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# Testimony Before the District of Columbia Council Committee on Health & Human Services November 17, 2015

## Public Oversight Roundtable on:

"Transition plan for families nearing the temporary assistance for needy families time limit"

PR 21-346, the "temporary assistance for needy families sanction policy amendment approval resolution of 2015"

"Temporary assistance for needy families employment program performance outcomes"

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#### Introduction

Good afternoon Chairman Alexander and members of the Committee on Health and Human Services. My name is Kimberly Waller. 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 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 TANF program and will focus my testimony on the upcoming implementation of DC's 60-month time limit. On October 1, 2016, over 6,000 families will hit the 60-month time limit and will be cut off from all income and employment supports.<sup>2</sup> The current TANF caseload is approximately 15,700 families.<sup>3</sup> This means that almost half of the District's TANF caseload will be eliminated from the program. This many families dropping off the cliff is potentially devastating not just for the families themselves, but the City as a whole.

I want to thank you Councilmember Alexander, and this committee, for holding this roundtable and focusing attention on this extremely important conversation. This

needs to be the first in a series of public conversations to prepare for next October.

Now is the time to plan for these families that will undoubtedly experience hardship as a result of this time limit policy. The Department of Human Services, this Committee, and the community need to work together to fix our broken time limit policy once and for all.

## **TANF Time Limit History**

DC's poorly designed time limit policy is a major cause of the over 6,000 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 Temporary Assistance for Needy Families (TANF) program that instituted a 60-month, or 5-year, limit on federal dollars being spent on any one TANF recipient in any state.

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. 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.<sup>4</sup> Eventually in 2012, DC did implement a set of exemptions that "stopped the clock" for families experiencing certain circumstances,

them from making progress on employment goals.<sup>5</sup> 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.<sup>6</sup> 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.<sup>7</sup> We are now at a crucial time in the District to address the flaws in the policy. Good and thoughtful changes must be made before the end of the fiscal year.

### What the Looming 60-month Cut-Off Means for District Children

More than 6,000 families will hit the 60-month time limit for receiving TANF payments on October 1, 2016.8 These families are already living in poverty and, for many, TANF payments are their only remaining means of meeting their most basic needs. TANF is a life-sustaining bridge for many families in the deepest of poverty. Although TANF is a safety net for the District's poorest families, the benefit only provides a family of three with \$434 a month.9 The families that have reached the 60-

month limit have gradually received decreased benefits and now receive only \$152 a month for a family of three.<sup>10</sup>

Many of the families losing this support have children between the ages of birth and three. 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, in addition to how and what they learn. Research is clear that stress and trauma during this time, including stressors of poverty and abuse and neglect, can have lifelong negative consequences. 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.

Infants and toddlers are not the only group of children that will be drastically impacted by the scheduled TANF cuts. Children in families whose only source of income is TANF are already at almost devastating levels of poverty. <sup>15</sup> Cuts in TANF benefits have been shown to link directly to poor health outcomes and increased child hunger. <sup>16</sup> Reductions in benefits have been linked to increased child maltreatment and contact with the abuse and neglect system. <sup>17</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>18</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 of support that could be more costly in the long run.

# **How to Prevent Families From Falling Into Crisis**

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. 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.<sup>19</sup>

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 these exemptions currently in law, it has been a rough road – exemptions have been underutilized and DHS has not issued final regulations, leaving families without guidance to know whether or not they meet the criteria for an exemption or how to

show that they qualify, and leaving 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.

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. <sup>20</sup> While DHS has addressed these wait times, and made reforms that have improved services, these families were ready to work and engaged and still had their clock running. DHS must improve access to services and supports for TANF families to help successfully transition these families to employment.

Finally, DC needs to join the 44 other states that 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. Establishing extension categories for these families that will face the 60-month time limit in October 2016 is a necessary reform to ensure a safety-net program that truly protects our families and children.

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 address the needs and inevitable struggle of families that will reach the 60-month time limit on October 1, 2016.

Without the prospect of employment, significant cuts to these families undermine any progress they might be making and eliminate a crucial 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 robust program that helps move families out of poverty. We look forward to working with DHS and the Council to achieve these goals.

#### Conclusion

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

impact by advocating for city-wide solutions that benefit all children.

<sup>&</sup>lt;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 8 children in DC's poorest neighborhoods – more than 5,000 children and families each year. And, we multiply this

<sup>&</sup>lt;sup>2</sup> DHS Oversight Responses 2015, Q80.

<sup>&</sup>lt;sup>3</sup> *TANF 60-Month Customer Overview*, Department of Human Services Powerpoint Presentation, November 5, 2015.

- <sup>4</sup> D.C. Code § 4–205.11a.
- <sup>5</sup> D.C. Law 19-168.
- <sup>6</sup> Time Limit Extension Criteria, Center on Budget and Policy Priorities, (September 28, 2015).
- <sup>7</sup> D.C. Law 21-148.
- <sup>8</sup> Supra note 2.
- <sup>9</sup> Reducing Inequality, Increasing Opportunities for DC Residents: Recommendations to the New Mayor and DC Council, available at: <a href="http://www.dcfpi.org/wp-content/uploads/2015/01/1.5.15-Recs-To-the-New-Mayor-and-DC-Council.pdf">http://www.dcfpi.org/wp-content/uploads/2015/01/1.5.15-Recs-To-the-New-Mayor-and-DC-Council.pdf</a>.
- <sup>10</sup> Helping Families Succeed by Helping Them Avoid Deep Poverty, available at: <a href="http://www.dcfpi.org/helping-families-succeed-by-helping-them-avoid-deep-poverty">http://www.dcfpi.org/helping-families-succeed-by-helping-them-avoid-deep-poverty</a>.
- <sup>12</sup> Improving Part C Early Intervention: Using What We Know About Infants and Toddlers With Disabilities to Reauthorize Part C of IDEA, available at: <a href="http://main.zerotothree.org/site/DocServer/PartC.pdf?docID=567">http://main.zerotothree.org/site/DocServer/PartC.pdf?docID=567</a>.

  <sup>13</sup> In Brief: The Impact of Early Adversity on Children's Development, available at:

http://developingchild.harvard.edu/resources/briefs/inbrief series/inbrief the impact of early adversity \( \alpha \).

<sup>14</sup> *Id*.

- <sup>15</sup> A family of three receiving full TANF benefits will receive \$434 per month, or \$5,208 per year. http://www.dcfpi.org/wp-content/uploads/2015/01/1.5.15-Recs-To-the-New-Mayor-and-DC-Council.pdf. The federal poverty guideline for 2014 defines poverty as for a family of three as less than \$19,790 a year. http://aspe.hhs.gov/POVERTY/14poverty.cfm.
- <sup>16</sup> The Impact of Welfare Sanctions on the Health of Infants and Toddlers, available at: <a href="http://www.childrenshealthwatch.org/upload/resource/welfare">http://www.childrenshealthwatch.org/upload/resource/welfare</a> 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>17</sup> The Effect of Family Income on Risk of Child Maltreatment, available at: <a href="http://www.irp.wisc.edu/publications/dps/pdfs/dp138510.pdf">http://www.irp.wisc.edu/publications/dps/pdfs/dp138510.pdf</a>.
- <sup>18</sup> Review of Research on TANF Sanctions, Report to Washington State WorkFirst SubCabinet, available at: http://www.docin.com/p-93913888.html.
- <sup>19</sup> DC Code § 4-205.72a.
- <sup>20</sup> 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.