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Testimony Before the District of Columbia Council Committee on Health and Human Services April 24, 2015

Public Hearing: FY16 Agency Budget Hearing Department of Human Services

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Introduction

Good morning Councilmember Alexander and members of the Committee. My name is Sharra E. Greer. I am the Policy Director of Children's Law Center¹ 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 8 children in DC's poorest neighborhoods – more than 5,000 children and families each year.

I am pleased to testify today regarding the Mayor's FY16 proposed budget for the Department of Human Services. I will focus my testimony on two topics:

The first is our support for the Mayor's proposed one-time, one-year delay in the implementation of the 60-month cut-off for families receiving Temporary Assistance for Needy Families (TANF). While we recognize that this proposal has encountered some skepticism since it was introduced, this one-time extension is an important component of a package of reforms that reaches across the entire health and human services cluster and involves multiple agencies that serve our poorest and most vulnerable families. Not only will failure to pass this extension endanger the more than 13,000 children across more than 6,000 families who will be dropped from the TANF program on October 1, it risks compromising services to families beyond this population by overwhelming two important programs – homeless services and child welfare – that are

both undergoing important programming changes. Delaying the TANF cut-off for one year allows the entire health and human services cluster to move forward in a coordinated fashion, preparing families to transition appropriately and ensuring that the right supports are in place and available to families after they leave the TANF program.

The second is the Mayor's proposed homeless services budget, which makes an important down payment on the DC Interagency Council on Homelessness's plan to end homelessness. By providing DHS with the resources to move families out of shelter and into affordable housing more quickly, while also beginning the process of replacing DC General Shelter, the proposed budget houses families while increasing the likelihood that families entering shelter in the future will be connected to a full range of services with greater ease. We support the Mayor's proposals in this area and hope that the Council adopts them.

The TANF Extension

On October 1, 2015, more than 6,000 District families currently receiving TANF will reach the statutory 60-month time limit on receiving benefits and be dropped from the program.² This 60-month cut-off will mean that more than 13,000 District children in these families will lose access to all TANF benefits, including more than 2,300 children between the ages of birth and three.³

It is not known what will happen to these children and their families once TANF payments are stopped. While the intention when the 60-month time limit was enacted was for parents in these families to transition from TANF to the workforce, many have not had the opportunity to participate in employment training or job placement programs, as wait times just to get in the door currently run as long as 11 months.⁴ In presenting her proposed budget to the Council, the Mayor herself testified⁵ to what many of us in the advocacy community already know – that although the payments that these families currently receive are meager (a family of three who is approaching the cut-off currently receives about \$152 per month), many parents depend on these payments to remain in their current housing arrangements or purchase necessities for their families. Indeed, the experiences of other states implementing TANF cuts and time limits tell us that children cut off from TANF are at risk of homelessness, hunger, health problems, and involvement with the child welfare system.⁶ After October 1, 2015, with their only means of meeting their basic needs gone, many families will fall from poverty into further instability and crisis.

The Administration has recognized the challenge that this presents and has pledged to take several steps in the coming fiscal year to address the looming crisis of thousands of families going over what is commonly referred to as the "TANF cliff." DHS Director Laura Zeilinger has pledged to address lengthy wait times for employment training programs so that parents will have a fair chance at receiving

preparation to enter the labor market.⁷ The Department also continues to work with stakeholders on drafting regulations that will guide the implementation of statutory exemptions, and will explore the possibility of hardship extensions to give families whose circumstances make looking for work difficult additional time to transition from TANF to employment.⁸ However, these changes, along with relevant reforms in other parts of the cluster, will take time to implement, and because of this, as part of the Mayor's proposed budget, the Administration has requested a one-time, one-year extension of the 60-month cut-off to October 1, 2016.⁹

I urge the Committee to accept the Mayor's proposed one-year extension of TANF benefits, as it should allow the Administration sufficient time to make policy changes that will help TANF families to appropriately transition off of TANF and better serve families who may stumble after payments are cut off. Failure to pass an extension only increases the likelihood that families will transition from TANF to crisis. Further, not only would a chaotic implementation of the TANF cut-off place the safety and wellbeing of thousands of children at immediate risk, it would also likely overburden the other health and human services cluster programs – most notably, homeless services and child welfare – that would ultimately step in to serve many of these families, compromising support for all families in these programs, regardless of cut-off status.

A major policy change in a program such as TANF will inevitably have ripple effects across the entire health and human services system. The TANF extension is a

small but important part of a package of system-wide reforms that will position agencies to absorb these effects while delivering better-quality services to all families.

The TANF Extension and the District's Health and Human Services System

As you know Chairman Alexander, throughout Children's Law Center's oversight testimony this year, we have emphasized that, when assessing health and human services cluster programs, we cannot look at individual services or even individual agencies in isolation. Each program is part of a much larger health and human services system that is supposed to serve families facing a range of challenges. This means that major policy decisions have both immediate effects on the families to whom they are targeted, and ripple effects that affect the entire system – and any families who are connected to it. The sheer number of families who will be subject to the TANF cut-off requires us to account for this reality.

The Direct Effects of the TANF Cliff

The experiences of families in other jurisdictions tell us a great deal about the direct effects of TANF cuts on the children and families at whom they are targeted. Cuts in TANF benefits have been shown to link directly to poor health outcomes among children and increased child hunger.¹⁰ Studies in multiple states have shown that TANF cuts are accompanied by increased housing instability and homelessness.¹¹ Reductions in benefits have been linked to increased child maltreatment and contact with the abuse and neglect system.¹² 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,¹³ resulting in longranging impacts on these children's ability to complete their education and find meaningful work as adults.

There is no reason to believe that the effects of TANF cut-offs in the District will be any different from the effects of benefit cuts in other jurisdictions. Children in families whose only source of income is TANF are already at almost devastating levels of poverty,¹⁴ and given the difficulty that many parents have had accessing employment and TANF employment training programs, a significant number of our families are likely to lose TANF support without any source of stable income to replace it. Without changes that effectively prepare families to enter the workforce after TANF support ends, we are setting children and families up for failure.

The System-Wide Effects of the TANF Cliff

In addition to these direct effects, however, research from other states suggests that the effects of the cut-off could well extend far beyond families approaching 60 months of receiving benefits. As noted above, benefit cuts in other states have been linked to both homelessness and involvement with the abuse and neglect system. If we are to use other states as a guide then, this means that, whenever the 60 month cut-off takes effect, other parts of our health and human services system, particularly our homelessness services system and our child welfare system, must be prepared to absorb significant increases in demand for services, as some families face an increased risk of instability and others fall into crisis. Unfortunately, neither our homeless services system nor our child welfare system is currently in a position to absorb a sudden spike in the number of families seeking services, in part because both systems are currently in transition – undergoing important programming changes to address service gaps and improve supports for struggling families.

As you know, our family homeless services system is already overburdened, with far too many families living at DC General Shelter (and motels) for too long, under conditions that are inappropriate, unsafe, and deeply traumatizing for children. The District's Interagency Council on Homelessness recently approved a five-year plan to end homelessness in the District, which, starting in FY16, will begin to address long lengths of stay in shelter by investing in a collection of supports for families seeking permanent housing, while also gradually replacing DC General with a network of neighborhood shelters.¹⁵ The plan presents a pathway to a more sustainable and responsive homeless services system, but it rests on the ability of DHS and partner agencies to invest in affordable housing in the plan's early years rather than continuing to pour limited resources into increasing the number of emergency shelter beds the agency uses year after year.¹⁶ Once DHS is able to create faster turnover in shelter beds by moving families into housing, it will be better positioned to respond to changes in demand within the shelter system. In the meantime, yet another jump in demand for

emergency shelter in FY16 would endanger the plan before it even has a chance to begin – harming families who are already trapped in the shelter system with few feasible options for affordable housing.

Meanwhile, the District's child welfare agency, the Child and Family Services Agency (CFSA), has made significant program and policy improvements over the last few years, but is still in the process of rolling out its community-based prevention and in-home services for at-risk families. The Agency's proposed budget reflects this, as it is slated to invest more than \$8 million in prevention and in-home services over the course of FY16.¹⁷ Once they are widely available, many of these services are the kind from which at-risk families transitioning off of TANF – particularly those who struggle after the cut-off – could benefit. However, not only is it doubtful that current programming has sufficient capacity to absorb a surge in families demanding it, but, because the agency's FY16 programming priorities are based on the assumption that the foster care population will remain both stable and low,¹⁸ a sudden increase in the number of families in crisis could force the agency to re-allocate resources, again slowing the launch and expansion of these services. This thinning of resources would leave at-risk families without enough in-home and community supports available and could harm other families and children served by the child welfare system.

The TANF Extension as Part of a Reform Package

Extending relatively modest TANF payments for one year will allow all of the health and human services cluster agencies to proceed in lock-step in improving services for our poorest families. DHS's TANF program staff can focus on improving access to employment training and preparing longtime TANF families to transition to the workforce, ICH member agencies can begin to draw down the shelter population while also replacing DC General beds with neighborhood shelters, and CFSA can finish building its prevention services so that there will be sufficient breadth of services and capacity in FY17 and beyond to meet at-risk families' needs. The TANF extension is not simply a narrow, ad hoc policy proposal, but is in fact essential to preventing the potential ripple effects of the TANF cut-off from interrupting important service improvements that will benefit of all at-risk families. For this reason, we urge the Committee to support the Administration's proposal as part of its broader package of health and human services reforms.

Services for Homeless Families

During our oversight testimony last month, we emphasized the importance of ensuring that, while seeking to quickly link homeless families to stable and affordable housing, the District's homeless services system needs to ensure that the full range of supports offered by the health and human services cluster is easily available to children and parents who are in need of support beyond housing.¹⁹ Families who are homeless do not have the luxury of compartmentalizing the obstacles they face to accommodate a system that focuses solely on housing.

While we noted that the system has made modest progress in making nonhousing supports more available,²⁰ and hope that cluster agencies continue to improve in this area in the coming year, we recognize that providing services on site or close to where families are in shelter is complicated by both the deteriorating physical condition of DC General Shelter itself and by the makeshift nature of overflow shelter space that must be utilized when the department is unable to make shelter beds available quickly enough. There is no escaping that DC General is an inadequate facility for sheltering families, and that we must move to a system of family shelters that are pre-planned and better integrated into surrounding communities. With this in mind, we support the Mayor's decision to use her FY16 proposed budget to fund the first steps of the Interagency Council's five-year plan to end homelessness.

As discussed above, the plan calls for DHS and the DC Housing Authority to make investments in increasing the number of supports for permanent housing for families. As families are able to transition out of shelter more quickly, this should open up beds for incoming families, hopefully reducing the pressures that lead to chaotic overflow shelter arrangements. Further, the plan calls for the gradual replacement of DC General with smaller, neighborhood shelters spread throughout the city. Consistent with this plan, the Mayor's proposed budget allocates resources to increase the number of Rapid Re-Housing and permanent supportive housing slots available to families, as well as to use a more "intensive" version of Rapid-Rehousing to serve families in Rapid-Rehousing who demonstrate the need for more support.²¹ The budget also allocates funds to bring on-line the first 84 replacement beds for DC General²² and positions the DC Government to continue to search for and finalize new sites for other neighborhood shelters, which we hope will be conceived to include on-site services and be located in service-rich parts of the city.

While there is much work to be done to ensure that homeless families can access all of the housing and non-housing supports that they need to build safe and stable lives, the Mayor's proposed FY16 budget represents a step in the right direction, and for this reason, we support it.

Conclusion

Thank you for the opportunity to testify and I look forward to answering any questions.

¹ 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.

² Department of Human Services Fiscal year 2015 Performance Oversight Hearing, Responses to Pre-Hearing Questions from the Committee on Health and Human Services, Q80.

³ Id.

⁴ Department of Human Services Fiscal year 2015 Performance Oversight Hearing, Responses to Pre-Hearing Questions from the Committee on Health and Human Services, Addendum, Q18 & 19.

⁵ FY16 DC Council Budget Briefing, Mayor Bowser Oral Testimony, April 2, 2015.

⁶ The Children's Sentinel Nutrition Assessment Program, *The Impact of Welfare Sanctions on the Health of Infants and Toddlers* (2002) available at:

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.

Maria Cancian, et. al. Institute for Research on Poverty, *The Effect of Family Income on Risk of Child Maltreatment* (2010), available at: <u>http://www.irp.wisc.edu/publications/dps/pdfs/dp138510.pdf</u>.

See, also, Linda Burnam, Annals of the American Academy of Political and Social Science, *Welfare Reform, Family Hardship, and Women of Color* (2001).

⁷ Presentation given by Dr. Laura Zeilinger at the Fair Budget Coalition Budget Briefing, April 8, 2015. ⁸ DC Code § 4-205.72a.

⁹ FY 16 Department of Human Services Budget Book, Table JA0-4, Line 2020, Page E-7 and E-11.

¹⁰ The Children's Sentinel Nutrition Assessment Program, *The Impact of Welfare Sanctions on the Health of Infants and Toddlers* (2002) available at:

http://www.childrenshealthwatch.org/upload/resource/welfare 7 02.pdf.

¹¹ 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* (March, 2013). http://www.mejp.org/sites/default/files/TANF-Study-SButler-Feb2013.pdf

¹² Maria Cancian, et. al. Institute for Research on Poverty, *The Effect of Family Income on Risk of Child Maltreatment* (2010), available at: <u>http://www.irp.wisc.edu/publications/dps/pdfs/dp138510.pdf</u>.

¹³ West Coast Poverty Center, *Review of Research on TANF Sanctions, Report to Washington State WorkFirst SubCabinet,* (2006).

¹⁴ A family of three receiving full TANF benefits will receive \$434 per month, or \$5,208 per year. <u>http://www.dcfpi.org/wp-content/uploads/2015/01/1.5.15-Recs-To-the-New-Mayor-and-DC-Council.pdf</u>. The federal poverty guideline for 2014 defines poverty as for a family of three as less than \$19,790 a year. <u>http://aspe.hhs.gov/POVERTY/14poverty.cfm</u>.

¹⁵ District of Columbia Interagency Council on Homelessness, *Homeward DC Strategic Plan*, 2015-2020 (2015). http://goodfaithdc.org/wp-content/uploads/2012/01/HOMEWARD-DC.pdf.

For further discussion of how the plan operates, *See*, Aaron C. Davis, Washington Post, *Mayor Bowser Spells Out Plan to Close District's Troubled Homeless Shelter* (March 16, 2015).

http://www.washingtonpost.com/local/dc-politics/mayor-bowser-spells-out-plan-to-close-districts-troubled-homeless-shelter/2015/03/16/c2310eb6-cbe0-11e4-8a46-b1dc9be5a8ff_story.html ¹⁶ *Id.*

¹⁷ FY 16 Child and Family Services Agency Budget Book, Line 8000, Page E-24.

¹⁸ At a community budget briefing earlier this month, CFSA reported that it projects a foster care census of 1,080 children over the course of FY16. Given that, during oversight, the agency reported 1,068 children in foster care, the agency essentially believes that it will be able to keep the foster care population flat during the next fiscal year. Child and Family Services Agency Community Budget Briefing, April 15, 2015; CFSA FY 2014 and FY 2015 (1st Quarter) Responses to the DC Council Committee on Health & Human Services Oversight, Q44.

¹⁹ Testimony of Damon King, Senior Policy Attorney, DC's Children's Law Center, before the DC Council Committee on Human Services, pp. 7-10.

²⁰ Id.

²¹ FY 16 Department of Human Services Budget Book, pp. E-10, E-11.

²² Id.