
**Testimony of Ife Floyd, Center on Budget and Policy Priorities,
before the Connecticut Human Services Committee in Support of HB 6635
March 25, 2021**

The Center on Budget and Policy Priorities (CBPP) is a nonpartisan research and policy institute. CBPP pursues federal and state policies designed to reduce both poverty and disparity, to promote opportunity, and to achieve fiscal responsibility in equitable and effective ways. The Family Income Support Team at CBPP has deep Temporary Assistance to Needy Families (TANF) expertise and follows TANF policy and research related to families with very low-income at a national level. Among the areas that we have followed closely are state TANF policies including the impact of time limits and family caps on TANF families and the effect of receipt of – or loss of – cash income on the well-being of children.

Many of the changes proposed in this bill are long overdue. Connecticut's TANF program, Temporary Family Assistance (TFA), provides a weak support for families most in need of assistance. Between 1996 and 2020, the average monthly caseload dropped from more than 57,000 to nearly 9,000, a decline of 84 percent.¹ However, that dramatic reduction in the caseload did not align with trends in the number of families with children living in poverty in the state. In 1996 the number of families receiving cash aid for every 100 families in poverty was 82. In 2019, the most recent year we have all available data, that ratio was 27.² These trends were due in part to the policies this bill seeks to change. Research is now clear that providing more income supports to children in poverty, especially in their early years, improves their prospects. The rest of this testimony addresses some of the key provisions in the bill and discusses their collective significance in promoting child well-being. While some of the provisions in the bill will do a lot to expand access and increase benefits, Connecticut lawmakers should consider further improvements to bolster support for families with children.

Time limits

Extending Connecticut's time limit to 60 months gives families more time to stabilize their lives when they fall into crisis. Currently, the state's time limit policy is an outlier in the region and the rest of the country. Furthermore, while most families do not stay on the program for 60 months,

¹ CBPP analysis of Connecticut caseload data.

² For this analysis at the state level, CBPP uses two-year averages to improve the reliability of the data. A single year represents a two-year average. Here, 1996 represents an average of 1995 and 1996 data and 2019 represents an average of 2018 and 2019 data. See more in Laura Meyer and Ife Floyd, "Cash Assistance Should Reach Millions More Families to Lessen Hardship," Center on Budget and Policy Priorities, 2020, <https://www.cbpp.org/research/family-income-support/cash-assistance-should-reach-millions-more-families-to-lessen>.

there are some families who may need additional time and support and preserving family extensions currently in law is essential.

- *States' time limits policies:* Connecticut has the second shortest time limit in the country. Arizona is the only other state with a shorter time limit. More than half the states have time limits of 60 months including Maine, New Hampshire, New Jersey, New York, and Vermont. Like Connecticut, other jurisdictions have been reconsidering their time limit policies in recent years. Most notably, the District of Columbia eliminated its time limit in 2017. Rhode Island eliminated the state's interim time limit in 2019, and California lawmakers passed legislation last year to end their two-tier time limit and re-extend the limit back to 60 months. The Arizona and Georgia legislatures are now considering bills to extend their time limits to 60 months.
- *Preserving family extensions:* While the proposal to increase the time limit is one that will expand access for many families, it should not come at the expense of family extensions to the time limit.³ Nationally, most families do not use TANF benefits for 60 months. However, the ones that do typically have significant barriers to employment. Numerous studies found many families reaching the 60-month time limit are far more likely than other TANF recipients to experience employment barriers such as physical and mental health problems, suffer from substance abuse disorder, and to have lower levels of cognitive functioning and education.⁴ Under federal rules, states can extend time limits of up to 20 percent of their caseload based on hardship or domestic violence. Without extensions, this proposal seems to be more restrictive than what the federal law allows. Providing extensions to the time limit can help families with significant challenges maintain some stability.

Family Cap

Ending the state's family cap is a positive change for the affected families. It means they will no longer be denied additional resources that can be used to buy things like diapers and wipes for their new baby. Many states have ended their family cap policies as evidence shows no effect on birth rates and lawmakers move away from the racist history behind these policies.

- *Connecticut is part of a narrowing group of states that still have a family cap policy:* There are only 12 states that have a family cap policy. With the repeal of Massachusetts's policy in 2019, Connecticut is the only New England state with a family cap. New Jersey, Virginia, and California are some of

³ The federal time clock does not run when no there is no adult on the TANF case.

⁴ DeMaster, Dana. (2008). "At the Limit: December 2006 Minnesota Family Investment Program (MFIP) Cases that Reached the 60 Month Time Limit." Minnesota Department of Human Services.

<https://edocs.dhs.state.mn.us/lfs/legacy/legacy/DHS-5092B-ENG>

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. <https://www.mathematica-mpr.com/our-publications-and-findings/publications/when-five-years-is-not-enough-identifying-and-addressing-the-needs-of-families-nearing-the-tanf-time-limit-in-ramsey-county-minnesota>

Kristen Seefeldt 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>.

the most recent states to repeal their family cap laws.

- *No evidence that family caps discourage births:* When family cap policies gained popularity in the 1990s, policymakers argued they would discourage cash assistance families from having children outside of marriage.⁵ This is based on the faulty assumption that parents decide to have a child for a nominal increase benefits; research indicates they have no effect on birth rates among cash assistance families.⁶
- *Linked to a racist history:* Family cap policies extend a legacy of reproductive control and punishment that targeted Black women in cash assistance programs. Many states sought to restrict access to Aid to Families with Dependent Children (AFDC), TANF's predecessor, for women who had a child outside of marriage. The most punitive of these "suitable home" policies were in the South, where most Black people lived, and often targeted Black families. The head of Georgia's Department of Public Welfare, for example, said in 1951 that the state's proposal to limit cash aid to unmarried mothers who had a child while on the program would save the state money "mainly by limiting aid to children of unwed Negro mothers." (Georgia backed off this proposal due to federal opposition but enacted another law in 1952 that denied aid to unwed mothers while getting around federal rules. Georgia adopted a family cap in 1993.) Some states sought even more drastic measures to control Black women's reproductive decisions, such as criminal punishment or sterilization for women receiving or seeking AFDC who had "illegitimate" children.⁷

Pro-rated benefit increase in the absence of a full cost-of-living adjustment

The proposal to help ensure benefits continually increase even if a full COLA is not applied is a step in the right direction, but there is room for the state to do more for families with the lowest income or no income. CBPP's perspective is that the full COLA should be guaranteed each year. The value of the state's benefit level has declined significantly over the past two decades. An annual COLA would guard against the erosion of the benefit. Lawmakers should also consider a future grant increase beyond the COLA as the state's highest regional benefit level of \$698 for a family of three is only about 39 percent of the federal poverty line. Without an additional boost, applying a COLA would not lift the benefit level above its current poverty level.

- *Loss of inflation-adjusted value:* Because the state has not consistently applied a COLA or other increases to the TANF benefit, the purchasing power of the family grant has declined. Connecticut's benefit level has lost about 34 percent of its inflation-adjusted value since 1996.
- *Other nearby states have higher benefits than Connecticut:* Maryland's benefit is \$727 for a family of three and New York's is \$789. New Hampshire has the highest benefit in the country at \$1086 for a family of three. It is tied to 60 percent of the poverty line, so it is protected from loss of

⁵ Dorothy Roberts, *Killing the Black Body: Race, Reproduction, and the Meaning of Liberty*, Vintage Books, 1997.

⁶ Patricia Donovan, "Does the Family Cap Influence Birthrates? Two New Studies Say 'No'" Guttmacher Institute, <https://www.guttmacher.org/sites/default/files/pdfs/pubs/tgr/01/1/gr010110.pdf>.

⁷ Ife Floyd, "States Should Follow New Jersey: Repeal Racist 'Family Cap,'" Center on Budget and Policy Priorities, 2020, <https://www.cbpp.org/blog/states-should-follow-new-jersey-repeal-racist-family-cap>.

inflation-adjusted value. Elsewhere in the country, California is set to be the second state to increase and tie benefits to at least half of the poverty line, or \$915 for a family of three.

The importance of income stability on children

Research shows how income and stability are critical to families and, most importantly, children. The stress from instability and scarcity caused by short time limits can take their toll on children's bodies and minds. When families receive low cash benefits or are cut off from assistance before they are stable, they operate under increased scarcity of resources. Parents may have to face multiple crises after losing cash assistance draining the mental resources needed to solve new problems and plan for the long term. This can negatively impact parenting skills.⁸ When parents cannot shield their children emotionally from instability, the children may experience "toxic stress." This kind of stress can dramatically alter the development of a child's brain and lead to poorer physical health later in life.⁹

TANF has a role to play in the lives of children, particularly for those whose families have very low income or no income. The National Academies of Sciences' panel of experts on reducing child poverty noted the causal connection between raising the incomes of children growing up in poverty through economic support policies and higher birthweights, lower maternal stress, better childhood nutrition, and better academic outcomes. When families received additional income supports for their children, those children had better health and stronger earnings as adults, the NAS report also explained. By reducing future medical expenditures and other costs of poverty, these steps have broad benefits for the nation as a whole.¹⁰ Expanding access to TANF by extending time limits and raising benefits to families by ending family caps and pro-rated benefit increases to the family grant would help families meet their needs today and help support children's future outcomes.

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⁸ Allison Daminger, Jonathan Hayes, Anthony Barrows, and Josh Wright, "Poverty Interrupted: Applying Behavioral Science to the Context of Chronic Scarcity" 2015, ideas42, http://www.ideas42.org/wp-content/uploads/2015/05/I42_PovertyWhitePaper_Digital_FINAL-1.pdf

⁹ Arloc Sherman and Tazra Mitchell, "Economic Security Programs Help Low-Income Children Succeed Over Long Term, Many Studies Find," 2017, Center on Budget and Policy Priorities, <https://www.cbpp.org/research/poverty-and-inequality/economic-security-programs-help-low-income-children-succeed-over>.

¹⁰ National Academies of Sciences, Engineering, and Medicine, A Roadmap to Reducing Child Poverty, National Academies Press, 2019, <https://www.nap.edu/read/25246>.