

**TESTIMONY OF ED LAZERE, EXECUTIVE DIRECTOR
At the Public Roundtable
On the District of Columbia's TANF Program
District of Columbia Committee on Human Services
January 7, 2013**

Chairman Graham and other members of the committee, thank you for the opportunity to testify today. My name is Ed Lazere, and I am the executive director of the DC Fiscal Policy Institute. DCFPI engages in research and public education on the fiscal and economic health of the District of Columbia, with a particular emphasis on policies that affect low- and moderate-income residents.

An effective TANF program should accomplish several goals. It should provide a financial safety net to families with children when facing temporary unemployment and to those with more serious barriers to employment. An effective TANF program also will identify the challenges facing families and direct families to services to address those challenges. And an effective TANF program provides employment services to parents that are able to work.

DC's TANF program — and any state's TANF program — should be measured against these broad goals of protecting families with children while also helping parents become stronger and more financially self-sufficient.

The District's Department of Human Services has undertaken an impressive effort in recent years to re-design its TANF program. As we have noted on many occasions, the re-designed TANF program includes in-depth analysis of each family's strength and weaknesses and customized services tailored to each family's needs. Early results from the new TANF program are promising.

I am happy to have a chance to speak more about the strengths and of DC's new TANF program, and also to highlight areas where we believe further improvement is needed. In particular, efforts are needed to fully fund employment services so that all families who are ready can engage in work preparation activities. Beyond that, the DC Fiscal Policy Institute supports the following steps: an increase in DC's basic TANF cash benefit and implementation of time limit exemptions and extensions for families in certain circumstances. Finally, DCFPI is concerned with the proposed TANF sanctions policy that would terminate benefits entirely for some families that fail to comply with work requirements.

Strengths of the Re-Designed TANF Program

The District's re-designed TANF approach represents a major departure from the prior "one size fits all" approach that assigned all families to the same work preparation activities regardless of their needs. The re-designed program starts with a robust assessment of each family's strengths and

challenges, which is critical to providing services that will meet a family's needs. Parents are then placed either in work preparation activities or in "barrier remediation" activities.. These activities are intended to meet a family's needs and not necessarily to meet the federal work participation requirements.

And this re-design has shown promising results. An early pilot of the program resulted in tremendous increases in the number of parents engaged in work preparation activities, which suggests that TANF families will take steps to improve their conditions when the rules are clear and the services offered are meaningful.

DCFPI encourages the Mayor and Council to provide the resources needed to implement the re-design fully, including adequate staff for client assessment and adequate capacity at employment services providers to meet the full demand.

Full-Family TANF Sanctions Are out of Sync with the Rest of DC's TANF Program

The DC Council adopted legislation in 2010 requiring the Department of Human Services to adopt a new policy on TANF sanctions — the financial penalties imposed on families when parents fail to comply with program requirements — including graduated sanctions that would increase in instances of extended or repeated non-compliance. DHS has proposed a sanctions policy that is now before the DC Council, including a full-family sanctions provision. DCFPI believes that the proposed policy is thoughtful, reflects concerns that have been raised by the committee and by advocates, and includes important protections for families. Yet we are concerned about the possible adoption of full-family sanctions, given research showing that such sanctions often hurt vulnerable families without improving employment outcomes for TANF recipients.

The research on TANF work requirements suggest that sanctions do encourage participation in work activities, but a 2006 comprehensive review concluded that there is no evidence that full-family sanctions are more effective than partial sanctions. The Department of Human Services acknowledges that full-family sanctions tend to fall on very vulnerable families and increase the risk of hardship for these families. If that is the case, and if full-family sanctions do not result in better compliance with work requirements, then it does not make sense to implement such sanctions in the District.

DHS argues that states with full family sanctions have higher work participation rates, but there are two key flaws with this. First, it is not clear that any jurisdiction's federal work participation is a good measure of whether families are preparing for work. The work activities that are countable under federal law are designed for a "work first" approach that pushes families into the labor force as quickly as possible rather than focusing on developing job skills. The District's TANF re-design acknowledges that federal work participation should not be the only goal and that instead families should be placed in activities that help meet their needs — whether or not they meet one of the allowable federal activities.

Second, a jurisdiction's TANF work participation rate is affected heavily by whether its policies restrict access to TANF. States with policies that greatly reduce their caseloads, including full-family sanctions, often have high work participation rates because their TANF caseload is small and non-

compliant families are terminated. The work participation rate thus doesn't indicate how well a state is doing in preparing low-income families for work.

In fact, several states with partial sanctions do a much better job of providing work preparation services, when their TANF work participation is compared with the full universe of unemployed single-parent families.

This suggests that partial sanctions, by keeping families on TANF, allows the state to work with families toward employment. States with full-family sanctions have lower caseloads but lose the opportunity to work with families. Given DC's stated interest in meeting families where they are with customized services, it would appear that a partial sanctions approach — one with steep enough penalties to get families to notice — would be more in line with the TANF re-design than a full-family sanctions policy.

It also is worth noting that the proposed DC sanctions policy would set a minimum 3-month duration of the penalty and require families to re-apply for assistance. This means that families who may be ready to re-engage would not be allowed to do so, and that families could lose supports like child care that would enable them to re-engage with work activities. This does not make sense.

Thank you for the opportunity to testify.