pursuing other changes to TANF, including the implementation of a full-famly sanction for recipients who do not meet work participation requirements. Currently, only adult heads-of-households who do not meet work participation requirements lose their benefits.