TESTIMONY OF KATE COVENTRY, POLICY ANALYST
At the Public Hearing on
Human Services Agency Performance: Department of Human Services
District of Columbia Committee on Health and Human Services
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Chairwoman Alexander and members of the committee, thank you for the opportunity to testify today. My name is Kate Coventry, and I am a policy analyst with 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 how policies impact low-and-moderate income families.

I am here today to testify on the upcoming Temporary Assistance to Needy Families (TANF) cliff, when more than 6,000 families with 13,000 children will lose income and employment assistance in October 2015. The District has taken important steps in recent years to strengthen TANF, with improved employment services and exemptions to stop the 60-month clock for families in circumstances that make looking for work difficult. But DC's time limit policy still has problems that raise questions of fairness and could put children at risk of hardship. DCFPI recommends that the District delay cutting families off from assistance for one year to allow for the development of a plan to better serve the District's most vulnerable families.

The District's time limit was retroactive even though families had received inadequate services. The District's time limit applied to anyone who had been on aid for 60 months at the time of enactment. Yet most families had not had access to the services needed to address their barriers. Prior to a redesign of DC's TANF program in 2010, focus groups with TANF parents revealed that service providers discouraged them from getting mental health, substance abuse, and domestic violence services.[1] Families also reported that they were not informed about training and educational opportunities that could have led to more secure and better paying jobs. Despite widespread agreement that services were low quality, these months have counted towards a family's 60-month time clock.

The District undertook a major effort to re-design TANF employment services starting in 2010. These reforms have resulted in a system that provides better assessment of family needs and then provides more customized employment preparation services. Yet given the complexity of the changes, the new system was only fully rolled out in the last two years. This means that most families who have received more than 60 months of TANF assistance have not received high-quality employment services for most of their time on TANF. In Maryland, the time clock does not run

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[1] *Voices for Change: Perspectives on Strengthening Welfare-to-Work From DC TANF Recipients* by Katie Kerstetter and Joni Podschun. DCFPI and So Others Might Eat (SOME). www.dcfpi.org/wp-content/uploads/2009/11/11-12-09TANFreport.pdf

when families do not receive supportive services. Even today, DC families wait and average of 10 to 11 months before there is an open employment services slot.

Families reaching time limits are dealing with bigger issues than other TANF families. Research from other states finds that families reaching time limits are far more likely than other TANF recipients to face serious barriers to employment, such as physical and mental health problems, low cognitive functioning, and low levels of education.[2] These families already receive very low benefits, just $152 for a family of three, and yet most have not replaced lost TANF income with earnings, suggesting they face significant barriers to work. These families need extra time to address these barriers so they can find and keep employment.

Cutting these families off of TANF is also unfair because it punishes families who are doing all they can to get a job. The time limit will cut families off even when parents are fully complying with job preparation requirements but cannot find a job. 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. Many parents timing off of TANF are doing everything they can but simply cannot find a job or secure enough hours at work to make ends meet.

Without benefits, many families will fall into deeper poverty. 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.[3]

Poverty affects children negatively in ways that make it harder to succeed in school and in later life. Poor children are more likely than other children to experience "toxic stress" that disrupts brain development.[4] They are more likely to suffer from health problems like asthma, developmental delays, and learning disabilities. And they are more likely to have mental health and behavioral problems that make it difficult to succeed in school. Poor children are more likely to drop out of high school and become teen parents. These effects last into adulthood, meaning poor children are much more likely to become poor adults.[5]

A loss of benefits also would greatly diminish a family's ability to make progress toward employment or toward addressing other barriers. Parents would not be able to focus on the activities that could help them get employment because they would be struggling each day to meet

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[2] Pavetti, LaDonna and Jacqueline Kauff (2006). When Five Years Is Not Enough: Identifying and Addressing the Needs of Families Nearing the TANF Time Limit in Ramsey County, Minnesota. Mathematica Policy Research, Inc. http://www.mathematica-mpr.com/publications/PDFs/timelimitramsey.pdf
Seefeldt, Kristen and Sean Orzol (2005). Watching the Clock Tick: Factors Associated with TANF Accumulation. National Poverty Center Working Paper Series. http://www.npc.umich.edu/publications/workingpaper04/paper9/04-09.pdf
[3] Scarpace, Ramona, Karen Jung, and Leslie Crichton (2003). The Welfare Time Limit in Minnesota: A survey of families who lost MFIP eligibility as a result of the five-year time limit. Minnesota DHS.
[4] The Long Reach of Early Childhood Poverty: Pathways and Impacts: Q&As with Drs. Greg Duncan, Katherine Magnuson, Tom Boyce and Jack Shonkoff. *developingchild.harvard.edu/index.php/download_file/-/view/623/*
[5] *The Foreseeable Harm from Governor Brown's Proposal to Reduce CalWorks Grants for Children* by Michael Herald and Jessica Bartholow. March 2011.

their family's most basic needs. It would be difficult for parents to even pay for the bus fare to get to these activities.

DCFPI recommends that the District delay the TANF cliff to allow for the development over the next year of a plan to better serve the District's most vulnerable families. Some 44 states – but not DC – offer time limit extensions recognizing that some families need more time to move to self-sufficiency. Many states offer intensive services as families reach time limits, and some use specialized assessments and services to help parents find and retain employment. These jurisdictions recognize that parents who remain on TANF for long periods often suffer from significant mental health challenges and/or developmental disabilities that are difficult to identify through traditional assessments and case management. Without such steps, thousands of families are likely to fall into deep poverty, with negative impacts on homelessness, school success, and family health and well-being.

Thank you for the opportunity to testify, and I'm happy to answer any questions.