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CENTER FOR LAW AND SOCIAL POLICY

TESTIMONY OF ELIZABETH LOWER-BASCH,
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**At the Public Hearing on the FY 2009 and FY 2010 Budget Gap Closing Strategies
Council of the District of Columbia
July 24, 2009**

Good morning, Chairman Gray, and members of the Council. Thank you for the opportunity to speak today. My name is Elizabeth Lower-Basch, and I am a Senior Policy Analyst with the Center for Law and Social Policy, or CLASP. CLASP is a national organization that advocates for policies and programs that work for low-income people.

I am here today to oppose the Mayor's budget proposal to give the Department of Human Service the authority to impose greater grant reductions on families receiving assistance who are not fully meeting work participation requirements. This proposal would save the city an estimated \$6 million, but at the cost of greater hardships for some of the most vulnerable children and families in the District of Columbia.

Both at CLASP and in my previous position with the planning and evaluation office at the U.S. Department of Health and Human Services, I have closely followed the research literature on the Temporary Assistance for Needy Families, or TANF, program. This is what the research tells us about sanctions for failure to meet work requirements:

- There is no evidence that recipients are more likely to come into compliance when faced with a full-family sanction than when only the adult's portion of the benefit is eliminated, which is the sanction the District currently imposes.
- Multiple studies confirm that sanctioned families often have personal or logistical barriers that make it more difficult for them to comply with participation requirements, such as low levels of education, physical or mental disabilities, chronically ill children, experience with domestic violence, or lack of access to transportation.ⁱ
- Children in sanctioned families are particularly vulnerable. Sanctions push families into deep poverty, and increase the likelihood of hardships such as food insecurity and utility shut-offs. Sanctions may also affect children by increasing parental stress levels.ⁱⁱ

It is also likely that the effects of sanctions will be worse during a period of high unemployment, as we are now facing. When jobs are plentiful, some sanctioned recipients will be able to find

jobs on their own. Others will get by with assistance from friends and family. However, when everyone is having trouble making ends meet, such informal assistance is less readily available.

If the goal of this proposal is truly to increase participation in work activities, it does not make sense to rush through a policy change in a matter of weeks. There are other ways to improve engagement of recipients, including improving assessments that could identify the barriers that prevent recipients from participating. In addition, the work activities offered need to be rethought for the new economic environment. In the last three months, the overall unemployment rate for DC reached 10.5 percent; for African-Americans, it climbed to 16.8 percent.ⁱⁱⁱ In this context, it seems a cruel joke to assign recipients to work activities that all too often offer little more than access to phones and the increasingly thin help wanted section of the newspaper. The District should consider offering subsidized jobs to recipients, including transitional jobs which combine real work with supportive services and skills development activities.

Finally, it appears that the proposed budget does not take full advantage of the TANF Emergency Fund created by the American Recovery and Reinvestment Act. While the budget does anticipate receiving some funds from this program, if fully utilized, the Emergency Fund could provide the District with up to \$46 million over FYs 2009 and 2010. I urge the District to explore this funding opportunity rather than reduce benefits to families.

Thank you for your time and attention.

ⁱ Donna Pavetti, *Review of Sanction Policies and Research Studies: Final Literature Review*, Mathematica Policy Research, March 2003. Andrew Cherlin et al, *Sanctions and Case Closings for Noncompliance: Who is Affected and Why*, Policy Brief 01-1, Johns Hopkins University, February 2001. Yeheskel Hasenfeld et al, "The Logic of Sanctioning Welfare Recipients: An Empirical Assessment," *Social Service Review*, June 2004;

ⁱⁱ Pavetti, 2003; Ariel Kalil et al. "Sanctions and Material Hardship under TANF," *Social Service Review*, December 2004. Deborah A. Frank, Testimony before the House Committee on Ways and Means, February 10, 2005.

ⁱⁱⁱ Algernon Austin, *Unequal Unemployment: Racial disparities by state will worsen in 2010*, Economic Policy Institute Issue Brief #257, July 21, 2009.