

Government of the District of Columbia
Office of the Chief Financial Officer



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Kwame R. Brown
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer 

DATE: April 4, 2012

SUBJECT: Fiscal Impact Statement – “Temporary Assistance for Needy Families
Sanction Policy Approval Resolution of 2011”

REFERENCE: Proposed Resolution Number 19-593- As Introduced

Conclusion

Funds are sufficient in the FY 2012 budget and the proposed FY 2013 through FY 2016 budget and financial plan to implement the proposed resolution.

Background

The proposed resolution amends current regulations¹ to implement a graduated sanction policy the Department of Human Services (DHS) will impose on Temporary Assistance for Needy Families (TANF) recipients when an individual fails to meet DHS’s work and education requirements. The proposed rules outline the graduated system of sanctions which consists of three levels, as well as the steps TANF service providers must take in order to notify recipients when they are at risk of being sanctioned.

Financial Plan Impact

Funds are sufficient in FY 2012 and in the FY 2013 through FY 2016 budget and financial plan to implement the proposed resolution. Implementing the proposed resolution allows DHS to implement the graduated sanction policy.

A failure to implement or a delay in implementing this policy will result in a spending pressure for DHS beginning in FY 2012, as the cost savings from this proposal has already been incorporated in the budget and financial plan. In FY 2012, the Executive Office of the Mayor reduced the DHS budget

¹ The proposed resolution amends D.C. Municipal Regulations Title 29 (Public Welfare), Chapter 58 (Temporary Assistance for Needy Families).

The Honorable Kwame R. Brown

FIS: PR19-593 "Temporary Assistance for Needy Families Sanction Policy Approval Resolution of 2011," as Introduced

by \$3 million in anticipation of the cost savings from this measure. The proposed FY 2013 through FY 2016 budget and financial plan is also predicated on DHS's ability to implement full-family sanctions, and the agency cannot sustain the cut to their budget without the full-family sanctions in place.²

² In FY 2013, TANF subsidy payments for recipients over 60 months were reduced by an additional \$5.6 million, further reducing funds available to DHS. It is important to note that the proposed FY 2013 budget includes a \$14 million enhancement to implement the changes in the TANF program, subject to availability of revenues. Should these funds materialize, the agency plans to develop plans that assist recipients with obtaining jobs which will move clients off of TANF and reduce the TANF rolls.