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Testimony Before the District of Columbia Council  
Committee on Human Services  
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Public Hearing:  
Bill 22-227, the *TANF Child Benefit Protection Amendment Act of 2017*

&

Bill 22-052, the *Temporary Assistance for Needy Families Assistance Level Increase Amendment Act of 2017*

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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 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 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.<sup>2</sup>

I am pleased to testify today regarding two bills, the TANF Child Benefit Protection Act of 2017 and the Temporary Assistance for Needy Families Assistance Level Increase Amendment Act of 2017. If passed, the Child Benefit Protection Act would codify the preferred recommendation of the Mayor's 2016 TANF Extension Working Group, ending arbitrary lifetime limits on TANF benefits for District families and enacting important protections to ensure that financial resources are always available to meet the needs of District children living in poverty. Meanwhile, the Assistance Level Increase Amendment Act accelerates previously-scheduled benefit

increases for families receiving TANF, combining increases currently split between FY18 and FY19 into a single benefit increase to take effect in FY18.

In our work with children and families, we see first-hand how important TANF benefits are to children living in poverty, as well as the many ways in which their parents and caregivers strive to meet their needs, even under immense financial pressure. We know that for these families, TANF is a lifeline – a way to ensure that, even under the most difficult of circumstances, there are at least some resources in the home available for the basic day-to-day care of children. Our experience, supported by a body of research on the effects of TANF cuts throughout the country, tells us that parents and caregivers use TANF to meet the important day-to-day needs of their children – from buy clothing, diapers, and medicine; to covering school-related expenses; to maintaining a stable living arrangement if the family is at risk of homelessness. For many children in families receiving TANF, the benefit is what allows them to show up to school ready to learn, to know that they will have a place to come home to at the end of the day, and to be supported as they face some of the most serious challenges associated with poverty.

For this reason, we are very appreciative of the fact that we have before us today two bills that would make positive differences in the lives of these children and their families. I would like to thank both of you, Chairperson Nadeau and Councilmember Gray, for your attention to the needs of children and families receiving TANF.

Chairperson Nadeau, you have worked tirelessly throughout your time on the Council to stave off the coming “TANF cliff” and to ensure that the thousands of children in families receiving TANF are not removed from the program due to a lifetime limit on benefits. Councilmember Gray, we greatly appreciate your first proposing these much-needed benefit increases in 2014, and your efforts this budget cycle to ensure that families receive these increased benefits more quickly. And I also would like to thank Mayor Bowser and Department of Human Services (DHS) Director Laura Zeilinger for convening and supporting the working group whose “preferred option” is the basis for the Child Benefit Protection Act.

Because we want to ensure that all District children living in poverty have sufficient resources available to meet their needs, we are supportive of the goals of these bills, and believe that if there are sufficient resources available in the FY18 budget, the Council should pass both. However, if the Council must make a choice, we believe that it is important to prioritize ensuring that no District child is cut from the TANF program due to time limits, and that TANF program rules keep adequate resources in households that receive benefits in order to meet the needs of children. For this reason, we urge the Council to first pass the Child Benefit Protection Act, which ends the lifetime limit on benefits and offers protection of 80% of a family’s TANF benefit from sanctions in order to ensure adequate resources for children. The Council should move forward on this bill immediately, amending the Budget Support Act to replace the

current Temporary Assistance for Needy Families Time Limit Elimination Act of 2017 with the Child Benefit Protection Act's language.

In my testimony today, I will discuss why TANF benefits are so important for children living in poverty. I will then discuss the work of the TANF Extension Working Group, the working group's preferred option, and why this bill is the best way forward. Finally, I will suggest an amendment to the bill that I believe will align the bill even more closely with the goals of the working group's recommendation.

### **TANF is a Lifeline for Children Living in Poverty**

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.<sup>3</sup> 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.<sup>4</sup> TANF cuts are also linked to increased housing instability and homelessness.<sup>5</sup> Reductions in benefits have been linked to increased child maltreatment and contact with the abuse and neglect system.<sup>6</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>7</sup> 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 that presents a dire warning for us as we remain on track to implement a time limit here in the District. There, 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>8</sup> Families turn to TANF for one reason: because they need the resources that TANF provides in order to support their children. When benefits are cut, children pay the price.

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.<sup>9</sup> Another 44% each reported that TANF helped them to maintain stable child care and stable transportation.<sup>10</sup> 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,<sup>11</sup> 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 Child Benefit Protection Act Preserves Resources for Children Receiving TANF**

The Child Benefit Protection Act recognizes the fundamental importance of TANF for the District's poorest children and does two very important things to ensure that parents and caregivers can meet their needs. First, the bill eliminates the 60-month lifetime limit on benefits, ensuring that families, including those who face significant barriers to stable employment, will have TANF available to them when they need it.<sup>12</sup> Second, the bill 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%.<sup>13</sup> The family will receive both portions of the benefit as a single monthly payment, but while the parent portion of the benefit is conditioned on parents' participation in TANF-related programming and can be sanctioned for parents' non-compliance with their Individual Responsibility Plan, the child enrichment grant is shielded from sanctions.<sup>14</sup> This ensures that, while parents will have an incentive (above and beyond the earning potential of stable employment) to comply with TANF program requirements, there is a consistent source of support available to meet the needs of children in the home.

The bill's removal of the time limit and restructuring of the benefit is intended to codify the final recommendation of the Mayor's TANF Extension Working Group, which the Administration convened in response to the looming TANF cliff. The working group brought together a range of stakeholders and experts, including DHS



staff, representatives from four Councilmembers' offices,<sup>15</sup> a range of advocacy organizations (including Children's Law Center) that work with children and families, TANF service providers, and District residents who themselves receive TANF.<sup>16</sup> 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. The working group ultimately arrived at a "preferred option" recommendation that eliminated the lifetime limit and included the 80/20 benefit split.<sup>17</sup> This recommendation received broad support from across the working group's membership.<sup>18</sup> The Child Benefit Protection Act directly reflects the working group's approach.

#### The Rationale for Ending the Time Limit and Protecting Children From Sanctions

In considering the appropriateness of the 60-month lifetime limit, the working group noted that 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,<sup>19</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. 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.<sup>20</sup> Long-term TANF recipients are often long-term recipients precisely because they face significant barriers to entering and competing in the job market.

The working group also recognized 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, 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.<sup>21</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>22</sup> 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.<sup>23</sup> 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.

These factors together point to the need to base decisions regarding exiting a family from TANF on that family's readiness for the transition rather than an arbitrary time limit that may leave a still-vulnerable family without needed support.

Regarding both the time limit and potential revisions to the District's TANF sanction policy, working group participants considered the need 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. As I noted above, removing a family from TANF is particularly damaging for children. For families receiving TANF, their children's expenses are simply non-negotiable – they cannot be avoided or put off and they do not decrease or disappear just because a family's benefit has been reduced. This knowledge led the working group to agree that there should be a baseline amount of TANF benefit going to a family – one that is reflective of the resources that are needed to meet the needs of a child.<sup>24</sup> Sanctions should never reach a level that cuts into the resources that children need and harms children in the home. Ultimately, the working group reached a preferred recommendation of an 80/20 child/parent split, preserving most of the benefit for the needs of children, while allowing the remainder to be subject to incentives and disincentives for parents.<sup>25</sup>

Overall, the bill reflects a broad consensus among a range of experts on the needs of children and families struggling with poverty. The result of careful and thoughtful

deliberation, it preserves competing priorities, including ensuring there is adequate time for parents to work through obstacles to employment, preserving a safety net for parents who enter the employment market, allowing DHS to continue to incentivize participation in TANF programming, and providing sanction protections to prevent TANF program policies from interfering with TANF's most important goal: ensuring that children's needs are met. I urge the Council to fully adopt the recommendations of the Mayor's working group by passing and fully funding this bill.

### **The Child Benefit Protection Act is Preferable to Current BSA Language**

In addition to convening the TANF Extension Working Group, 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.<sup>26</sup> Much like the Child Benefit Protection Act, 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.<sup>27</sup> We applaud the Mayor for including this language in the BSA, for agreeing that ending the TANF time limit is in the best interest of children and families, and for accepting the working group's recommendation of a "two-generation approach" to TANF benefits that is more protective of children. The Mayor's approach has similar goals to the bill before us today, and we are encouraged that, with respect to TANF policy, we are all largely moving the in the same direction.

However, it is important to note that, in a departure from the working group's preferred recommendation, the Mayor's proposal would expose up to 50% of a family's benefit to potential sanctions,<sup>28</sup> an appreciably higher percentage than the 20% favored by the working group. While we appreciate the Mayor's efforts, 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 greater variability in their monthly benefit, making it more difficult to plan for and meet the needs of children from month to month and eroding the stability of benefits that the two-generation approach was meant to create. As noted above, the expenses associated with meeting children's needs are significant, consistent, and largely inflexible. For this reason, it is important to prioritize certainty and stability in monthly benefits, even as a more limited sanctions policy gives DHS the opportunity to incentivize parental participation in programming. The working group's recommendation, and the bill that directly reflects it, strikes this balance, protecting the significant majority of the benefit from fluctuations while providing an opportunity for the use of incentives. For this reason, we urge the Council to adopt the Child Benefit Protection Act's approach and amend the BSA to reflect the bill's language.

## **The Council Should Amend the Bill to Protect Children From Termination**

While we enthusiastically support the Child Benefit Protection Act as a solution to the TANF cliff, we recommend that the Council make one amendment to the bill to address language in the current sanction regulations that we believe is inconsistent with the primary goal of the working group's preferred option.

The current sanction regulations set the "level 3 sanction" (the highest level of sanction a family can face) at 100% of a family's monthly benefit.<sup>29</sup> If a family does not successfully come out of level 3 sanction status within 12 months, DHS can take the step of terminating the family's TANF case.<sup>30</sup> Given that this termination clause currently only applies to families who are sanctioned at the 100% level, its presence in the current sanction regulations makes administrative sense – it effectively gives DHS the power to close out any case in which it has not paid out a benefit in a year or longer. However, when the working group formulated and approved the preferred option, it reconsidered all current sanction levels and recommended the elimination of the 100% sanction, replacing it with a more limited sanction applied to the parent's portion of a family's TANF benefit.<sup>31</sup>

In light of the removal of the 100% level 3 sanction, we recommend that the Child Benefit Protection Act be amended to also remove the termination clause from the sanction regulations. If the Council adopts the working group's preferred option, DHS will not have open TANF benefit cases in which it is paying no benefits, making the

power to close cases in which it is not making payments unnecessary. Leaving the termination clause in place would result in a consequence that the working group specifically sought to avoid: that a family could lose all of its benefit, even the portion of the benefit intended to support children. Removing the termination clause would bring the bill into closer alignment with the working group's vision.

## **Conclusion**

The TANF Child Benefit Protection Act provides us with an important opportunity to resolve a looming problem facing District children who live in poverty. I urge the Council to seize this opportunity by adopting the bill's approach and language and passing it as part of the Budget Support Act. 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> 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.

<sup>3</sup> *Id.*

<sup>4</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.

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<sup>5</sup> Linda Burnham, *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.meip.org/sites/default/files/TANF-Study-SButler-Feb2013.pdf>.

<sup>6</sup> *The Effect of Family Income on Risk of Child Maltreatment*, available at:

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

<sup>7</sup> *Review of Research on TANF Sanctions, Report to Washington State WorkFirst SubCabinet*.

<sup>8</sup> Poppe and Associates, pp. at p. 11, 83.

<sup>9</sup> *Id.*, at pp. 26-27.

<sup>10</sup> *Id.*

<sup>11</sup> *Id.*, at p. 28.

<sup>12</sup> Bill 22-0227, “TANF Child Benefit Protection Act of 2017,” § 2(a)-(b).

<sup>13</sup> *Id.*, at § 2(b).

<sup>14</sup> *Id.*, at § 3.

<sup>15</sup> The offices of Councilmember Nadeau, Councilmember Alexander, Councilmember Grosso, and Councilmember Silverman were represented on the working group. Poppe and Associates, p. 3.

<sup>16</sup> See, *Id.*, for a full roster of TANF Extension Working Group participants.

<sup>17</sup> A summary of the working group’s preferred option can be found at Poppe and Associates, pp. 31-32.

<sup>18</sup> *Id.*

<sup>19</sup> Poppe and Associates, pp. 23-24.

<sup>20</sup> Poppe and Associates, p. 84.

<sup>21</sup> *Id.*, at p.25-26.

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

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

<sup>24</sup> 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.”

<sup>25</sup> *Id.*

<sup>26</sup> Bill 22-0244, “Fiscal Year 2018 Budget Support Act of 2017,” Title V, Subtitle A (“Temporary Assistance for Needy Families Amendment”).

<sup>27</sup> *Id.*, at § 5002.

<sup>28</sup> *Id.*

<sup>29</sup> 29 DCMR § 5812.8(c).

<sup>30</sup> *Id.*

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