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# TANF Time Limits, One Year Later: How Families are Faring

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## Conclusions and Recommendations

The hardships faced by families responding to the 2013 Study are illustrated throughout the pages of this report. The deep poverty underlying these hardships was similarly apparent among families in the 2012 Study and is consistent with findings of the 2010 Study and other studies of families in similar circumstances throughout the nation.

The harm resulting from living in such harsh circumstances is now widely documented. In particular, recent studies on the effects of poverty on children have been linked to gaps in educational achievement and harm that persist long into adulthood creating higher risk of chronic disease and even premature death (Duncan & Magnuson, 2011).

Collectively these findings make clear that the needs of families receiving TANF for longer time periods do not go away when they reach an arbitrary time limit. Viewed together, the 2010 TANF Study and the 2012 and 2013 Studies of time-limited families suggest an even higher degree of hardship among families whose TANF has ended due to time limits. These families frequently go without basic necessities and their expenses are often shifted to local municipalities. Clearly policies that simply end family supports through TANF are not the answer to improving the economic security or well-being of these families and their children. Instead, solutions must address the underlying conditions of poverty that these families face.

Over the last several decades we have learned a lot about what keeps families in poverty and what it takes to help families move out of poverty. There are tried and true, evidence-based solutions — solutions that we know really work to improve the lives of families and children living in poverty.

Interviews with the 13 families who generously shared their experiences for this report provide further insight into changes that could both improve Maine's TANF Program and the lives of families like theirs. The following recommendations have been gleaned from the study's findings:

### 1. **RECOMMENDATION: Prioritize education through DHHS' new assessment process as a route out of poverty for TANF families.**

- ◆ Finding work without a high school education is increasingly challenging in today's economy, yet that is the situation in which more than half of all families terminated as a result of time limits find themselves. In fact, it is anticipated that Maine will rank 49<sup>th</sup> in the nation by 2018 in the expected availability of jobs for those who do not complete high school (Carnevale, Smith & Strohle, 2010). At the same time, it is estimated that 63 percent of all jobs will require at least some post-secondary education or training by 2018 (Maine Development Foundation, 2013).
- ◆ Despite these facts, access to post-secondary education is shrinking among TANF families. Enrollment in the Parents as Scholars Program (PaS) has declined by 28 percent as a percentage of all TANF families since 2010 (Maine DHHS, 2010-2014). PaS is an evidence-based approach that has helped to lift TANF families out of poverty for well over a decade.

- ◆ Maine DHHS has recently implemented a new process that assesses all new TANF applicants on job readiness. It identifies employment barriers that they may have and creates a plan to overcome those barriers. This process offers the opportunity to identify the educational needs of new TANF families and promote a plan that will help them to achieve their educational goals.

**2. RECOMMENDATION: Provide assistance for TANF families with disabilities to help them navigate the SSI application and appeals process.**

- ◆ Six families in the 2013 Study were recently granted SSI benefits or had an SSI application pending. In most cases, these disabilities had been present for some time. The SSI application process is notoriously difficult to navigate; assistance from an advocate significantly increases the likelihood of success as well as increasing the timeliness of decisions (Ware & Mowry, 2012). The new assessment process discussed above also provides an excellent opportunity to identify serious disabilities when the family first applies for TANF. Moreover, the Office of Family Independence has recently established a Disability Advocacy Unit to assist General Assistance recipients access SSI. This unit could be expanded to assist TANF families as well. Once a TANF parent or child is assessed as potentially eligible for SSI based on disability, the caseworker could make a referral to this new unit to assist that person with the SSI application process. Receipt of SSI not only increases a family's economic security, but also reduces the state's cost of supporting families through the TANF Program by replacing TANF coverage with SSI for that individual.

**3. RECOMMENDATION: Improve and enhance the TANF “extension” process to ensure that individuals who continue to need assistance will not be subject to undue hardship.**

- ◆ As noted throughout this report, many families that were seemingly eligible for a TANF extension did not receive one. In some cases, this occurred because families were actually discouraged from applying for an extension; others did not receive the help they needed to pursue the process; and still others did not fit squarely within an existing extension option despite being unable to meet their family's needs. Based on these experiences, the following steps are necessary to ensure the security and well-being of families that reach the 60-month limit.
- ◆ **Improve the “disability” and “caretaker” extensions with a better definition of the term “gainful employment.”** Multiple families with disabilities, including those who were ultimately determined disabled by the Social Security Administration, were unable to access extensions despite the provision in rule and law for an extension for such families. DHHS data also raises significant concerns about whether disability extensions are being administered effectively, given the variance between the number of disability-related extensions granted and the extent of known disability among families that need TANF for longer periods.
- ◆ Maine law makes clear that families unable to perform “gainful employment” due to disability must receive an extension. Gainful employment is commonly understood as a job that provides consistent, continual income that enables a person to support her family. This was not the case for many of the families coping with disability in this report. This term must be better defined so that it is clear that such parents, unable to engage in work sufficient to support their families because of disability, receive the protection that the law intends for them.

- ◆ **Provide greater flexibility in the “employment” extension to capture those working to the extent that they are able.** Three interviewees in the 2013 Study were working, but were unable to work 35 hours per week due to health limitations. If a parent cannot work 35 hours a week, current rules prevent her from receiving an employment extension. This inflexible standard fails to recognize that some families have work-limiting disabilities that prevent them from meeting this standard. This rule should be modified to accommodate the circumstances of those families that are working to the best of their ability, but cannot meet this current requirement.
- ◆ **Create a new extension providing parents without a high school diploma or GED the opportunity to achieve that goal.** As noted above, more than half of those timed-off of TANF benefits did not have a high school diploma or GED. These individuals are at great disadvantage in today’s labor market. A new extension should be created so those without a high school diploma have the opportunity to continue to receive TANF while they are engaged in study or other prerequisite activities necessary to reach that goal. These families would also benefit greatly from the new assessment process.
- ◆ **Promote opportunities to achieve post-secondary degrees through the Parents as Scholars Program.** Respondents to the 2013 Study clearly understood the value of increasing their education. Progress has been difficult for those who pursued that goal, given their limited to nonexistent income and insufficient student supports. Families leaving TANF are only eligible for an “education or training” extension if they were actually enrolled in such a program at the time they reached the 60-month limit. Under the current rule, once they lose TANF, they also lose access to the Parents as Scholars Program permanently.

A person may not be able to engage in post-secondary education at certain times in their lives for many reasons, yet may be ready to do so at another time. Post-secondary education yields higher wages and more secure employment over a lifetime (Harney, 2004), yet TANF families lose that opportunity if they are not participating in an educational program when they reach the time limit. This opportunity is vitally important to families, and to our state; it should be available to these families whenever circumstances permit them to pursue it.

#### 4. RECOMENDATION: Poverty reduction should be an explicit goal of the TANF Program.

- ◆ The extent of poverty experienced by TANF families identified in the 2010, 2012 and 2013 studies is exceptionally troubling and is no accident of fate. It is associated with disability; inadequate employment opportunity; inequitable access to education; domestic violence and other factors illustrated by the circumstances of families described herein. It is a serious threat that affects one in every five Maine child and one in every three single parent households (“Spotlight on Poverty,” 2014).

A commitment to reforming these conditions requires an intentional and aspirational approach that begins with setting a goal and a target for poverty reduction. Establishing poverty reduction as an explicit goal of Maine’s TANF Program would be a step in the right direction.

**5. RECOMMENDATION: Housing security must be increased for families at risk of homelessness.**

- ◆ One of the more troubling findings in the 2013 Study was the fact that one in three families lost their housing. In some cases that loss caused wrenching family separation.
- ◆ Solutions to this critical problem have been tested and proven successful in Maine. Under the American Recovery and Investment Act, Maine tested several programs designed to intervene quickly with financial assistance and coordinated case management services to help families stay housed.
- ◆ The success of the Housing Prevention and Rapid Re-housing Program (HPRP) in Portland (McLaughlin, 2012) and other similar programs throughout the nation is well documented. These programs prevented more than one million people from losing their housing during the Great Recession. The partnerships created and lessons learned from the HPRP programs are being carried forward through HUD-supported and other programs throughout the country. Recent data provided by Maine Housing shows a 19 percent increase in the number of children, including unaccompanied youth, living in homeless shelters from 2011 through 2013. Maine should reinvest in this proven approach to reduce the growing rate of child and family homelessness.

**6. RECOMMENDATION: Increase Maine's Earned Income Tax Credit (EITC) and make it refundable in order to make work pay for low-wage earners.**

- ◆ One of the greatest challenges faced by the 2013 Study respondents was low wages. With an average hourly wage of only \$9.25, a job alone cannot raise these families out of poverty. The EITC is designed to encourage and reward work for low-income earners. Studies show that the EITC encourages large numbers of single parents to leave welfare for work, especially when the labor market is strong (CBPP, 2014).
- ◆ Twenty-five states, including the District of Columbia, supplement the federal EITC with their own state tax credit. Maine is one of these 25 states but the credit that we provide is among the lowest in the nation. Further, Maine is one of only a small minority of states (3) in which the credit is *not* refundable, meaning that excess tax liability is not refunded to the earner (National Conference of State Legislatures, 2014). A well-designed EITC would be a valuable tool to increase the wages of families interviewed in this report, and thousands of other low-wage earners trying to make ends meet in the state.

Implementing these recommendations would go a long way to respond to very real problems — homelessness, low wages, hunger, worsening health — experienced by the 2013 Study families. These are solutions that policy makers that are concerned about the rising levels of poverty for Maine families could adopt. These are solutions that would improve the lives of the children and families in this report and thousands of Maine families in similar circumstances.