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Testimony Before the District of Columbia Council  
Committee of the Whole  
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Public Hearing:

Bill 21-665, Fiscal Year 2016 Second Revised Budget Request Emergency Adjustment  
Act of 2016

Bill 21-667, Fiscal Year 2017 Budget Federal Portion Adoption and Request Act of 2016

Bill 21-668, Fiscal Year 2017 Budget Local Portion Adoption Act of 2016

Bill 21-669, Fiscal Year 2017 Budget Support Act of 2016

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## **Introduction**

Good morning Chairman Mendelson and members of the Committee of the Whole. My name is Judith Sandalow. I am the Executive Director of Children's Law Center<sup>1</sup> and a resident of the District. I am testifying today on behalf of Children's Law Center, which fights so every DC child can grow up with a loving family, good health and a quality education. With 100 staff and hundreds of pro bono lawyers, Children's Law Center reaches 1 out of every 9 children in DC's poorest neighborhoods – more than 5,000 children and families each year. Many of these children and families are living in homes that are currently receiving Temporary Assistance for Needy Families (TANF) through the Department of Human Services (DHS).

I am pleased to testify today regarding the Mayor's proposed budget and will focus my testimony on the TANF program. As you know, under current law, on October 1, 2016, over 6,500 families with more than 13,000 children will hit the 60-month time limit and will be cut off from all income and employment supports.<sup>2</sup> Only 439 of these families currently have jobs,<sup>3</sup> meaning that the overwhelming majority will likely not be able to replace income lost as a result of being dropped from the program.

If the time limit is implemented in its current form, this loss of benefits would have devastating effects for the District's poorest children, for whom the TANF program helps meet their most basic needs. Research from across the country shows that cutting TANF payments to families when they are not in a position to transition to

employment is linked to a range of poor outcomes. Cuts in TANF benefits have been shown to link directly to poor health outcomes and increased child hunger.<sup>4</sup> TANF cuts are also linked to increased housing instability and homelessness.<sup>5</sup> Reductions in benefits have been linked to increased child maltreatment and contact with the abuse and neglect system.<sup>6</sup> Additionally, children in families affected by benefit reductions do worse in a number of developmental areas and have lower scores on tests of quantitative and reading skills,<sup>7</sup> resulting in long-ranging impacts on these children's ability to complete their education and find meaningful work as adults.

If anyone is still asking what will happen if the District allows 13,000 children to be cut from TANF, I want to be clear that the answer is not a mystery: Cuts will only deepen children's struggles as their parents and caregivers lose their last sources of support. Many will face health challenges and struggles in school, and be at higher risk for homelessness, unstable living arrangements, and neglect. This is the simple reality of cutting these families' lifelines.

Furthermore, as we have highlighted at past hearings, as thousands of children are cut off of TANF, it will likely have ripple effects across the health and human services cluster, as more families fall into crisis and become at risk for involvement with crisis intervention systems, such as homeless services, special education, truancy, and child welfare. If not properly managed, the effects of the TANF cliff could well be felt

across multiple agencies, including many that are not prepared to absorb a sudden spike in demand for services.<sup>8</sup>

When she released her proposed budget for FY17, Mayor Bowser included \$10 million in the DHS budget for a one-year extension for families scheduled to be dropped from the TANF program in FY17.<sup>9</sup> During her April 4<sup>th</sup> public budget briefing to the Council, the Mayor made clear that this extension is intended to give the Council time to design a long-term policy that will determine the categories of families who should be eligible for temporary extensions of benefits based on clearly-defined hardships or other circumstances. Such a policy would bring the District in line with 44 states who, recognizing the dangers of indiscriminate cut-offs, have some form of extension policy for families approaching the time limit for participation in TANF. It would also allow the District to effectively manage implementation of its five-year time limit – to transition out families in accordance with the temporary nature of the TANF program while ensuring that children are not forced off of TANF when specific circumstances have prevented their families from effectively preparing to exit the program to employment.

We appreciate the Administration's decision to propose this one-year extension and urge the Council to preserve the Mayor's proposed funding for it as the proposed budget goes through Council review. But, in order to solve this problem once and for all, we urge the Council to go further than this. In order to give families greater clarity

and ensure that the Department of Human Services has as much time as possible to prepare to implement an extension policy, the Council should begin making decisions regarding extensions during this budget cycle and include as much of its TANF policy as possible in the Budget Support Act (BSA). We have all of the information we need to begin making these decisions: research and the reported experiences of 44 states where extension policies already exist; an understanding of the unique challenges that our poorest District families face; and a practical, workable, model policy in the form of the *District of Columbia Public Assistance Amendment Act of 2015*, which was co-introduced by six councilmembers and is strongly supported by the community. The Mayor has given us the time and space to get this right, and we should begin the work of creating a workable policy right away.

### **TANF Time Limit History**

DC's poorly designed time limit policy is a major cause of the more than 6,500 families speeding toward the time limit cliff. To understand the flaws of DC's time limit policy, I want to offer a brief history of TANF in DC. In 1996, the federal government reformed the cash assistance program for low-income families by creating the TANF program that instituted a 60-month, or 5-year, limit on federal dollars being spent on any one TANF recipient in any state.<sup>10</sup> Importantly, federal law gave states immense flexibility to administer this program and, for many years, DC took advantage of this flexibility by using local funds to cover families in need that were beyond the federal time limit.

DC redesigned its TANF program in 2010 and implemented a time limit for the first time.<sup>11</sup> Benefits began to be phased out in 2011. DC made the time limit retroactive and did not include any exemptions or extensions for families experiencing serious hardship or barriers to employment, making it one of the most restrictive programs in the country.<sup>12</sup> Eventually, in 2012 DC did implement a limited set of exemptions that “stopped the clock” for families experiencing certain circumstances, including domestic violence and caring for a child with a disability, that prevented them from making progress on employment goals.<sup>13</sup> However, implementation of these exemption categories has been slow, and exemptions are only prospectively available to families. Thus, families that had experienced these struggles in the past had those months unfairly counted toward their 60-month allotment.

DC has not yet joined with 44 other states to offer extensions to families that have already hit the 60-month time limit nor do we have a plan in place to work with families that have already reached or are approaching the time limit.<sup>14</sup> Even the federal government recognizes that some families need more time because of hardships and barriers, allowing states to exceed the 60 month limit for up to 20 percent of their caseload.<sup>15</sup> Last year, the Council delayed the 60-month time limit for one year to allow DHS time to implement a thoughtful and well planned time limit policy.<sup>16</sup> With so many children and families facing termination of all support, we are at a critical time in the District and must address the flaws in this policy.

## **What the Looming 60-month Cut-Off Means for District Children**

A family must have minor children living at home in order to qualify for DC TANF. It is a program that is meant to prevent children from living in deep poverty, while also helping their parents get on a path to financial independence. For many families, TANF payments are the only remaining means of meeting their most basic needs, like keeping the lights on and staving off hunger.

Of the 13,608 children that will be kicked off of the TANF program in the fall, DHS projects that 2,206 will be between the ages of birth and three.<sup>17</sup> The first three years of life is a time of critical child development, creating an important foundation for a lifetime of health and achievement. The positive and negative experiences children have during this period of rapid growth influence their physical and mental health, as well as how and what they learn.<sup>18</sup> Research is clear that stress and trauma during this time, including stressors of poverty and abuse and neglect, can have lifelong negative consequences.<sup>19</sup> Children that are exposed to stress and trauma have a greater likelihood of developmental delays, while adults exposed to high levels of stress and trauma in early childhood are more likely to have health problems, including alcoholism, depression, heart disease, and diabetes.<sup>20</sup>

Infants and toddlers are not the only group of children that will be drastically impacted by the scheduled TANF cuts. Of the children that will be kicked off the program in October 2016, 6,199 will be between the ages of four and nine, 2,806 will be

between the ages of 10 and 13, and 2,397 will be between the ages of 14 and 18, and evidence shows that these children will face serious hardships as a result.<sup>21</sup> As discussed above, TANF cuts have been linked to poor health outcomes, child hunger, developmental struggles, and abuse and neglect.

### **How to Prevent Families From Falling Into Crisis**

Jurisdictions across the country have recognized the need to balance the temporary nature of TANF benefits against the harm caused by forcing families living under particularly difficult circumstances off of TANF before they are able to support themselves. That is why 44 states offer extensions to families who reach the 60-month time limit but whose circumstances have prevented them from finding employment that would allow them to successfully transition off of aid. Without these extensions, the District lags behind most of the country, placing children at risk of premature and crisis-inducing cut-offs.

The *DC Public Assistance Amendment Act of 2015*,<sup>22</sup> which is based largely on the approaches that other states have taken to this precise problem, establishes hardship extension categories for families facing the 60-month time limit, including:

- Continuing to provide benefits after 60 months for parents and their children who face domestic violence, a severe disability, homelessness or other significant barriers that have gotten in the way of employment;
- Continuing to provide benefits after 60 months for families who are following all program requirements but are still unable to find a job; and



- Supporting our poorest children in the TANF program, even if their parents cannot otherwise qualify.

Because this legislation takes the best approaches to extension policies from across the country and effectively combines them into a functional, District-specific policy, the Council can and should use it as the foundation of its work as it begins to craft a long-term policy. Because we are starting from such a strong foundation, and as I noted earlier, because we already have the information that we need to begin crafting a policy, we should begin discussions of a long-term policy now with the goal of including as much of that policy as possible in the BSA.

### **Conclusion**

Without the prospect of employment, significant cuts to these families undermine any progress they might be making and will eliminate an essential lifeline to institutional and financial support toward financial independence. The good news is that combining DHS's meaningful expansion of services and continued program improvement with the appropriate and effective exemptions and extensions to ensure that families are getting the support they need means that TANF can become a program that helps move families out of poverty. We look forward to working with DHS and the Council to achieve these goals.

Thank you for the opportunity to testify.

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<sup>1</sup> Children’s Law Center fights so every child in DC can grow up with a loving family, good health and a quality education. Judges, pediatricians and families turn to us to be the voice for children who are abused or neglected, who aren’t learning in school, or who have health problems that can’t be solved by medicine alone. With 100 staff and hundreds of pro bono lawyers, we reach 1 out of every 8 children in DC’s poorest neighborhoods – more than 5,000 children and families each year. And, we multiply this impact by advocating for city-wide solutions that benefit all children.

<sup>2</sup> DHS FY15 Performance Oversight Responses, Q105.

<sup>3</sup> DHS FY15 Performance Oversight Responses, Q105b.

<sup>4</sup> *The Impact of Welfare Sanctions on the Health of Infants and Toddlers*, available at:

[http://www.childrenshealthwatch.org/upload/resource/welfare\\_7\\_02.pdf](http://www.childrenshealthwatch.org/upload/resource/welfare_7_02.pdf). Infants and toddlers (up to the 3 years) in families who benefits had been terminated or reduced had a 30% higher risk of having been hospitalized, a 90% higher risk of being admitted to the hospital when visiting an emergency room and a 50% higher risk of being food insecure than children in families whose benefits had not been decreased.

<sup>5</sup> Linda Burnam, *Annals of the American Academy of Political and Social Science, Welfare Reform, Family Hardship, and Women of Color* (2001). See also Sandra Butler, *TANF Time Limits and Maine Families: Consequences of Withdrawing the Safety Net* (2013), available at:

<http://www.mejp.org/sites/default/files/TANF-Study-SButler-Feb2013.pdf>.

<sup>6</sup> *The Effect of Family Income on Risk of Child Maltreatment*, available at:

<http://www.irp.wisc.edu/publications/dps/pdfs/dp138510.pdf>.

<sup>7</sup> *Review of Research on TANF Sanctions, Report to Washington State WorkFirst SubCabinet*, available at:

<http://www.docin.com/p-93913888.html>.

<sup>8</sup> When we testified regarding the Child and Family Services Agency, for example, we noted that the agency’s proposed budget, which was cut by about \$3 million, was created based on the assumption that the District’s foster care population would remain relatively stable. If this population were to exceed projections, we have doubts as to whether the agency’s FY17 budget provides enough flexibility to adapt. Testimony of Damon King, Senior Policy Attorney, DC’s Children’s Law Center, before the DC Council Committee on Human Services, pp. 4-6, April 13, 2016.

<sup>9</sup> The agency provided further details regarding the cost of the extension at its stakeholder budget briefing. DHS Budget Briefing, April 5, 2016.

<sup>10</sup> Public Law, 104-193.

<sup>11</sup> D.C. Code §4-205.11a.

<sup>12</sup> D.C. Code §4-205.11a.

<sup>13</sup> D.C. Law 19-168.

<sup>14</sup> *Time Limit Extension Criteria*, Center on Budget and Policy Priorities, (September 28, 2015).

<sup>15</sup> TANF Final Rule Executive Summary, available at <http://www.acf.hhs.gov/programs/ofa/resource/tanf-final-rule-executive-summary>.

<sup>16</sup> D.C. Law 21-148.

<sup>17</sup> DHS FY15 Performance Oversight Responses, Q105.

<sup>18</sup> *Improving Part C Early Intervention: Using What We Know About Infants and Toddlers With Disabilities to Reauthorize Part C of IDEA*, available at: <http://main.zerotothree.org/site/DocServer/PartC.pdf?docID=567>.

<sup>19</sup> *In Brief: The Impact of Early Adversity on Children’s Development*, available at:

[http://developingchild.harvard.edu/resources/briefs/inbrief\\_series/inbrief\\_the\\_impact\\_of\\_early\\_adversity/](http://developingchild.harvard.edu/resources/briefs/inbrief_series/inbrief_the_impact_of_early_adversity/).

<sup>20</sup> *Id.*

<sup>21</sup> DHS FY15 Performance Oversight Responses, Q107 Attachment.

<sup>22</sup> Council Bill 21-515, Introduced December 1, 2015.