

Testimony before the Committee on Business & Economic Development

Performance Oversight Hearing

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Mothers Outreach Network

Wednesday, February 15, 2023, 9:30a.m.

Good morning, Chairman McDuffie and Committee members. My name is Melody Webb, I'm Executive Director of Mothers Outreach Network, head of the DC Guaranteed Income Coalition, and also a native Washingtonian, resident of Ward 6. MON is a non-profit advocacy organization that uses legal and policy advocacy and community engagement to fight poverty and racial inequity, and to advance family preservation through focusing on engaging Black moms in the struggle to transform govt income and child welfare systems from punitive to uplifting . In addition, we are on the cusp of launching a privately-funded guaranteed income cash pilot for moms who are Child and Family Services Agency-involved.

The Coalition's mission is a moral one, to achieve a permanent guaranteed income that provides unconditional payments to our District

neighbors, ensuring everyone lives above the income floor, to some the federal poverty line, \$13,000 per person.<sup>1</sup> Ours is rooted in a solidarity and care economy. Some 16 percent of the city's total population (about 105,000 people) subsist below it.<sup>2</sup> Pre-pandemic, 42.1% of single mothers in the District of Columbia live in poverty.<sup>3</sup> And poverty has consequences that include family destabilization and CFSA involvement.

I testify today to share our enthusiasm and our words of caution. First of all, I would like to thank you, Councilmember McDuffie, for the previous work that you and your committee have done to support guaranteed income pilots. For FY 2022 you championed the "Strong Families, Strong Futures" program, a publicly-funded, one-time, guaranteed income program that supported cash payments for expectant and new mothers. Additionally, through the "Earned Income Tax Credit Clarification Amendment Act of 2022" you made inroads into protecting the existing locally controlled public benefits of DC EITC recipients and cash pilot participants.

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<sup>1</sup> "2021 Poverty Guidelines," Office of the Assistant Secretary for Planning and Evaluation, accessed February 16, 2023, <https://aspe.hhs.gov/2021-poverty-guidelines>.

<sup>2</sup> "American Communities Survey: S1701 | Poverty Status in the Past 12 Months," United States Census Bureau, accessed February 16<sup>th</sup>, 2023, <https://data.census.gov/table?g=1600000US1150000&tid=ACST1Y2021.S1701>.

<sup>3</sup> "State: District of Columbia," National Women's Law Center, accessed February 16, 2023, <https://nwlc.org/state/district-of-columbia/>.

We have learned many lessons from the recent first report on the Strong Families Strong Futures program, published in December of last year:

1) (A) The results were mixed: It was oversubscribed, some 1550 applicants for about 132 participants and they were among our most impoverished, up to 250% of poverty line<sup>4</sup>. The lesson we draw from these data is that we need a larger program for the poorest children, and here's how we recommend you address this.

1) (B) We need to expand an existing program, the EITC, to families with poorest children, a form of guaranteed income without work requirements and/or a child tax credit modeled on the ARPA program for the same families. You must expand on this good work and create a permanent guaranteed income program. This is critical to realizing the transformational promise of the historic increase in local EITC payments which began tax year 2022. But let's be clear, the EITC is not guaranteed income.

2) We learned that many families in the Strong Families Strong Futures program opted for lump sum payments, likely out of fear of benefit losses

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<sup>4</sup> "Use of Grant Funds for Strong Families, Strong Futures Program Pilot," D.C. Council, December 14, 2022. <https://lms.dccouncil.gov/downloads/LIMS/51860/Introduction/RC24-0241-Introduction.pdf>

from increased income and asset limits.<sup>5</sup> Known as the benefits cliff, this problem is not cured. The source of this issue is complex, but the Council must do more. As a model, DC can look to Illinois, which enacted a law that commits its equivalent human services agency to “seek all necessary federal approvals or waivers to implement”<sup>6</sup> benefits protections.

Likewise, we urge the Council’s full support for DC pursuit of waivers from the federal government agency and permanent legislation on the federal level. For example, DC should pursue a “state plan” to exclude payments from calculation of eligibility, under 7 CFR 273.9( c).<sup>7</sup> Lastly, there is a coalition that would welcome our Mayor and perhaps many of you, Mayors for a Guaranteed Income, to work and study locally and nationally.

- 3) The importance of protecting these benefits should not be dismissed or minimized, nor should the peril of beneficiaries losing safety net benefits. When no-income or low-wage people living in poverty receive cash infusions, they risk losing their SNAP and housing subsidies. Because most

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<sup>5</sup> Ibid.

<sup>6</sup> Illinois General Assembly Public Act 101-0415 (2020)

<sup>7</sup> Benefits Protections for Guaranteed Income Pilots, Nov. 14 2022 [https://gicp.info/wp-content/uploads/sites/164/Benefits-Protections-Fact-Sheet\\_November-2022-1.pdf](https://gicp.info/wp-content/uploads/sites/164/Benefits-Protections-Fact-Sheet_November-2022-1.pdf)

working age SNAP recipients work<sup>8</sup>, the scale of this issue is greater than one might think.

The benefits cliff is proving real for guaranteed income monthly cash programs across the country: In certain jurisdictions, a hold harmless fund for housing was created, given that certain federally administered housing programs consider assets and income, including regular gifts in determining eligibility.<sup>9</sup>

Short of and until we achieve a permanent guaranteed income program, the next set of public guaranteed income pilot programs, improving upon Strong Families Strong Futures, should be broader, more numerous, cover more individuals in more communities, beyond ward 5, 7, and 8. For example, the program should cover residents of ward 6, home to one of the largest concentrations of individuals in DC below the poverty line and in public housing units.

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<sup>8</sup> Brynne Keith-Jennings and Raheem Chaudhry. "Most Working-Age SNAP Participants Work, But Often in Unstable Jobs," *Center on Budget and Policy Priorities*, March 15, 2018, <https://www.cbpp.org/research/food-assistance/most-working-age-snap-participants-work-but-often-in-unstable-jobs>.

<sup>9</sup> 24 C.F.R § 5.609(b)(7) (Annual income includes, but is not limited to, periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations . . .).

Thank you for the opportunity to testify.