

616 H Street, NW · Suite 300 Washington, DC 20001 T 202.467.4900 · F 202.467.4949 <u>childrenslawcenter.org</u>

Testimony Before the District of Columbia Council Committee on Health & Human Services February 25, 2016

> Public Hearing: Performance Oversight Hearing Department of Human Services

> > Judith Sandalow Executive Director Children's Law Center

Introduction

Good afternoon Chairman Alexander and members of the Committee on Health and Human Services. My name is Judith Sandalow. I am the Executive Director at 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. 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 Department of Human Services, and will focus my testimony on the TANF program and the upcoming implementation of DC's 60-month time limit. 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.² This means that almost half of the District's TANF caseload will be eliminated from the program.³ Even more alarming, of the over 6,500 families that will be dropped from the TANF program, only 439 of those families currently have a job - that's just 7 percent of the total families that will be cut off of the program.⁴ This many families dropping off the cliff, the majority of whom will likely not replace the lost income, will have devastating effects not just for the families and their children, but the City as a whole.

DHS, this Committee, and the community need to work together to fix our broken time limit policy once and for all. That is why I would like to express my support for the District of Columbia Public Assistance Amendment Act of 2015 and encourage DHS to reflect these reforms in their Fiscal Year 2017 budget. This legislation, co-introduced by six councilmembers and strongly supported by the community, continues benefits to parents and their children who are past the 60-month time limit but face a severe disability, domestic violence, homelessness or other serious barriers that have gotten in the way of employment. It also would continue to provide benefits after 60 months for families who are doing everything they can, following all program requirements, but are still unable to find a job. Finally, the legislation also supports our poorest children in the TANF program, even if their parents cannot otherwise qualify, because children should always have their most basic needs met no matter what.

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.⁵ 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.⁶ 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.⁷ 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.⁸ 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.⁹ 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.¹⁰ 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.¹¹ 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 <u>children</u> 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.

Overview of the Affected District Families

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.¹² 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.¹³ Research is clear that stress and trauma during this time, including stressors of poverty and abuse and neglect, can have lifelong negative consequences.¹⁴ 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.¹⁵

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.¹⁶ Cuts in TANF benefits have been shown to link directly to poor health outcomes and increased child hunger.¹⁷ TANF cuts are also linked to increased housing instability and homelessness.¹⁸ Reductions in benefits have been linked to increased child maltreatment and contact with the abuse and neglect system.¹⁹ 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,²⁰ resulting in longranging impacts on these children's ability to complete their education and find meaningful work as adults. These studies show that many of the families that will lose TANF benefits will likely increase their reliance on other District systems, like homelessness and child welfare, that could be more costly in the long run.

How to Prevent Families From Falling Into Crisis

Hardship Extensions

Jurisdictions across the country recognize 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 its peer jurisdictions, placing children at risk of premature and crisis-inducing cut-offs.

The *DC Public Assistance Amendment Act of 2015* establishes hardship extension categories for families that will face the 60-month time limit in October 2016. This is a necessary reform that will strengthen our safety-net program so that it truly protects DC's families and children.

The *DC Public Assistance Amendment Act of 2015* would fix DC's rigid time limit policy and reform DC's TANF program by:

- 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;

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

Prepare for the Cliff

It is equally as important that DHS develop policies and procedures to educate families on the time limit policy and assess all families reaching the 60-month time limit to determine if additional services and supports are necessary. DHS must plan to thoughtfully address the needs and inevitable struggle of families that will reach the 60-month time limit on October 1, 2016.

Families need time to prepare for being cut off from the TANF program, and unfortunately, this is not currently happening. For example, one of our clients, Rebecca,²¹ is a single mother of two young children who has been enrolled in TANF for over 60 months. As mentioned earlier, families that have received TANF for over 60 months have been getting a substantial reduction in their benefits. DHS notified Rebecca only two weeks before her TANF benefit decreased from \$434 to \$152 a month. This extremely short notice made it very difficult for Rebecca to plan ahead for such a drastic reduction in income for her children.

The DC Public Assistance Amendment Act of 2015 would require DHS to:

 Regularly check-in with families on TANF to ensure that families facing hardship are protected and provided additional supports when needed; and • Educate families on TANF about the 60 month time limit, regularly informing families about how many months they have left and what exemptions and extensions are available to them.

Improve Implementation of Exemptions

In 2012, DC recognized that certain circumstances occur that make looking for and acquiring employment difficult. As previously discussed, this led to the enactment of legislation to establish hardship exemption categories that allow DHS to stop counting months toward a recipient's time limit when, for instance, the recipient experiences domestic violence, is a teen parent, or cares for an adult relative or child with a disability.²²

Unfortunately, the Department has struggled to create a system that accurately identifies families who may qualify for exemptions and ensures that exemptions are consistently granted when appropriate. While DHS has improved their implementation of the exemptions currently in law, it has been a rough road. Exemptions have been underutilized, DHS has not issued final regulations, and caseworkers and other organizations that work with TANF families are often unaware of the exemptions available in current law. This leaves families without guidance to know whether or not they meet the criteria for an exemption or how to show that they qualify and leaves the Department and family-serving professionals without a means of reliably identifying potentially eligible families or ensuring that exemptions are being granted in a fair and uniform way.

These problems are evident in the low number of families enrolled in exemption categories, with only 63 families exempted because they are caring for a child with a disability, 48 families exempted because of domestic violence, and 7 families exempted because they are a pregnant or parenting teen.²³ I think there are a variety of reasons that families have not been adequately accessing exemptions. For instance, Children's Law Center met 16-year-old Catherine²⁴ and her 9-month-old baby in October. Catherine is still a full-time high school student and was living with the parents of her baby's father. She needed additional support to care for her child because she could not work and go to school at the same time. Yet, when she went to apply for TANF, she was told she was too young to receive benefits, which is legally inaccurate. It took a lawyer and numerous phone calls and visits to DHS staff before Catherine was finally granted TANF benefits of \$346 per month, with retroactive payments from the first time she tried to apply. If we implement time limits, DHS must do a better job of screening and identifying families that are experiencing severe barriers to employment and are legally entitled to continue receiving support.

TANF Program Improvements

The program itself also needs to be functioning well to help families improve employment outcomes and promote self-sufficiency. For many years, DC's TANF

program has not worked well. As recently as the last oversight hearing, DHS acknowledged that 1,498 customers were waiting to receive services from a job placement vendor, with an average wait time of 10 months, and approximately 1,150 customers were waiting to receive services from a work readiness vendor, with an average wait time of 11 months.²⁵ While DHS has done impressive work this year to address these wait times, and has made reforms that have improved services, the families who were ready to work and be engaged still had their clock running. DHS must improve access to services and supports for TANF families to help successfully transition these families to employment.

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 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 and I look forward to answering any questions.

² DHS Oversight Responses 2016, Q105.

⁴ DHS Oversight Responses 2016, Q105.b.

⁶ D.C. Code §4–205.11a.

⁷ D.C. Code §4–205.11a.

⁸ D.C. Law 19-168.

⁹ *Time Limit Extension Criteria*, Center on Budget and Policy Priorities, (September 28, 2015).

¹⁰ TANF Final Rule Executive Summary, available at <u>http://www.acf.hhs.gov/programs/ofa/resource/tanf-final-rule-executive-summary</u>.

¹¹ D.C. Law 21-148.

¹² DHS Oversight Responses

 ¹³ Improving Part C Early Intervention: Using What We Know About Infants and Toddlers With Disabilities to Reauthorize Part C of IDEA, available at: <u>http://main.zerotothree.org/site/DocServer/PartC.pdf?docID=567</u>.
¹⁴ In Brief: The Impact of Early Adversity on Children's Development, available at:

¹⁵ Id.

¹⁶ DHS Oversight Responses 2016, Q107 Attachment.

¹⁷ The Impact of Welfare Sanctions on the Health of Infants and Toddlers, 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. ¹⁸ 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.

¹⁹ *The Effect of Family Income on Risk of Child Maltreatment*, available at: http://www.irp.wisc.edu/publications/dps/pdfs/dp138510.pdf.

²⁰ *Review of Research on TANF Sanctions, Report to Washington State WorkFirst SubCabinet,* available at: http://www.docin.com/p-93913888.html.

²¹ We have changed our client's name to protect her confidentiality.

²² DC Code §4-205.72a.

²³ DHS Oversight Responses 2016, Q107 Attachment.

²⁴ We have changed our client's name to protect her confidentiality.

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.

³ There are currently 15,889 families enrolled in the DC TANF program. DHS Oversight Responses 2016, Q107 Attachment.

⁵ Public Law, 104-193.

²⁵ 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.