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Testimony Before the District of Columbia Council  
Committee on Health & Human Services  
October 27, 2016

Public Hearing & Oversight Roundtable  
Bill 21-515, the *District of Columbia Public Assistance Amendment Act of 2015*  
&  
*Recommendations for Development of a TANF Hardship Extension Policy for Washington, DC*

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## **Introduction**

Good morning Chairman Alexander and members of the Committee on Health and Human Services. 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 currently receive Temporary Assistance for Needy Families (TANF), and are among the more than 10,000 children in roughly 5,800 families who, if we do not act, will be cut from the TANF program next fall.<sup>2</sup> Children whose families are cut off from TANF will lose their last means of economic support, leaving them vulnerable to crisis.

Thank you, Chairperson Alexander, for holding this important hearing regarding Bill 21-515, the District of Columbia Public Assistance Amendment Act of 2015, as well as the recommendations of the Mayor's Working Group to Inform a TANF Hardship Extension Policy. I would like to thank Councilmember Nadeau for introducing this legislation last December, and for her tireless work along with her colleague, Councilmember Silverman, over the last several months to ensure that we do not allow thousands of children and families to go over the TANF cliff.<sup>3</sup> I would also like to thank

the Mayor for convening the working group, which brought together Administration staff, Councilmembers, advocates who work with families, TANF service providers, and most importantly, members of our community who themselves receive TANF, to determine how best to serve families who participate in the TANF program.<sup>4</sup> As a voting member of the working group, I believe that we took a thoughtful approach to our responsibilities, looking at key data about families in danger of being cut off, engaging with experts and those with on-the-ground knowledge of how TANF currently works, and discussing in detail what the District's poorest children and families need in order to maintain economic stability and build toward longer term economic security. Now that the Mayor has received her working group's recommendations as to how to address the challenge of TANF extensions, I hope that she will work with the Council to pass, fund, and implement the working group's proposed policy solution.

I fully support the Mayor's working group's preferred policy recommendation, which the overwhelming majority of the working group's members agreed is the best way forward. For families who have received more than 60 total months of TANF support, this recommendation 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,<sup>5</sup> which would be available for parents who

fully comply with their IRP and work requirements. Parents who fail to comply with these requirements would be subject to escalating sanctions of their parent TANF grant, but not their child enrichment grant.

Under the Mayor's working group's recommendation, neither of these grants would be subject to the hard time limit that exists in current law.<sup>6</sup> 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 parents remain in the program, but are not "playing by the rules," sanctions would provide potential consequences, as well as an incentive for full participation.<sup>7</sup> However, we would no longer cut off children from their only means of cash support based on an arbitrary lifetime benefit cap.

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 – an assurance that they will not 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.

We have testified before that we fully support the District of Columbia Public Assistance Amendment Act of 2015.<sup>8</sup> While we continue to support this measure, the working group’s proposal accomplishes the same goals, but is simpler for DHS to administer and, more importantly, less complicated for families approaching 60 total months of TANF participation who need continuing support. I therefore urge that this committee amend Bill 21-515 to reflect the Mayor’s working group recommendation. Further, I urge this Committee to approve the amended bill and the Council to pass it during the current legislative session to give the Administration adequate time for budget and implementation planning. And I urge the Mayor to work with the Council, advocates, and community members to ensure that this policy change is fully funded and ready for implementation at the beginning of FY18. We have the opportunity to resolve the issue of TANF cut-offs once and for all with a solution that has broad support from across the community. We should seize it.

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 more than 10,000 children and 5,800 families in households that will be affected by time limit-related cut-offs.<sup>9</sup>

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,<sup>10</sup> 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 have to overcome.<sup>11</sup> 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 of 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.<sup>12</sup> 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.<sup>13</sup> Data on the wages of TANF customers indicate wages for many have remained consistently below what is necessary to meet basic needs in the District,<sup>14</sup> meaning that even when their parents are employed, children in families who are approaching cut-offs may be in households where making ends meet is a significant challenge. These are important gaps that TANF can help fill.

Finally, survey data presented to the working group indicates that, in the midst of the economic uncertainty that these families face, parents are using TANF benefits in ways that 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.<sup>15</sup> 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,<sup>16</sup> 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 that families use TANF to meet the basic needs of their children, it is not surprising to know that there is a large body of research from other jurisdictions that tells us 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.<sup>17</sup> TANF cuts are also linked to increased housing instability and homelessness.<sup>18</sup> Reductions in benefits have been linked to increased child maltreatment and contact with the abuse and neglect system.<sup>19</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>20</sup> 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.<sup>21</sup> 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.<sup>22</sup> 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.<sup>23</sup> 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 of cuts to TANF benefits, it is important that any policy regarding benefits for these families ensures that, no matter what, 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. I would like to assure the Committee that 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.<sup>24</sup> 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 groups' proposed policy into law. I urge the Committee to amend Bill 21-515 to adopt the preferred recommendation of the Mayor's working group, to approve the amended bill, and to ensure that the amended bill passes in the Council during the current session. 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.

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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 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.

<sup>2</sup> 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.

<sup>3</sup> The “TANF cliff” refers to the District’s planned enforcement of a 60-month lifetime cap on TANF benefits, which will result in the termination of all cash benefits to families who have met or exceeded the cap. This event is currently expected to occur on October 1, 2017 and, because there are currently several thousand families who have already reached or surpassed 60 months of total TANF participation (*see, supra*, note 2), it has the potential to be particularly devastating for the District’s poorest families and communities.

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

<sup>5</sup> 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.

<sup>6</sup> Poppe and Associates, pp. 31-32.

<sup>7</sup> *Id.*, at p. 31.

<sup>8</sup> *See, e.g.*, Testimony of Judith Sandalow, Executive Director of DC’s Children’s Law Center, before the DC Council Committee on Health & Human Services, April 20, 2016.

<sup>9</sup> *See, supra*, note 2.

<sup>10</sup> Poppe and Associates, pp. 23-24.

<sup>11</sup> Poppe and Associates, p. 84

<sup>12</sup> *Id.*, at p.25-26

<sup>13</sup> *Id.*

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

<sup>15</sup> *Id.*, at pp. 26-27

<sup>16</sup> *Id.*, at p. 28

<sup>17</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>18</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>19</sup> *The Effect of Family Income on Risk of Child Maltreatment*, available at:

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

<sup>20</sup> *Review of Research on TANF Sanctions, Report to Washington State WorkFirst SubCabinet*, available at:

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

<sup>21</sup> Poppe and Associates, pp. 10-11, 83-84.

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<sup>22</sup> *Id.*

<sup>23</sup> *Id.*, at p. 11, 83.

<sup>24</sup> As noted in the working group's final report, in the final vote on this policy recommendation, four members voted against it. Dissenting voters agreed with the overall framework of the recommendation, but wanted a more even balance (e.g., closer to 50/50) between the child and parent portions of the grant. As noted above, 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 (i.e., one that protects children) to this issue was universally accepted within the workgroup.