

# DC FY2027 Budget Alert:

## In FY2027, Maintain and Advance TANF Funding Toward Our North Star of Guaranteed Income

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Poverty is not neglect. But the DC FY2027 budget treats it that way. As Mayor Bowser's final budget accelerates cuts to the Temporary Assistance for Needy Families (TANF) program — the **only** cash assistance program available to DC families with children — Mothers Outreach Network and the DC Guaranteed Income Coalition are sounding the alarm. Now is the moment for DC to move **toward** a guaranteed income model, not away from the meager cash supports families depend on to survive.

We are in the final, decisive window of DC's FY2027 budget process. The Mayor submitted her proposed budget on April 10, 2026. Standing committees have issued their budget reports — including the Committee on Human Services, which reported on May 21, 2026 that it was **unable to reverse the proposed TANF cuts**. The Committee of the Whole markup is underway now. The full Council vote on the FY2027 Local Budget Act is next. **This is the moment**. Once the Council votes, the window closes.

This newsletter lays out what's happening, why it matters, and what a better future looks like — with resources to go deeper on every piece. MON stands with the TANF Is Still a Lifeline Coalition — comprised of Bread for the City, DC Action, DCFPI, Legal Aid DC, LIFT-DC, and UPO — in demanding the DC Council reject these cuts. Read the Coalition's op-ed: [DC Must Restore TANF, Pull Children Out of Poverty \(The 51st, Feb. 2026\)](#)

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## SECTION 1: What the DC FY2027 Budget Does to TANF

Mayor Bowser's proposed FY2027 budget doesn't just fail to strengthen TANF — it accelerates its dismantling.

### The Cuts at a Glance

- No cost-of-living adjustment (COLA) — benefits frozen even as DC's cost of living soars
- Harsher sanctions: penalties for missing work requirements jump from 6% to 25% of the total benefit, effective October 2026
- Families receiving TANF for 60+ months will see benefits cut by 30% in FY2027, 50% in FY2028, 75% in FY2029, and reduced to \$0 under the Mayor's FY2027 budget proposal

- The maximum TANF benefit for a family of three in DC is only **35% of the federal poverty level** — meaning families are kept in deep poverty even while receiving the maximum benefit. [DCFPI, March 2026](#)
- A 2026 DHS assessment of 9,947 DC TANF families found that 34% report a physical health condition and 43% a mental health condition limiting their daily activities — yet cuts proceed regardless

The Committee on Human Services, in its May 21, 2026 FY2027 Budget Report, acknowledged it was “unable to reverse proposed changes to TANF eligibility that will deepen child poverty” — leaving the \$20.5 million needed to delay the cuts unallocated. The Committee left approximately \$3.25 million in surplus unallocated to support the full Council’s restoration efforts. The full Council has not yet acted. That is where the fight now stands — and why every voice matters. Source: [Committee on Human Services, FY2027 Budget Recommendations, CM Frumin, May 21, 2026](#)

Legal Aid DC has called the proposed cuts **devastating**, noting that TANF is the **only** cash assistance program available to DC’s lowest-income families. Read their full analysis: [DC Budget: Top Concerns for 2027](#)

The DC Fiscal Policy Institute has documented how these cuts would erase years of deliberate progress. Read: [TANF Benefits Are a Lifeline for DC Families](#) and [Punitive TANF Policies Will Push DC Families Deeper Into Hardship](#)

***“DC can’t fix the economy or grow jobs by making its families poorer.” — DC Fiscal Policy Institute***

The DC Council has the authority — and the obligation — to reject the mayor’s TANF cuts. Read the TANF Is Still a Lifeline Coalition’s policy paper: [TANF Is a Lifeline for DC Families with Children \(UPO / Coalition, Nov. 2025\)](#)

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## **SECTION 2: How We Got Here — The Racialized History of Cash Assistance**

To understand what is being lost, we have to understand what was already taken. TANF did not emerge in a vacuum — it replaced a program that, for all its own flaws, was an entitlement. Its gutting was, from the beginning, a project rooted in race.

### **From AFDC to TANF: A Deliberate Unraveling**

The Aid to Families with Dependent Children (AFDC) program provided cash assistance to poor families as a federal entitlement from 1935 through 1996. By the early 1990s, 5.1 million families received AFDC. But even as white families made up the numerical majority of recipients, the political backlash was fueled by racialized imagery — the “welfare queen” trope, coded appeals to “dependency” and “family values,” and fears of Black urban communities.

The 1996 Personal Responsibility and Work Opportunity Reconciliation Act — signed by President Clinton after two vetoes — eliminated the entitlement structure and replaced AFDC

with TANF, a block grant to states. The result: **states gained sweeping discretion to restrict, sanction, and deny benefits** — and they did, disproportionately against Black families.

Research has consistently shown that **the larger the Black proportion of a state’s caseload, the greater the decline in the share of poor children who received benefits**. States also diverted TANF funds away from direct cash — in some cases funneling them into child removal rather than into families’ hands. DC has not engaged in that practice, but its TANF benefit remains so inadequate that the effect is similar: families in poverty are surveilled, sanctioned, and ultimately left without support.

The roots of this tension run deeper than 1996. MON Executive Director Melody Webb traces how Progressive-era reforms fundamentally reframed the purpose of child welfare in her 2022 article in the *Columbia Journal of Race and Law*: “Where child welfare had once been framed as social welfare, designed to relieve the ills of poverty, it expanded during this era into a child protection system focused on investigation and parents’ depravity.” The system did not drift toward punishment accidentally — it was redesigned, deliberately, to extend state authority over working-class and immigrant families. TANF’s punitive architecture is the direct inheritance of that redesign. [Columbia Journal of Race and Law, Vol. 12, No. 1 \(2022\), p. 171](#) [INSERT: additional passage Melody wishes to include from the *Columbia Journal* article, p. 171]

Read the full history: [TANF Policies Reflect Racist Legacy of Cash Assistance \(CBPP\)](#) | [Welfare Reform and the Politics of Race \(AHA\)](#)

### MON’s Own Analysis: Poverty Is Not Neglect

MON Executive Director Melody Webb traced this history directly in her 2022 article, *Building a Guaranteed Income to End the ‘Child Welfare’ System*, published in the *Columbia Journal of Race and Law*. The article documents how policymakers have used the child welfare system to police poverty and regulate Black families rather than provide the economic support they actually need. Webb writes: “It is time for policymakers to reimagine and dismantle the child welfare system” — a system she argues has functioned as a mechanism for surveilling and controlling Black mothers through the very programs designed to help them, imposing conditions, requirements, and strings that strip families of dignity and agency while failing to address the root cause: poverty itself. Read the full article: [Columbia Journal of Race and Law, Vol. 12, No. 1 \(2022\)](#) | [MON Summary Page](#)

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## SECTION 3: TANF vs. Guaranteed Income — Understanding the Difference

Guaranteed income advocates, including MON and the DC Guaranteed Income Coalition, support preserving TANF — while recognizing its restrictions and limitations — because it remains the only cash floor under DC’s poorest families. Here is how the two approaches compare:

	TANF (Current)	Guaranteed Income
Eligibility	Narrow — families with children,	Broadly targeted or community-wide

	income requirements, work participation requirements, citizenship restrictions, time limits	— designed without punitive work requirements, time limits, or strings
<b>Conditions</b>	Strict work/participation requirements; sanctions reduce or eliminate benefits for non-compliance	Unconditional — no strings, no surveillance, no sanctions
<b>Duration</b>	60-month federal lifetime limit; DC now accelerating benefit cuts after month 60	Ongoing — designed as a permanent income floor, not a temporary bridge
<b>State Control</b>	Block grant to states — wide discretion leads to racial disparities in who receives cash vs. who is diverted or sanctioned	Designed with community and participant voice; cash delivered directly without bureaucratic gatekeeping
<b>Child Welfare Link</b>	In many states, TANF funds are diverted to child removal and family regulation instead of direct cash support. DC does not engage in this practice — but its benefit levels remain so low that families face the same impossible choices	Breaks the link between poverty and surveillance; research shows unconditional cash support reduces involvement with the child welfare system

## MON SPOTLIGHT: A Stark Injustice Hiding in Plain Sight

There is an injustice hiding in plain sight in DC’s own budget. The child welfare system spends significantly more to place a child with a foster caregiver than it provides to a biological parent through TANF to keep that child home. DC’s foster maintenance payments far exceed what a parent receives in cash assistance — yet when a child is placed with a stranger rather than their own parent, no one asks whether that child suddenly needs less. They don’t.

The question the system refuses to answer is this: **why are a child’s needs treated as lesser when their own parent is the one meeting them?** It is the question that TANF funding levels — compared to what the same system pays non-parent caregivers — and TANF’s ongoing vulnerability to cuts together pose. The numbers in the matrix below are not an abstraction. They are the system’s answer, written in dollars.

This gap is not incidental. It reflects a system that funds removal more generously than it funds stability. In FY2024, DC was among the 34 states that spent less than 20% of TANF and MOE funds on basic assistance — and nearly \$10 billion in federal TANF funds sat unspent nationwide rather than reaching families in need. DC has historically underspent its own discretionary flex dollars that could be directed toward families in crisis, making the case for further cuts even harder to defend.

As MON Executive Director Melody Webb has said of guaranteed income programs like Mother Up: “It’s intended to give families the support that they need to stay together to prevent their involvement in the system, but also to address the real needs that they have” — as TANF and the cash assistance programs that came before it were always meant to do. [Building a Guaranteed Income to End the ‘Child Welfare’ System, Columbia Journal of Race and Law, Vol. 12, No. 1 \(2022\)](#); quoted in [Street Sense Media \(2023\) | ACF, TANF and MOE Spending by Activity, FY2024 \(Feb. 2026\)](#) | [CBPP: Investing TANF Dollars in Basic Assistance Is Vital \(Jan. 2026\)](#)

***“It’s intended to give families the support that they need to stay together to prevent their involvement in the system, but also to address the real needs that they have”***

*— as TANF and the cash assistance programs that came before it were always meant to do.*

**Melody Webb, Executive Director, Mothers Outreach Network**

*Building a Guaranteed Income to End the ‘Child Welfare’ System, Columbia Journal of Race and Law, Vol. 12, No. 1 (2022); quoted in Street Sense Media (2023)*

MON supports the Lifeline Coalition’s position against further TANF reductions — both because cutting an already inadequate payment while foster maintenance payments remain dramatically higher is indefensible on its face, and because **guaranteed income with unconditional cash is our North Star.**

**Matrix: DC Households with Children — What the System Pays (1 Adult + 2 Children)**

<b>Household</b> <i>(1 Adult + 2 Children)</i>	<b>Max Monthly TANF</b> <i>Oct 2025–Sept 2026 DC DHS</i>	<b>Foster Care Maintenance Max</b> <i>2 children 2018 baseline Spindel et al.</i>	<b>100% Federal Poverty Level</b> <i>Monthly 2025 HHS</i>	<b>Monthly Income Needed:</b> DC Cost of Living 2026 MIT Living Wage Calculator	<b>DC Median Household Income</b> <i>3-person Census B19019 ACS 5-yr, 2023\$</i>	<b>100% AMI</b> <i>DC Metro 3-person HUD FY2025 DC DHCD 2026</i>
<b>Monthly Amount</b>	<b>\$803</b> <i>max, no income</i>	<b>\$3,990</b> <i>2 × \$1,995 max See CFSA for current</i>	<b>\$2,277</b> <i>\$27,320/yr</i>	<b>\$13,238</b> <i>\$158,854/yr</i>	<b>\$13,435</b> <i>\$161,215/yr</i>	<b>\$12,293</b> <i>\$147,510/yr</i>

Note: \$803 reflects the maximum benefit for a 3-person household (Oct 2025–Sept 2026). Actual benefits are frequently lower due to sanctions, earnings deductions, or partial eligibility. DC TANF uses a marginal structure — benefit increments are not a flat per-child amount and decrease with each additional household member. Foster care maintenance reflects the per-child maximum for a single child placement; two children placed separately would generate \$3,990/month to the foster caregiver.

Sources: DC TANF benefit amounts (Oct 2025–Sept 2026) — [DC DHS](#); DC foster care subsidy rates (2018 baseline, per child) — Spindel, M.P., Stekler, B.A., & McClellan, S.R. (2018). [GrandFamilies Journal, 5\(1\), p. 7](#); for current CFSA rates — [cfsa.dc.gov/publication/foster-care-rates](#); 2025 federal poverty guidelines — [HHS ASPE](#); DC cost of living (1 adult + 2 children) — [MIT Living Wage Calculator, updated Feb. 15, 2026](#); DC 3-person household median income — [US Census Bureau, ACS B19019 \(2019–2023 5-year estimates, 2023 dollars\)](#); DC Metro 3-person AMI — [DC DHCD 2026 Inclusionary Zoning Schedule / HUD FY2025 MFI](#).

***“If the government can pay strangers to raise our children, it can pay us to raise them ourselves.”***

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## SECTION 4: What Innovation Looks Like — Michigan's Rx Kids

MON and the DC Guaranteed Income Coalition's North Star is guaranteed income with unconditional cash. That commitment is precisely why we fight to protect TANF — because you do not tear down the only cash floor that exists while building something better. Protecting TANF and pursuing guaranteed income are not in tension. They are the same fight, at different stages of the same arc.

Michigan's Rx Kids program shows what becomes possible when that arc bends toward the vision. It is not a prescription for DC — it is proof of concept. It demonstrates that TANF dollars, the same federal funds DC is now cutting, can be deployed as unconditional cash with no strings attached. The research shows what follows when they are.

### What Is Rx Kids?

Rx Kids is a community-wide, unconditional cash program for pregnant mothers and babies in Michigan. Every expectant family in participating communities receives **\$1,500 during pregnancy** and **\$500 per month for the first year of the baby's life** — up to \$7,500 per family. No work requirements. No income test. No bureaucratic gatekeeping. Co-founded by Dr. Mona Hanna — the pediatrician who exposed the Flint water crisis — the program launched in Flint in 2024 and has expanded to 42+ communities across Michigan, including communities in Genesee, Wayne, Kalamazoo, Kent, Muskegon, Calhoun, Jackson, Saginaw, Berrien, and Lake counties, as well as all 15 Upper Peninsula counties, securing **\$270 million in state budget funding** to reach 100,000 babies over the next three years.

Critically, Rx Kids uses **TANF's non-recurrent short-term benefits category** to fund the program — proving that the same TANF dollars DC is cutting can be redirected into unconditional cash for families. Read the replication playbook: [Rx Kids TANF Playbook \(MSU / University of Michigan\)](#)

### What the Research Shows

- Evictions among Rx Kids-eligible Flint mothers fell by approximately 91% in 2024 after childbirth, compared to the prior year
- Postpartum depression declined from 46% to 33% among participants
- NICU admissions dropped 29% — 68 fewer admissions during the study period
- Early evidence suggests reduced child maltreatment allegations in the first six months of life among Flint babies born during the program
- As of early 2026, Rx Kids had delivered more than \$20 million in direct cash support to over 5,000 families across Michigan

For more: [Bridge Michigan: Michigan Cash Aid Program Gets \\$270 Million](#) | [CBPP: Income Support Reduces Child Maltreatment](#) | [Rx Kids Multi-Community Survey Results, Jan. 2026](#)

*“We anticipate being able to launch in dozens of new communities. This amount of funding will help us reach about 100,000 babies over the next three years.” — Dr. Mona Hanna, Rx Kids Director*

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## SECTION 5: DC Has Choices — And MON Has a Position on Them

Cutting TANF is a choice. It is not an inevitability. The DC Council faces a genuine fiscal challenge — driven by federal layoffs, the long-term decline of commercial property tax revenue, and a local recession not of residents’ making. But the answer cannot be to balance the budget on the backs of families who are already in poverty. The District has real, available, and equitable revenue options — and the Council should pursue them before cutting a single dollar from the safety net.

MON’s position is clear: any revenue solution must be **progressive and equitable**. That means no new tax burden on the poorest DC residents — the families already surviving on \$803 a month — and a serious commitment to asking the most from those with the greatest ability to pay. We support the following approaches outlined in the DC Fiscal Policy Institute’s revenue analysis: [DC Cannot Cut Its Way Out of This Financial Crisis \(DCFPI, 2026\)](#)

### Progressive Revenue Options the Council Should Pursue

- A **2% tax on capital gains, dividends, and other wealth-generated income** — structured as a local add-on to the federal Net Investment Income Tax. This would raise \$121 million annually; 92% would be paid by the top 5% of households. Not one dollar falls on families in poverty.
- An **increase in the income tax rate on earnings over \$500,000** — raising \$109 million annually from DC’s highest earners.
- A **2% Business Activity Tax (BAT)** on law firm partners, lobbyists, consultants, and professional firms operating in DC who currently avoid taxes other businesses pay — with small business exemptions. Potential to generate more than \$500 million annually.
- Release the **decoupling savings already generated** — approximately \$260 million from FY2025 and FY2026 that the OCFO is currently withholding. These dollars exist. They should reach families before any program is cut.
- Adopt **permanent “static conformity” to federal tax law** — protecting DC from automatic adoption of harmful future federal tax changes. This would generate \$157.6 million in FY2027 alone and \$414 million over three years.

The choice before the DC Council is not between fiscal responsibility and supporting families. It is between **who bears the cost of a crisis they did not create**. MON’s answer is unambiguous: not DC’s poorest mothers. Not DC’s children. Not the families already surviving on a fraction of what it costs to live in this city.

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## SECTION 6: MON's Work at the Intersection of Cash and Justice

Mothers Outreach Network exists at this exact intersection — fighting to dismantle the punitive systems that criminalize poverty while building the liberatory alternatives that families need. Our Mother Up Guaranteed Income Pilot is a first-of-its-kind combination of early legal defense, unconditional direct cash, and mom-led civic engagement for mothers at risk of or involved in the child welfare system — also known as the family policing system — in DC.

Now in Phase 3, Mother Up demonstrates what it looks like to treat mothers as the experts in their own lives — providing cash without strings, legal protection without judgment, and organizing power without conditions. Phase 2 of the Mother Up Research Pilot was independently evaluated by the Harvard Law School Access to Justice Lab, generating evidence-based findings on how guaranteed income impacts family stability, parental wellbeing, and economic freedom for mothers navigating the child welfare system. Read the Phase 2 findings: [Mother Up Study Links Child Neglect, Poverty, and Guaranteed Income \(A2J Lab, Nov. 2025\)](#)

Because poverty is not neglect. And DC's budget should reflect that.

Learn more about MON's programs: [mothersoutreachnetwork.org](https://mothersoutreachnetwork.org) | Follow the DC Guaranteed Income Coalition: [dcgicoalition.org](https://dcgicoalition.org)

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### Take Action

- Contact your DC Council member and urge them to reject the TANF cuts in the FY2027 budget. [Find your Councilmember](#)
- Read the TANF Is Still a Lifeline Coalition's policy paper: [TANF Is a Lifeline for DC Families with Children \(UPO / Coalition, Nov. 2025\)](#)
- Support MON's work: [mothersoutreachnetwork.org/donate](https://mothersoutreachnetwork.org/donate)
- Read the Access to Justice Lab, Report on the Mother Up Phase 2 Pre-pilot Study (November 5, 2025), available at <https://bit.ly/MotherUpReport>
- Support MON's work: [mothersoutreachnetwork.org/donate](https://mothersoutreachnetwork.org/donate)
- Join the DC GI Coalition's mailing list: [dcgicoalition.org](https://dcgicoalition.org)
- Read DCFPI's progressive revenue analysis: [DC Cannot Cut Its Way Out of This Financial Crisis](#)
- Read [Building A Guaranteed Income to End the 'Child Welfare' System](#), Columbia Journal of Race and Law, Strengthened Bonds: Abolishing the Child Welfare System and Re-Envisioning Child Well-Being Symposium issue