



# MAINE EQUAL JUSTICE

*Finding solutions to poverty and improving the lives of people with low income in Maine.*

## THE IMPACT OF “SANCTIONS” IN THE TEMPORARY ASSISTANCE FOR NEEDY FAMILIES PROGRAM (TANF)

### What is a sanction in the TANF Program?

TANF families that violate a program rule may be “sanctioned.” This means that the family will lose some or all of its monthly financial assistance. Some sanctions are “partial” meaning only the parent will lose their share of the assistance. Some sanctions are “full-family” meaning that the parent and the child(ren) would lose all aid.

### What is the TANF sanction process in Maine?

Currently Maine applies a partial sanction, which means that the children will continue to receive aid. The reduction equals the share of the grant intended for the adult in the household who is deemed out of compliance. A full-family sanction as proposed in the biennial budget would mean the entire family, including the children, would lose any and all income assistance.

### Why is a family sanctioned?

Case workers impose sanctions when they determine that a TANF participant has failed to comply with a program rule. For example, a case worker may impose a sanction if the worker has not received certain documentation from the participant by a set deadline or if the participant misses a scheduled appointment without “good cause” as determined by the caseworker.

### Are sanction decisions error-prone?

Case workers need to interpret and apply a large volume of rules, administrative policies and procedures when opening and managing TANF cases; they sometimes must do so for very large caseloads of clients with diverse characteristics, circumstances and needs. Given the complexity of rules and variability of clients, front-line workers necessarily exercise discretion in the application of rules, which means sanctions may be erroneously imposed on families.<sup>1</sup>

Unlike the federal rules in Food Stamps or in the AFDC program, which TANF replaced, the federal rules in TANF do not require that states establish a quality control system to measure errors in sanction applications and prompt corrective action when an error is incorrectly applied. This means that erroneous sanctions will go undetected.

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Sanction error studies have all found high error rates.

- Tennessee: The TANF agency found that 30% of sanctions in that state were imposed erroneously.<sup>2</sup>
- Wisconsin: About a third of sanctions administratively appealed to “Fact Finding” were reversed and about three-quarters of sanctions administratively appealed to “Departmental Review” were reversed.<sup>3</sup>
- Texas, Wisconsin and New York: An analysis of administrative appeals of sanction decisions found that sanctions were reversed in 52% of the Wisconsin appeals, 53% of the Tennessee appeals, 77% of the appeals in New York City, and 42% of the appeals in New York State exclusive of New York City.<sup>4</sup>

## Do full-family sanctions increase participation or improve employment outcomes?

Despite much debate on the issue, there is no definitive evidence on the relative effectiveness of full-family sanctions.<sup>5</sup>

- A review completed for the Brookings Institute concluded that higher sanction rates were not associated with higher participation rates. In addition, the review indicated that programs that do a good job of communicating expectations to recipients do not need to sanction as often.<sup>6</sup>
- During an interview conducted in 2003, a senior manager of one of the largest agencies in the state responsible for administering Wisconsin’s TANF program stated that his agency used its discretion to reduce sanction rates by more than half. He noted that the efficacy of this decision was confirmed in a conversation with the CEO of another large agency who reported that applying full sanctions failed to change behaviors and increased rates of homelessness and other crises making it more difficult to move women into employment.<sup>7</sup>

## What are the characteristics of families that are terminated from assistance as a result of full-family sanctions?

Families with significant barriers to employment are more likely than families without these barriers to lose assistance due to a full-family sanction.

- Families that are sanctioned are likely to be facing multiple barriers to employment simultaneously.<sup>8</sup>
- Multiple studies find those with physical and mental health problems, histories of domestic violence, lack of child care, or inadequate transportation are more likely to be sanctioned.<sup>9</sup>
- Recipients without a car were roughly 1.5 times more likely to incur sanctions than those who own a car.<sup>10</sup> The same study confirms “the reason sanctioned recipients fail to comply has less to do with resistance to the work requirements and more to do with the barriers that make it difficult for them to meet these requirements.”

## How do families that experience full-family sanctions fare?

Families that are sanctioned tend to have worse outcomes on average than other TANF recipients, including lower incomes and higher rates of hardships.

- Studies consistently find high hardship rates with respect to basic needs among sanctioned families. The studies that report hardship rates for both sanctioned and non-sanctioned families consistently report higher rates for sanctioned families.<sup>11</sup> Studies find that families that are sanctioned for not meeting program requirements were more likely to:
  - ✓ report being in fair or poor health;
  - ✓ say they had to borrow money to pay bills frequently or all the time;
  - ✓ have used food pantries and emergency clothing services; and
  - ✓ be living in bad neighborhoods, poor housing.

At the same time these families were found less likely to:

- ✓ have a working telephone;
- ✓ own an automobile; and
- ✓ be employed (36%) compared with other families that leave TANF (67%).<sup>12</sup>

## How do full-family sanctions impact children?

A recent study found that full-family sanctions have a detrimental impact on children's health and well-being.

- Poverty and economic insecurity take a toll on a parents' mental health resulting in depression and other forms of psychological distress.
- These conditions profoundly affect parents' interaction with their children.
- Persistent poverty occurring in early childhood affects brain development and neural function that shape future cognitive, social, emotional and health outcomes.

The researchers cautioned that in the case of welfare policies, policy makers should take care to ensure that sanctions and other regulations do not deny benefits to families with very young children.<sup>13</sup>

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  - 2) Goldberg, Heidi, & Liz Schott (2000). "A Compliance-Oriented Approach To Sanctions In State And County TANF Programs." Center on Budget and Policy Priorities. Available at <http://www.cbpp.org/archiveSite/10-1-00sliip.pdf>
  - 3) Wisconsin Department of Workforce Development (2004). "Wisconsin Works (W-2) Sanctions Study." Available at <http://dcf.wisconsin.gov/w2/pdf/SanctionsFinalReport.pdf>
  - 4) Lens, Vicki (2005). "Bureaucratic Disentitlement and Sanctions After Welfare Reform: Are Fair Hearings the Cure?" Georgetown Journal on Poverty Law and Policy XII: 13-42.
  - 5) [http://www.workfirst.wa.gov/research/studies/sanction\\_literature\\_final.pdf](http://www.workfirst.wa.gov/research/studies/sanction_literature_final.pdf)
  - 6) Bloom, Dan and Don Winstead (2002). "Sanctions and Welfare Reform." Washington, DC: Brookings Institution.
  - 7) Interview conducted by Victoria Mayer Assistant Professor Department of Sociology Colby College.

- 8) Goldberg, Heidi and Liz Schott (2000). "A Compliance-Oriented Approach to Sanctions in State and County TANF Programs." Washington, DC: Center on Budget and Policy Priorities.
- 9) Cherlin et al. (2002). "Coping with Block Grants" 1998; Goldberg and Schott 2000; Oggins and Fleming, 2001; Strawn, 1997, Quoted from "How do Welfare Sanctions Work" IRP, 2004; "Sanctions and Material Hardship Under TANF" Ariel Kalil, Kristin Seefeldt, Hui-che Wang, The Social Service Review, December 2002.
- 10) Yeheskel Hasenfeld, Toorjo Ghose, and Kandyce Larson. "The Logic of Sanctioning Welfare Recipients: An Empirical Assessment." The Social Service Review, June 2004.
- 11) <http://www.legalmomentum.org/assets/pdfs/sanction-epidemic-in-tanf.pdf>
- 12) [http://www.jhu.edu/~welfare/18058\\_Welfare\\_Policy\\_Brief.pdf](http://www.jhu.edu/~welfare/18058_Welfare_Policy_Brief.pdf)
- 13) [http://www.stanford.edu/group/scspi/\\_media/pdf/pathways/winter\\_2011/PathwaysWinter11\\_Duncan.pdf](http://www.stanford.edu/group/scspi/_media/pdf/pathways/winter_2011/PathwaysWinter11_Duncan.pdf)