



**TESTIMONY OF KATE COVENTRY, POLICY ANALYST
DC FISCAL POLICY INSTITUTE
Public Hearing and Oversight Roundtable on B21-515,
The “District of Columbia Public Assistance Amendment Act of 2015” and
“Recommendations for Development of a TANF Hardship Extension Policy
for Washington, D.C.”
District of Columbia Committee on Health and Human Services
October 27, 2016**

Chairwoman Alexander and other members of the committee, thank you for the opportunity to testify today. My name is Kate Coventry, and I am a Policy Analyst at the DC Fiscal Policy Institute. DCFPI promotes budget and policy choices to expand economic opportunity for DC residents and reduce income inequality in the District of Columbia, through independent research and policy recommendations.

I am here today to strongly support the main recommendation, called the “Preferred Option,” made by the Department of Human Services (DHS) Temporary Assistance for Needy Families (TANF) Working Group to Inform a TANF Hardship Extension Policy for the District of Columbia. This recommendation ensures that children are protected and gives DHS the tools needed to help parents engage in activities designed to improve the family’s economic situation. DCFPI urges the Mayor and Council will work together to find the needed funding in the fiscal year (FY) 2018 budget to implement this recommendation.

The Working Group’s “Preferred Option” divides a family’s TANF grant into 2 parts:

- **Child Enrichment Portion:** Most of a family’s TANF grant would be designated as child enrichment, designed to meet the needs of the children in the family. This portion would not be subject to time limits and thus could never be cut.
- **Parent Portion:** The remainder of a family’s grant would be the parent’s portion. This portion would also not be subject to time limits but could be cut if the parent is not complying with their Individual Responsibility Plan (IRP), the Plan that outlines the activities the parent is required to complete to continue to receive the Parent Portion.

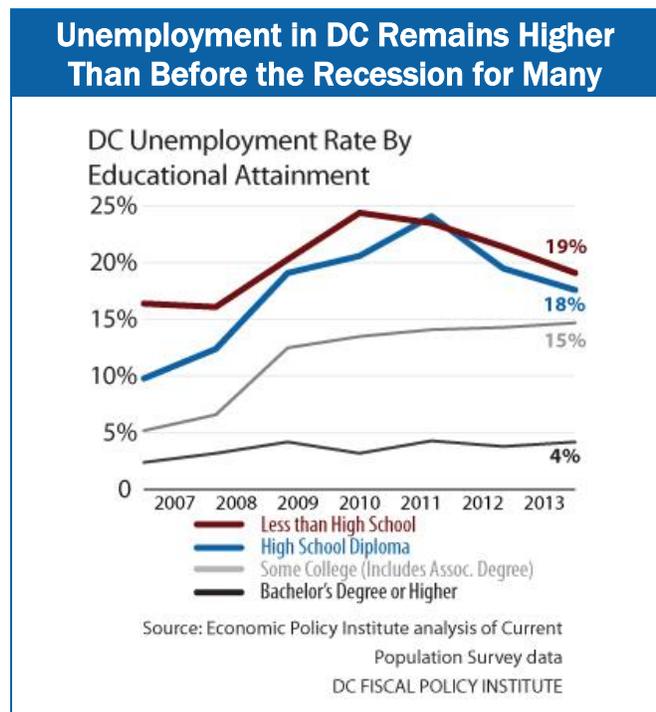
Getting DC’s TANF time limit right is the most critical issue affecting the well-being of low-income children in DCFPI’s 15 year history. We know from other states that strict time limits often push vulnerable families deeper into poverty, with devastating consequences for children. We also know that policies that help stabilize the incomes of low-income families have long-lasting positive effects on a child’s ability to succeed in school, get a high school or college degree, and find work as an adult. The “Preferred Option” addresses these concerns, ensuring that vulnerable families always have some cash assistance to meet their children’s needs.

DC's time limit is one of the strictest in the nation, cutting off all families who reach the time limit, regardless of their circumstances, with no chance to ever receive assistance again. In contrast, 44 states offer extensions to give parents more time to deal with issues like domestic violence or caring for a family member with a disability. And six states go further to protect families. New York has a separate state cash assistance program that continues to provide benefits to families after the time limit. California, Indiana, and Oregon allow children to continue to receive benefits but remove the parent from the TANF. Vermont and Maryland allow families participating in work activities to continue to receive benefits past the time limits, and in practice almost all families have continued to receive assistance.

The District's rigid time limit is of concern because a large body of research confirms that families reaching time limits often have substantial problems, including high rates of mental illness, domestic violence, and disabilities. Research from other states finds that the vast majority of families cut off TANF are not able to replace lost benefits with employment income, leaving many to lead chaotic and unstable lives. This leads to increases in homelessness and child neglect as families cannot meet their children's most basic needs. Current economic conditions in the District make it likely these effects will be even harder for DC families.

- Most do not secure steady employment:** A Maryland Study found that families who left TANF because of time limits work in fewer quarters in the year after leaving TANF than other TANF leavers do.¹ In Washington, only 45 percent were working three years after their case closed due to a time limit.²

The District has recovered from the recession, but wage and job growth have been very uneven. Low-wage workers have seen their wages fall, and workers with less than a college degree face unemployment rates that are far higher than they were in 2007. [About 18 percent of residents with a high school diploma are unemployed, compared with 10 percent in 2007 before start of the recession.](#)³ The vast majority of parents who leave TANF for employment earn less than DC's living wage.



¹ Hetling, Andrea, Kathryn Patterson, and Catherine Born (2006). *The TANF Time Limit: Comparing Long-Term and Other Welfare Leavers*, Family Welfare Research and Training Group, University of Maryland.

² Patton, Deleena, Melissa Ford Shah, Barbara E.M. Felver, Kathryn Beall (2015). *TANF Caseload Decline: The Well-Being of Parents and Children Leaving WorkFirst in Washington State*, Report to the DSHS Economic Services Administration, Office of the Assistant Secretary and the Community Services Division. <https://www.dshs.wa.gov/node/10898/>

³ Left Behind: DC's Economic Recovery is Not Reaching All Residents. Ed Lazere and Marco Guzman. DCFPI. January 2015. <http://www.dcfpi.org/left-behind-dcs-economic-recovery-is-not-reaching-all-residents>

- **Many experience housing instability or homelessness:** A Maine study found that 1 in 5 families reported being evicted; having to relocate, often to overcrowded living conditions; or needing to go to a homeless shelter.⁴ Washington State found that families who left due to time limits had the highest rates of homelessness – 20 percent were homeless at the end of the three-year follow-up; this was a full six percentage points higher than families who were on TANF for more than a year but left on their own.⁵

The District lost half of its low-cost apartments from 2002 to 2013. The number of apartments renting for less than \$800 per month fell from 60,000 to 33,000.⁶ This has led to huge increases in family homelessness. The vast majority of families on TANF do not receive housing subsidies. Most are “doubled up,” staying with family or friends who are likely to be doing only slightly better economically than the TANF family is. The loss of benefits would likely mean that the TANF family would have no income to contribute to the joint household, while still adding to the household’s expenses. The host family may no longer be able to host the TANF family, putting them at risk for becoming homeless.

- **Parents struggle to keep their families together:** When parents are cut off of TANF without a secure job, their children are more likely to be abused or neglected and end up in foster care.⁷
- **Child development is threatened:** When TANF benefits are cut off from mothers of preschoolers, their children are three times more likely to have serious behavior problems than other young children.⁸ Children are also more likely to repeat a grade and less likely to be engaged by their parents in important learning activities like reading when they are subject to strict TANF

Additionally, a large and growing body of research finds that family economic stability – or the lack thereof – has lasting impacts on a child’s ability to succeed in school and in later life. The challenges poor parents face in creating a positive environment for their children – like inadequate access to healthy food or unstable and unhealthy housing – can lead to toxic levels of stress and adversely affect both physical and cognitive development, including brain development in young children. Low-income children enter school well behind other children and then perform more poorly. They complete fewer years of education, and then work less and earn less as adults than others.

⁴ Butler, Sandra (2013). Time Limits and Maine Families: Consequences of Withdrawing the Safety Net. University of Maine. <http://www.mejp.org/sites/default/files/TANF-Study-SButler-Feb2013.pdf>

⁵ Patton, Deleena, Melissa Ford Shah, Barbara E.M. Felver, Kathryn Beall (2015).

⁶ Rivers, Wes. (2015) DC Fiscal Policy Institute, *Going, Going, Gone: DC’s Vanishing Affordable Housing*. <http://www.dcfpi.org/wp-content/uploads/2015/03/Going-Going-Gone-Rent-Burden-Final-3-6-15format-v2-3-10-15.pdf>

⁷ Nam, Y., Meezan, W., & Danziger, S. (2006). Welfare recipient’s involvement with child protective services after welfare reform. *Child Abuse & Neglect*, 30(11), 1181-1199.

Shook Slack, K., Lee, B. J., & Berger, L. M. (2007). Do welfare sanctions increase child protection system involvement? A cautious answer. *Social Service Review*, 81(2), 207-228.

Beimers, D., & Coulton, C. J. (2011). Do employment and type of exit influence child maltreatment among families leaving Temporary Assistance for Needy Families? *Children and Youth Services Review*, 33, 1112-1119.

⁸ Lohman, B. J., Pittman, L. D., Coley, R. L., & Chase-Lansdale, P. L. (2004). Welfare history, sanctions, and developmental outcomes among low-income children and youth. *Social Service Review*, 78(1), 41-73.

That may sound depressing and hopeless. But it shouldn't. Because research also shows that increasing a family's income, even by a small amount, can make a big difference on a range of outcomes for poor children, including test scores, school attendance, high school graduation, college enrollment, and future employment.

The "Preferred Option" will increase a family's cash benefits while also including provisions to ensure that parents are engaging in services that will improve their family's economic situation. The Working Group also made concrete suggestions for improving the services provided.

DCFPI would like to conclude by thanking DHS for convening the Working Group, for its creative thinking during the Working Group process, and for allowing DCFPI to be a member.

Thank you for the opportunity to testify, and I am happy to take any questions.