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Testimony Before the District of Columbia Council
Committee on Human Services
March 15, 2017

Public Hearing:
Performance Oversight Hearing
Department of Human Services

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Introduction

Good morning Chairperson Nadeau and members of the Committee on Human Services. My name is Judith Sandalow. I am the Executive 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 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 currently receive Temporary Assistance for Needy Families (TANF) and are among the more than 10,000 children in roughly 6,000 families who will be cut from the TANF program this fall if we do not act.² Being cut off from TANF will leave these families without any cash assistance and, as a result, the normal vicissitudes of life will quickly become devastating crises.

I am pleased to testify today regarding the performance of the Department of Human Services (DHS) and will focus my testimony today on TANF, particularly, the agency's work to formulate a long-term policy that will stave off these mass cut-offs and, instead, provide families with the supports they need to meet the needs of their children. I would like to thank you, Chairperson Nadeau, for your leadership over the course of your time on the Council in ensuring that children and families here in the District will continue to receive much-needed support from the TANF program. I

would also like to thank the Mayor for convening a TANF working group, which came together during the last quarter of FY16 to design a potential policy solution that would meet the needs of families receiving TANF. Now that the Mayor's working group has returned its recommendations, I hope the Mayor and the Council will work together to ensure that the working group's preferred extension policy will be adopted in full and funded as part of the Mayor's FY18 budget.

The TANF Cliff & the TANF Extension Working Group

As you know, Chairperson Nadeau, on October 1, 2017, the District is scheduled to begin enforcing a 60-month lifetime limit for families receiving benefits from DC's TANF program. At that point, any recipient who has received payments for 60 or more total months will be permanently cut off from the program. DHS's oversight responses indicate that roughly 6,000 families receiving TANF will be subject to this mass cut-off (often referred to as the "TANF cliff"), with the cut-off expected to affect more than 10,000 children.³

Recognizing the dire implications of the TANF cliff for the District's poorest children and families, in late FY16, the Mayor convened a working group and charged it with coming up with an extension policy that would protect vulnerable families from the effects of the cut-offs, while also looking closely at the obstacles that parents in the program face in transitioning from TANF to stable employment.

The group, which included Administration staff, Councilmembers, advocates who work with families (including Children’s Law Center), TANF service providers, and District residents who themselves receive TANF, came together for meetings in August and September for a deliberative process that was quite thorough.⁴ The group reviewed key data about families in danger of being cut off, engaged with experts and those with on-the-ground knowledge of how TANF currently works, and discussed in detail what the District’s poorest children and families need in order to maintain economic stability and build toward longer-term economic security. The working group sought to balance the importance of ensuring parents’ participation in TANF programming with the fundamental role that TANF plays in meeting the needs of children in poverty who, without it, would fall into crisis.

Ultimately, the workgroup reached consensus regarding a long-term extension policy for families, with its “preferred option” providing a “universally appealing” approach.⁵ Under the preferred option, for each family receiving TANF, the District would:

- Preserve a “child enrichment grant,” in the amount of approximately 80% of a family’s existing TANF grant, to support children in the household; and
- Create a “parent TANF grant,” in the amount of approximately 20% of a family’s existing TANF grant, which would be available for parents who fully comply with their Individual Responsibility Plan (IRP) and work requirements.⁶

Parents who fail to comply with IRP and work requirements would be subject to escalating sanctions of their parent TANF grant, but not their child enrichment grant.⁷ Under this proposed policy, neither grant would be subject to the inflexible time limit that exists in current law.⁸

Under the “preferred option,” families who continue to work toward economic independence would continue to be eligible for their full TANF grants, and parents who leave the TANF program would not face barriers to returning to TANF if they experience hardship after transitioning to employment. If families remain in the program, but parents do not “play by the rules,” sanctions would provide potential consequences and incentives for full participation.⁹ Most importantly, we would no longer cut off children from their only means of cash support based on an arbitrary lifetime benefit cap.

Children’s Law Center enthusiastically supports the working group’s “preferred option” recommendation. TANF is, first and foremost, a program to protect the health, safety, and well-being of children living in poverty. Even as we seek to improve families’ long-term economic prospects and incentivize participation in TANF-related programming, TANF fails to serve its purpose if children are left with no source of economic support to meet their needs.

As experts have noted repeatedly, when children are cut off from TANF support with nothing to replace it, they are at risk for a range of very serious harms – from

homelessness to poor health outcomes, poor educational performance to child welfare involvement. With the challenges that these children already face as a result of living in poverty, the modest support that their families receive in TANF grants represents a lifeline – critical to preventing the fall from poverty into crisis. By preserving a robust child enrichment grant for families with more than 60 months of lifetime benefits, we would ensure that, even as we look to assist parents in transitioning to greater economic independence, there will always be economic support available to help meet the needs of the District’s poorest children.

I urge the Mayor to adopt and fully fund the “preferred option” in her budget for FY18 and urge the Committee to use this hearing to ensure that fully implementing the recommendations of the Mayor’s working group will be a priority for DHS over the remainder of FY17 and FY18.

The remainder of my testimony today will discuss what we know about District children and families who are approaching their TANF time limits, what we know about the potential effects of time limit cut-offs on children, and why the Mayor’s working group recommendation is the best approach to meeting the needs of the District’s poorest children.

What We Know About Children Whose Families Are Approaching TANF Cut-Offs

In order to understand why this recommendation is the best way forward, there are a few things that the Committee needs to understand about the families who will be affected by time limit-related cut-offs.

First, parents and caregivers in these families face particularly serious barriers to economic stability, including low levels of education, health problems that have prevented them from working in the past, and mental health problems. Data collected by DHS in preparation for the Mayor's working group support this,¹⁰ and while this does not necessarily mean that these parents will never be employed, it does mean that their paths to employment may be longer and more complicated than for other parents who have fewer barriers and may be able to transition out of the program more quickly. In her presentation to the working group, Dr. LaDonna Pavetti, a national expert on TANF, noted that even with recent improvements to the District's employment services, some parents need more time than others to work toward employment, because there are challenges (such as mental health problems) that they will have to overcome.¹¹ Long-term TANF recipients are often long-term recipients precisely because they face significant barriers to entering and competing in the job market.

We also know that even when parents transitioning off TANF find work, it is often not stable employment with sufficient income to meet a family's needs. Of families approaching the cliff who were surveyed by DHS, half had previously left the

TANF program, most often because of earnings from employment.¹² However, 76% of these families returned to the program due to job loss or inability of a parent to find a job that adequately supported the family.¹³ Data on the wages of TANF recipients indicate that wages for many have remained consistently below what is necessary to meet basic needs in the District.¹⁴ This means that children in families who are approaching cut-offs may be in households where a parent is working, but making ends meet is still a significant challenge. These are important gaps that TANF can help fill.

Finally, survey data presented to the working group indicates that parents are using TANF benefits to meet their children's most pressing needs. When DHS surveyed families approaching cut-offs about how the program helped them, almost half (47%) reported that TANF helped them stabilize their families' housing, and another 44% reported that TANF helped them to maintain stable child care.¹⁵ We know from our experience working with families that TANF payments also help parents pay for basic necessities for their children, such as clothing, diapers, and over-the-counter medication for typical children's health problems like diaper rash or fever. When asked how exiting TANF would affect their ability to meet the needs of their families, more than half of parents stated that exiting the program would worsen their ability to support their families,¹⁶ reflecting that TANF is often what helps to fill the gaps for parents as they struggle to support their children with little or no other income.

What Happens to Children Who Are Forced Off of TANF?

Given that we know families use TANF to meet the basic needs of their children, it is not surprising that research from other jurisdictions reveals that bad things happen to children when families' benefits are cut or eliminated. 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 long-ranging 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 services systems, that are far more disruptive to children's lives, while also costing the District more in the short and long term.

These impacts were emphasized by national TANF expert Dr. LaDonna Pavetti's presentation to the working group. Data from other jurisdictions suggests that families who are cut from TANF due to time limits face a low likelihood of becoming employed – about 30% at best.²¹ With limited options for economic support, families may resort to “desperate measures to meet their basic needs,” including moving into unsafe or

unstable housing arrangements or engaging in risky activities to support themselves.²² This can greatly increase the instability that children experience and can have concrete effects on their health, safety, and well-being. Dr. Pavetti cited a study of the effects of TANF policy changes in Washington State which found that, as a result of tightening time limit extensions, there were increases in homelessness, child maltreatment, child welfare system involvement, and children in foster care.²³ These are examples of what can go wrong for children in the wake of TANF time limit cut-offs.

It is an inescapable fact that cutting children off of TANF has very real and negative effects on their lives and well-being. And with more than 10,000 children set to go over the TANF cliff, the effects of a time limit cut-off here in the District could be devastating.

Why The Mayor's Working Group Recommendation is the Right Policy

In light of the negative effects on children experiencing cuts to TANF benefits, it is important that any policy regarding benefits for these families ensures that there are meaningful levels of funds available for parents to continue to meet the basic needs of their children. A policy that fails to preserve funding for children, or that preserves too little funding, would trigger the types of outcomes that we desperately need to avoid. Preserving as much as 80% of a family's TANF grant as a child enrichment grant would provide resources in the home to help meet children's day-to-day needs and help prevent children from falling from poverty to crisis due to cut-offs.

Meanwhile, I recognize that, for many, it is important to balance adequate support for children against the need for flexibility to incentivize parents to actively participate in TANF programming through sanctions. Indeed, as I noted above, the working group discussed this same need for balance. The ability to reward parents who “play by the rules,” enforce meaningful consequences for those who do not, and offer a clear path back to full benefits for parents who struggle with compliance but want to get back on track, is also preserved in this proposal. By separating out a smaller, but still significant, parent TANF grant and allowing for a thoughtful sanctions policy with escalating penalties, the recommendation continues to incentivize active TANF program participation, while seeking to avoid penalizing parents so severely that their children fall into crisis as a result. It is precisely because of this balance that an overwhelming majority of the working group – including several working group members with differing perspectives on the role of incentives and disincentives – was able to support it. The fact that working group members of such varying backgrounds and perspectives were able to come together around this single proposal is a testament to its ability to meet the varying needs of families receiving TANF.

Conclusion

I urge the Council and the Mayor to work together to turn the working group’s proposed policy into law. The District’s poorest children deserve the certainty that this

policy change would provide and I hope that, with a broadly supported consensus approach, we can move forward for their benefit.

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 9 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 The TANF Working Group reports that “more than 10,000 children are estimated to be affected by the 60-month time limit.” Barbara Poppe and Associates, DC Department of Human Services Economic Security Administration. *Recommendations for Development of a TANF Hardship Extension Policy for Washington, DC*, October 18, 2016, p. 18. DHS’s Performance Oversight Responses indicate that, when exiting families are accounted for, “at any given time, there are approximately 6,000 families who have been receiving TANF in excess of 60 months.” DHS FY16 Performance Oversight Responses, Q108.

³ *Id.*

⁴ For a roster of members of the Mayor’s working group, please *see*, Poppe and Associates, p. 3.

⁵ Poppe and Associates, pp. 31-32. Even those who did not ultimately vote for the “preferred option” agreed with the approach it envisions: breaking a family’s monthly TANF payment into two portions and protecting the child portion from sanctions in order to keep funding in the home to meet children’s needs. Dissenting voters agreed with this framework, but wanted a more even balance (e.g., closer to 50/50) between the child and parent portions of the grant. As I have noted in past testimony, my concern with a 50/50 split is that it may ultimately leave too large a proportion of the benefit subject to sanctions, hurting parents’ ability to maintain some degree of stability for their children. I am, however, encouraged by the fact that the concept of a “two-generation” approach to this issue (i.e., an approach that protects children) was universally accepted within the workgroup.

⁶ The final report of the working group describes the 80%/20% breakdown of the award as approximate. As part of finalizing any legislation based on this recommendation, we understand that an exact percentage breakdown or formula for calculating one will have to be identified.

⁷ Poppe and Associates, pp. 31-32.

⁸ *Id.*

⁹ *Id.*, at p. 31.

¹⁰ Poppe and Associates, pp. 23-24.

¹¹ Poppe and Associates, p. 84

¹² *Id.*, at p.25-26

¹³ *Id.*

¹⁴ *Id.*, at pp. 21-23, for comparisons between the median hourly wages of TANF recipients and the living wage for DC.

¹⁵ *Id.*, at pp. 26-27

¹⁶ *Id.*, at p. 28

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 Poppe and Associates, pp. 10-11, 83-84.

²² *Id.*

²³ *Id.*, at p. 11, 83.