



Human Services Committee, March 25, 2021

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Greater Hartford Legal Aid

HB 6635: Support with modification ; SB 1056: Support with modification

My name is Alison Weir, and I am a policy advocate and attorney with Greater Hartford Legal Aid. I am writing in support of HB 6635, An Act Concerning TANF and in support of SB 1056, an Act Expanding Access to Medical Assistance. Legal Services strongly supports these bills, but offers slight modifications to better achieve what we understand to be their intended purpose.

HB 6635, An Act Concerning TANF

This bill would dramatically improve the effectiveness of the Temporary Family Assistance cash assistance program in our state. Connecticut, despite having a reputation as a fairly progressive state, has among the stingiest cash assistance programs provided through the federal Temporary Assistance for Needy Family block grants in the country. We place extreme limits on how long people can access the program, we do not fund a cost of living adjustment that has been written into statute (and written out each year we do not fund it), and we penalize families for having an additional child while they are on the program by taking away funds just when they can make an enormous difference for the child and their family. Participation in TFA has decreased steadily since it was first reconfigured in 1996 as part of TANF and the Personal Responsibility and Work Opportunity Act, to the point that only 27% of Connecticut families in poverty participate in the program.¹ This bill alleviates many problems with the program as implemented in Connecticut, and brings us more in line with our peer states' implementation of TANF.

Expanding time available to participate in TFA

Connecticut allows families access to the TFA program for only 21 months, with the possibility of two 6 months extensions. Subsequent extensions—up to 60 months-- are possible, based on barriers to work, but are very rarely granted. Only Arizona, with a 12 month limit, allows less time. As we've seen in the two most recent economic down turns, the great recession and the current pandemic driven economic downturn, 21 months is often not enough time to recover from a job loss, particularly during a widespread recession or for people who experience significant barriers to employment. We had only just begun to recover from the Great Recession of 2008 when the pandemic struck.

In fact, relatively few people stay on the program for 21 months. Nationally, most (63%) participants are on TANF for one year or less; fewer than ten percent are on for three years or more. But the short time period serves as a discouragement to people who might otherwise apply for the program. Legal Services

clients have reported that case workers often discourage people from applying for TFA so they will have access to the program, to paraphrase the caseworkers, “when they really need it.”

The Governor appears to have recognized the effect of the time limits on allowing access to the program when he suspended the time limit as part of the public health emergency. For those who fear that extending the time period to the full 60 months allowed by federal law would result in a huge surge in people applying for the program, DSS data reveals that the pandemic suspension has resulted in no significant uptake in the program. Opening up the program will allow those who have been particularly adversely impacted by the pandemic the flexibility to receive support for long enough to get back on their feet.

Removing the Family Cap

Connecticut, along with 22 other states, implemented a family cap program in the 1990s. The idea was to discourage families from having additional children by penalizing families who did. Under Connecticut’s family cap, a family with a new child after entering the program receives only 50% of the additional funds that would otherwise be associated with another child, and the caregiving parent cannot benefit from the 12 month exception to the work requirement. In Hartford, for a family of two, the addition of a new baby would result in maximum benefit of only \$542, rather than standard maximum benefit of \$597 for three people.

These family cap programs have been shown to have no effect on child birth or abortions.ⁱⁱ Indeed, in 2001, the U.S. Government Accountability Office issued a report in which it stated: “GAO cannot conclude that family cap policies reduce the incidence of out-of-wedlock births, affect the number of abortions, or change the size of the welfare caseload.”ⁱⁱⁱ As a result, most states have abandoned them, including all northeastern states. Connecticut is one of only 12 states that still have a family cap.

The program is cruel and serves to punish the innocent infants by depriving them of the support of a full-time caregiver and cutting short funds at a time when additional money is most necessary. Young children are more likely to be poor than any other group. Forty percent of Connecticut infants are born under HUSKY A. Research has found that family income during early childhood is particularly critical to the healthy development of children and positive outcomes later in life; holding all else equal, a \$3000 annual income boost to a family with a young child (under 5 years old) and income level under \$25,000 is associated with a 17 percent increase in adult earnings when that child grows up.^{iv}

A new infant brings additional expenses: diapers, crib, clothes, food, and potentially child care. Cutting the funds available to address these expenses hurts the child and the entire family. It also saves the state relatively little money. According to DSS, approximately 600 children fall under the cap. The \$49 per month for each child is a pittance for the state, but can mean a month’s worth of diapers, formula, along with the other one-time expenses that accompany a newborn. Because the cap prevents the caregiving parent from using the 12 month work exemption for the parents of infants, those reduced funds would also have to cover childcare for the baby. Infant day care is generally much more expensive than child care for older children. Since the program does not actually prevent people from having more children, its continuation is purely punitive and cruel.

Using Lapsed Funds to Fund COLA

The bill also provides a mechanism to ensure that funds appropriated for TFA that have lapsed are used to fund the COLA for the next year, thus providing a mechanism apart from the governor's budget building process to fund the cost of living adjustment mandated by CGA § 17-104(b). This removes the issue of funding cost of living adjustment from the whim of the governor in power. Since the statute was implemented in 2007, it has been funded only two times. As a result, the buying power of the cash assistance has eroded substantially.

Work Exemptions

We point your attention to CGA §17b-688c and what we believe was an oversight in drafting. In Section 17b-112, with the removal of the 21 month limit, the bill drafter also removed the existing exemptions from that time limit identified in §17b-112(b). However, those same exemptions are referenced in the work exemptions in work program (§17b-688c), thus their removal eliminates all work exemptions. We would ask that the exemptions identified in §17b-112 be maintained in the statute. The exemptions include:

- (1) A family with a needy caretaker relative who is incapacitated;
- (2) a family with a needy caretaker relative who is needed in the home because of the incapacity of another member of the household;
- (3) a child-only family;
- (4) a family with a caretaker relative caring for a child who is under one year of age;
- (5) a family with a pregnant or postpartum caretaker relative whom a physician has indicated is unable to work;
- (6) a family with a caretaker relative determined by the commissioner to be unemployable; and
- (7) minor parents attending and satisfactorily completing high school or high school equivalency programs.

Those currently identified as exempt from the work requirement should remain so, even with the expanded time limit. Unfortunately the statute governing the Jobs First work requirement, §17b-688c, relies on a reference back to §17b-112 when identifying who is not exempt from the work requirements. By removing §17b-112(b) and the reference to the 21 month limit in §17b-688c, the bill removes the exemptions from the work requirements in §17b-688c. We recommend incorporating the exemptions enumerated in §17b-112(b) be maintained for reference in §17b-688c (b).

Exemption from Time Limit for Those Who cannot Work

Under current law, some of those who are exempt from the time limit can continue to receive benefits after 60 months if they have insurmountable barriers to work. The few who fall into this category are pursuing federal disability benefits. The post-60 month coverage provides an essential bridge during that process. This exemption should continue under the proposed extension of the time limit to 60 months. We recommend keeping the language on lines 308-309 of the bill addressing those exempt from the work requirement, but changing "twenty-one" to "sixty" referencing the time limit and keeping the reference back to §17-112(b) if the exemptions are not otherwise incorporated into §17b-688c.

SB 1056 An Act Expanding Access to Medical Assistance

We also support SB 1056, which would expand the income eligibility for adults under 65 covered under HUSKY A, HUSKY C, and HUSKY D. The income limits for these programs are quite low. For HUSKY A,

which covers parents as well as children, parents must have incomes of less than 160% of the federal poverty level (FPL), or \$2,928 per month for a family of three. For adults without dependents, in order to qualify for HUSKY D, they must have an income of less than 138% FPL, or \$1480.74 per month for a single adult. This means that adults working at minimum wage jobs could find that they'll effectively lose the additional income they earn when the minimum wage increases due to the increased cost of health care, even if they buy a plan on the AccessHealth CT exchange with subsidies. Raising the income limit to 200% FPL would do a great deal toward reducing the "benefits cliff" facing families currently on Medicaid and anticipating a much needed increase in the minimum wage.

For HUSKY C, which serves disabled adults, the income limits are even lower. In most of the state, the income limit is 82% FPL, or \$885 per month (about 93% in Fairfield County). Many people who receive federal SSI, SSDI, or veteran's benefits due to their disability and inability to work, qualify for HUSKY C only after they have "spent down" a good portion of that income on medical expenses so that their remaining income is less than the income limit plus a small income disregard. Raising the effective income limit would allow people to use more of those benefits toward living expenses, as they were intended, rather than medical expenses. We fully support the goal of this legislation, but as we studied the governing federal Medicaid law in preparation for today's hearing, we noticed that the state may be limited in how much it can raise the income limit directly. The federal statutes specify the maximum income limits for the aged, blind and disabled group (HUSKY C in CT) at 100% of the federal poverty level. 42 U.S.C. § 1396a(a)(10)(A)(ii)(X) and 42 U.S.C. § 1396a(m)(2). However, income disregards can be used under 42 U.S.C. § 1396a(r)(2) before that income limit is applied. Because the disregarded amounts at §1396a(r)(2) are not capped, we believe that the best route to get to 200% of the poverty level as the new income limit for this group (so as to mirror the new limits for HUSKY A and D) would be to raise the income disregard. We are happy to work with the committee to develop language to implement this, if including such language is deemed warranted.

Expanding HUSKY does far more than provide an affordable form health insurance. HUSKY medical coverage provides insurance coverages that are often not included in private plans, such as comprehensive dental and behavioral health coverage. Expanding HUSKY income limits not only covers the premiums, what some think of as the cost of health insurance, but eliminates the copays and deductibles that accompany most other health insurance. Expanding HUSKY to those with incomes under 200% of the federal poverty level will make comprehensive health care truly affordable to low income individuals and families.

Finally, we urge you to not limit the income expansion to individuals under 65. Individuals over 65 and on Medicare are in the same situation as individuals under 65 on Medicare at the same income limit, who will be benefitted by the increase in the income limit for HUSKY C to 200% of FPL. Over 65 individuals should not be left out in the cold relative to all other adults, continuing to be subject to the extraordinarily low income limit of 82%/93% of FPL currently applied to both elderly and disabled individuals under HUSKY C.

Thank you for the opportunity to testify.

ⁱ CBPP TANF Fact Sheet: CT, available at https://www.cbpp.org/sites/default/files/atoms/files/tanf_trends_ct.pdf

ⁱⁱ; see also Patricia Donovan, “Does the Family Cap Influence Birthrates? Two New Studies Say ‘No’”, The Guttmacher Report, Feb. 1, 1998. Available at <http://Guttmacher.org>

ⁱⁱⁱ Government Accountability Office, Welfare Reform: More Research Needed on TANF Family Cap and other Policies for Reducing Out-of-Wedlock Births, GAO-01-924, Oct. 1, 2001 available at <https://www.gao.gov/products/A01529>

^{iv} Elizabeth Lower-Basch and Stephanie Schmit, “TANF and the First Year of Life: Making a Difference at a Pivotal Moment,” The Center on Law and Social Policy, Oct. 2, 2015 available at