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Introduction

Good morning Chairperson Nadeau and members of the Committee on Human Services. My name is Damon King. I am a Senior Policy Attorney 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 9 children in DC's poorest neighborhoods – more than 5,000 children and families each year. Many of these children and families live in homes that 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

Thank you for the opportunity to testify today regarding the proposed FY18 budget for the Department of Human Services (DHS). The Mayor has proposed an 11.2% increase for DHS's budget over FY17, including an \$8.1 million investment in an extension policy (described in the Budget Support Act) for the TANF program to address the looming TANF cliff.³ Because TANF is a fundamental support for many of the families we serve at CLC, I will focus my testimony today on this investment.

I would like to thank you, Chairperson Nadeau, for your continued leadership in reforming the District's TANF policies and protecting families from going over the TANF cliff. In particular, I would like to thank you for introducing the TANF Child

Benefit Protection Act of 2017, which we believe is the right approach to resolving the issue of TANF time limits once and for all. I would also like to thank Mayor Bowser and DHS Director Laura Zeilinger for convening the 2016 TANF Extension Working Group, whose preferred recommendation forms the basis for both the Child Benefit Protection Act and the Mayor's own TANF proposal in her budget. Without the Working Group, the proposals that we have before us today would not exist, and I greatly appreciate the Administration's work to move us toward thoughtful and concrete policy proposals.

Ultimately, while we are appreciative of the Mayor's proposed FY18 investment in TANF and accompanying BSA proposal, we urge this Committee to instead pass and fund the TANF Child Benefit Protection Act, which fully codifies the preferred recommendation of the Mayor's TANF Extension Working Group. This preferred recommendation ends the lifetime limit on TANF benefits and offers protection of 80% of a family's benefit from sanctions in order to ensure adequate resources for children.⁴ While the Mayor's proposal also ends the time limit, it offers a much lower level of sanction protection than her working group recommended, leading to greater month-to-month variability in families' benefits and undermining the stability in benefit payments that the working group intended to create for the protection of children in the homes of TANF benefit recipients.

My testimony today will discuss why TANF benefits are so important for children living in poverty, the work and rationale of the Mayor's TANF Extension Working Group, and the reasons that the working group's preferred option – made operational by the Child Benefit Protection Act – is a better solution to the TANF cliff than the Mayor's current budget proposal.

Background

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 benefits for 60 or more total months will be permanently barred from the program. Roughly 6,000 families currently receiving TANF will be subjected to this mass cut-off (often referred to as the "TANF cliff"), with the effects being felt by more than 10,000 children in these families.⁵ After this point, as additional families reach 60 total months of benefits, they will likewise be permanently barred from the program. This has implications not just for families who are not prepared to exit the program to full employment, but also, for families who do exit to employment but subsequently encounter hardship, as these families will not be able to return to the safety net of the TANF program.

The TANF program's primary purpose is to protect children living in poverty – allowing families to receive benefits in order to meet their children's needs. Research from other jurisdictions that have implemented TANF cuts and time limits tells us that

these policies have damaging effects on children who must endure them. As we have noted in past testimony, cuts in TANF benefits have been shown to link directly to poor health outcomes and increased child hunger.⁶ TANF cuts are also linked to increased housing instability and homelessness.⁷ Reductions in benefits have been linked to increased child maltreatment and contact with the abuse and neglect system.⁸ 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,⁹ resulting in long-ranging impacts on these children's ability to complete their education and find meaningful work as adults. In a presentation to the Mayor's TANF Extension Working Group, Dr. LaDonna Pavetti, a national expert on TANF, noted one particular study out of Washington State where, as a result of tightening time limit extensions, there were increases in homelessness, child maltreatment, child welfare system involvement, and children in foster care.¹⁰

Available evidence suggests that implementing lifetime limits for District families would be no less damaging. An extensive DHS survey of District families receiving TANF and approaching the cliff revealed that these parents and caregivers are using their benefits to meet the needs of their children and stabilize the day-to-day lives of their families. Almost half (47%), for example, reported that TANF helped them stabilize their families' housing.¹¹ Another 44% each reported that TANF helped them to maintain stable child care and stable transportation.¹² This is consistent with our

experiences working with families, as many parents and caregivers use TANF, not just for the expenses mentioned above, but to cover basic needs for their children, including diapers, clothing, medicine, school-related expenses, and unforeseen but urgent expenses that inevitably arise when one is raising children. More than half of parents and caregivers surveyed by DHS reported that losing TANF benefits would make it more difficult to meet their families' needs,¹³ a conclusion that is consistent with our on-the-ground experience and supported by research from other jurisdictions.

As we look for ways to maintain stability in child health, well-being, and family housing, and to create greater educational opportunity for District children who live in poverty, it is important to understand that TANF plays an absolutely crucial role in these children's lives. Taking it away will accomplish little – other than needlessly plunging them into crisis.

The TANF Working Group

In response to the dangers posed to children and families by the TANF cliff, the Mayor convened a TANF Extension Working Group, which met during the fall of 2016 to recommend the best approach to maintaining stability for children and families at or approaching 60 total months in the program.

The working group brought together a range of stakeholders and experts, including DHS staff, representatives from four Councilmembers' offices,¹⁴ a collection of advocacy organizations (including Children's Law Center) that work with children and

families, TANF service providers, and District residents who themselves receive TANF.¹⁵ It reviewed key data about District families who are approaching the cliff, discussed what these families need in order to achieve long-term stability, and engaged a national expert to discuss the history of welfare reform nationally and the lessons that we in the District can learn from its implementation across the country.

As we have noted in prior testimony regarding the working group's recommendations, through extended deliberation, the working group came to two important realizations.

First, parents and caregivers in families who are approaching the time limit 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,¹⁶ 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. Pavetti 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.¹⁷ Long-term TANF recipients are often long-term recipients, precisely, because they face significant barriers to entering and competing in the job market.

Even when parents transitioning off of TANF find work, it is often not stable employment with sufficient income to meet a family's needs, meaning that they may transition back and forth between TANF and employment over time, even after making an initial exit from the program. Of families approaching the cliff who were surveyed by DHS, half had previously left the TANF program, most often because of earnings from employment.¹⁸ 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.¹⁹ Additionally, 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.²⁰ This means that children in families who are approaching their time limit may be in households where a parent is working, but making ends meet is still a significant challenge.

Second, because parents receiving TANF overwhelmingly use their benefits to meet the needs of their children (and because benefit cuts consequently harm children) it is important to ensure that TANF program policies do not interfere with the ability of parents to meet their children's needs. This applies not just to the 60-month lifetime limit, but also to policies, such as sanctions, that reduce the size of a family's benefit while they are in the program. Child-related expenses, including necessities like

clothing, medicine, and school expenses are largely non-negotiable. They cannot be avoided, put off, or negotiated downward just because a family's benefit has been reduced. Therefore, for as long as a family is in the TANF program, it should receive a predictable baseline amount in benefits that is fully reflective of the resources that are required to meet the needs of a child.²¹ Sanctions and other program policies should never reach a level that cuts into the resources that children need and harms children in the home.

In light of these conclusions, that TANF Extension Working Group adopted what it termed "the preferred option" as its recommended TANF policy for the District going forward.²² The preferred option eliminates the 60-month lifetime limit, allowing families the time that they need to identify and work through obstacles to independence and providing an always available safety net to parents entering the often unstable employment market.²³ The preferred option also restructures a family's monthly benefit, splitting it into two portions: a portion designated for children, representing 80% of the family's monthly benefit, and a portion designated for adult family members (parents or caregivers), representing the remaining 20%.²⁴ A family receiving benefits under the preferred option would receive both portions of the benefit as a single monthly payment, but while the parent portion of the benefit would be subject to sanctions based on a parent's participation in TANF-related programming, the child enrichment grant would be shielded from sanctions.²⁵ This ensures that, while the

District can continue to use sanctions to encourage parental participation, there is a stable foundation of the benefit that is always available to children.

The Mayor's Budget

In light of the working group's preferred recommendation, the Mayor included \$8.1 million in her proposed DHS budget to implement a TANF extension policy, beginning in April, 2018.²⁶ Additionally, the Mayor included a modified version of the working group's preferred option in the Budget Support Act as the Temporary Assistance for Needy Families Time Limit Elimination Act of 2017.²⁷ Much like the preferred option, the Mayor's legislation ends the 60 month time limit and, by placing statutory limits on sanctions, effectively creates a child portion of the benefit that cannot be reduced.²⁸ However, the Mayor's proposal sets aside the working group's sanction protection level recommendation, opting to protect just 50% of a family's benefit instead of the 80% recommended by the working group.²⁹ While we appreciate the Mayor's efforts and are encouraged by the similarities between her approach and the working group's, we believe that the working group's recommendation – the result of extensive discussions of the best TANF extension policy for District children and families – is the more appropriate approach.

By exposing an additional 30% of a family's benefit to sanctions, the Mayor's approach subjects families to much greater variability in their monthly benefit. In fact, it more than doubles the amount of potential sanctions at each level of the preferred

option's proposed sanction policy.³⁰ As discussed above, the expenses associated with meeting children's needs are significant, consistent, and largely inflexible, and with more than twice the amount of sanction potentially coming out of a family's benefit in a given month, it will be more difficult for families to plan for and meet the needs of children from month to month. In splitting a family's benefit into a child and a parent portion, the working group had hoped to promote stability in benefits to meet the relatively constant needs of children in the home. By departing from the working group's recommendation, the Mayor's proposal is undermining the very stability that the working group sought to create.

Further, we believe that the Administration's emphasis on sanctions as a means of promoting parent participation in TANF programming misunderstands the primary reasons that parents who have been on TANF for extended periods of time struggle with program participation. The Administration's position relies on the assumption that parental involvement in TANF activities is primarily a matter of motivation and that by exposing a larger percentage of a family's benefit to sanctions, it can coax higher levels of parental engagement. However, DHS's own data point to an entirely different set of reasons for uneven participation: Many of the same barriers that complicate the transition to employment also hinder parents as they search for work and attempt to attend training for employment. For example, more than half of families surveyed by DHS in preparation for the working group reported that health problems prevented

them from working or attending training, including nearly 40% reporting physical health issues and just over 30% reporting mental health issues.³¹ One-fifth reported homelessness as a barrier to working, looking for work, or training and 18% reported struggles securing childcare.³² Additionally, around one-third each reported that their lack of prior work experience and insufficient education created barriers to accessing employment, looking for work, or attending training programs.³³

The preferred option preserves the power of DHS to sanction these families, but it is difficult to see how increasing the level of sanctions above the preferred option amounts will promote greater participation among parents whose difficulty with participation is driven by health problems, homelessness, educational barriers to training programs, and family crises such as homelessness and domestic violence.³⁴ In fact, taking money out of these households may well aggravate some of these barriers, making participation even more difficult. Our experience is that families in poverty do not suffer from a lack of motivation to find stability and that parents' and caregivers' motivation is particularly strong when it comes to building better lives for their children. Sanctioning them at higher levels is not an appropriate approach because it ignores the real barriers to participation that parents face and, more generally, is directed at a perceived problem that is more myth than reality.

We thank the Mayor for assembling the TANF Extension Working Group – a thoughtful process without which we would not be here today. Further, we applaud

the Administration for supporting ending the 60-month time limit and for agreeing with the two-generation approach that the working group's preferred option envisions. However, ultimately, we urge the Council not to endorse the Administration's departure from its own working group's recommendations regarding sanction protection. The Council should instead, identify funding to fully support the working group's preferred option and pass it as part of DHS's budget.

The TANF Child Benefit Protection Act

In light of the need to pass the working group's recommendation, we are very fortunate to have a ready-made legislative vehicle for doing so: The TANF Child Benefit Protection Act. The act, introduced by you, Chairperson Nadeau on April 4, 2017, codifies the working group's recommendation, including the preferred option's crucial 80/20 benefit split. As we noted at last week's public hearing, we are in enthusiastic support of the bill, and urge the Council to amend the BSA to replace the Temporary Assistance for Needy Families Time Limit Elimination Act of 2017 with the Child Benefit Protection Act's language.³⁵

As we noted during last week's hearing,³⁶ we do recommend one amendment to the Child Benefit Protection Act: The removal of termination language written into the current level 3 sanction regulations, which if left in, would allow the Department to terminate a family's entire benefit, including the child portion, if a family remains at sanction level 3 for more than 12 months. This termination clause, found in 29 DCMR §

5812.8(c) of the current regulations makes administrative sense under the Department's current sanction policy: The current level 3 sanction is 100% of a family's benefit, so the clause essentially allows the Department to terminate a family to whom it hasn't been paying benefits in a year or more. However, the TANF working group recommended eliminating the 100% sanction level in order to ensure that families would always receive payments to support their children.³⁷ Failure to amend out this termination language would run counter to the working group's intentions, as it would provide a way for the Department to eliminate 100% of a TANF family's benefit – even the portion designated for the child.

We would like to thank you again, Councilmember Nadeau for your leadership regarding the District's TANF policy, and for introducing this bill to bring the Mayor's working group's vision to reality. It is my hope that between the Council's passage of this legislation and the Department's commitment to implementing a new TANF policy over the course of FY18, we can, together, remove the looming threat of the TANF cliff once and for all.

Conclusion

Thank you for the opportunity to testify. 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 Extension 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 FY 16 Department of Human Services Budget Book, Table JAO-1

⁴ Bill 22-0227, “TANF Child Benefit Protection Act of 2017,” § 2(a)-(b), § 3.

⁵ See, *supra*, note 2.

⁶ *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.

⁷ 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>.

⁸ *The Effect of Family Income on Risk of Child Maltreatment*, available at:

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

⁹ *Review of Research on TANF Sanctions, Report to Washington State WorkFirst SubCabinet*.

¹⁰ Poppe and Associates, at pp. 11, 83.

¹¹ *Id.*, at pp. 26-27.

¹² *Id.*

¹³ *Id.*, at p. 28.

¹⁴ The offices of Councilmember Nadeau, Councilmember Alexander, Councilmember Grosso, and Councilmember Silverman were represented on the working group. Poppe and Associates, p. 3.

¹⁵ See, *Id.*, for a full roster of TANF Extension Working Group participants.

¹⁶ Poppe and Associates, pp. 23-24.

¹⁷ Poppe and Associates, p. 84.

¹⁸ *Id.*, at p.25-26.

¹⁹ *Id.*

²⁰ *Id.*, at pp. 21-23, for comparisons between the median hourly wages of TANF recipients and the living wage for DC.

²¹ See, Poppe and Associates, pp. 31-32, which explains that the rationale for the “child enrichment grant” “would be to ensure that there are resources in the home to support the child even when the caretaker may not be engaging in TANF-related activities.” The working group recognized that taking TANF funds out of the home is harmful to children. The framework of the preferred option “was universally appealing to the group.”

²² *Id.*

²³ *Id.*

²⁴ *Id.*

²⁵ *Id.*

²⁶ During the Department's Budget Briefing on April 26, 2017, Director Zeilinger explained that the delay of implementation is due to the need to update DHS's data management system to account for the creation of the child and parent portions of the benefit, as well as the new sanction levels proposed by the working group. Between October 1, 2017 and April 1, 2018, TANF recipients who reach 60 total months of benefits will continue to receive benefits at the amounts currently prescribed by District law.

²⁷ Bill 22-0244, "Fiscal Year 2018 Budget Support Act of 2017," Title V, Subtitle A ("Temporary Assistance for Needy Families Amendment").

²⁸ *Id.*, at § 5002.

²⁹ *Id.*

³⁰ This is based on the assumption that if the current BSA language passes, the Department will issue new regulations setting sanction levels consistent with the working group's recommendation. The Mayor's BSA proposal does not set specific sanction levels, but empowers the Mayor to issue implementing regulations. Bill 22-0244, "Fiscal Year 2018 Budget Support Act of 2017," Title V, Subtitle A ("Temporary Assistance for Needy Families Amendment").

³¹ Poppe and Associates, pp. 23-24.

³² *Id.*

³³ *Id.*

³⁴ *Id.*

³⁵ *See*, Testimony of Damon King, Senior Policy Attorney, DC's Children's Law Center, before the DC Council Committee on Human Services regarding the "TANF Child Benefit Protection Act of 2017" & the "Temporary Assistance for Needy Families Assistance Level Increase Amendment Act of 2017, April 24, 2017.

³⁶ *Id.*, at pp. 13-14.

³⁷ Poppe and Associates, pp. 31-32.