

# **PUBLIC ASSISTANCE: A SAFETY NET FOR WOMEN AND CHILDREN AT RISK**

**February 8, 2010**

- **The safety net for poor families with children needs serious repair.**
- **State and County policies force separation of parents and children.**
- **Current assistance levels leave mothers and children on public assistance well below the federal poverty level.**

## **WHAT SHOULD BE DONE?**

**Recommendations from the following organizations;**

- **Family Connection Center**
- **Stop Targeting Ohio's Poor**
- **ODVact**

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# WE RECOMMEND:

## THE ADMINISTRATION AND CONGRESS:

1. Considering ongoing economic conditions, amend TANF to eliminate the federally mandated five-year time limit.
2. Allocate an additional \$16 billion a year (total \$32 billion) in federal funds for TANF, with no requirement for additional state spending, to be used for the limited purposes of cash assistance, creating subsidized jobs, sustaining current TANF-funding child care, or emergency payments.
3. Assure that recipients who meet work requirements receive minimum wage.
4. Create national jobs programs to expand employment opportunities
5. Pass the Responsible Fatherhood and Healthy Families Act of 2009 (S. 1309; HR 2979) with it's provision *Require states to send 100 percent of all child support payments to the single parent within five years, rather than letting states take a portion of money for administrative costs.*

## THE STATE OF OHIO:

6. Amend Ohio regulations to include parents as "kin" and allow parents who are sanctioned or who reach time limits to receive child-only payments .
7. Create a state jobs program to expand employment opportunities.
8. Assure that recipients who meet work requirements are paid minimum wage.
9. Amend Ohio's child support system to assure that all payments go to the family whether or not the mother and children are on public assistance or food stamps.

## CUYAHOGA COUNTY:

10. Implement a moratorium on the 36 month time limit to allow parents unable to find employment to receive cash payments up to the State and Federal five year limit.
11. Increase hardship extensions to many more needy families for as long as they need the benefits.
12. Allow children under one year of age to be cared for by their parent by exempting single parents with children under the age of one year from OWF work requirements and disregarding these individuals in the calculation of participation rates for up to twelve months.

## I. The safety net for poor families with children needs serious repair.

National 1996 legislation created TANF, the Temporary Assistance for Needy Families program replacing the AFDC public assistance program. TANF requires needy, unemployed parents – overwhelmingly women – to work for cash assistance which is now time-limited. Called "Ohio works First" (OWF) in Ohio, these families are expected to become self sufficient even as the nation is in an employment crisis. Federal and Ohio regulations limit cash assistance to five non-consecutive years. In Cuyahoga County, there is a more severe three year time limit.

The former AFDC program provided cash assistance to about 80 percent of eligible poor families, lifting 64 percent of otherwise deeply poor children out of severe poverty. In contrast, in 2005 only 40 percent of qualified families were being served by state TANF programs. And only 23 percent of deeply poor children were lifted to above 50 percent of poverty.<sup>1</sup> A new report on poverty in Ohio finds that a shocking poverty rate of 56% for single women with children under five years in 2008.<sup>2</sup> In Cuyahoga County, as nationally, the number of families receiving cash assistance declined 78% since 1997, even as the economy worsened. Fewer families are assisted because of various policies and procedures, e.g., complex application procedures, sanctions for failing to meet program requirements, and time limits.

With few jobs available in the private sector, even for those well qualified, and no federal or state jobs program, time limits put parents and children at severe risk. Parents' inability to pay rent, utilities and other basic needs leads to family breakup and compromises children's wellbeing.<sup>3</sup>

As TANF legislation must be reauthorized in 2010; now is the opportunity to make needed changes.

### We recommend:

1. Considering ongoing economic conditions, amend TANF to eliminate the federally mandated time limit. Until then, County should implement a moratorium on the 36 month time limit to allow parents unable to find employment to receive cash payments up to the State and Federal five year limit.<sup>4</sup>
2. Allocate an additional \$16 billion a year (total \$32 billion) in federal funds for TANF, with no requirement for additional state spending, to be used for the limited purposes of cash assistance, creating subsidized jobs, sustaining current TANF-funding child care, or emergency payments.<sup>5</sup>
3. Create national and state jobs programs to expand employment opportunities.<sup>6</sup>
4. In Cuyahoga County, increase hardship extensions to many more needy families for as long as they need the benefits as recommended by the Community Advisory Board of the Cuyahoga County Department of Employment and Family Services.<sup>7</sup>

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<sup>1</sup> <http://www.cbpp.org/cms/index.cfm?fa=view&id-936> Liz Schott, Center on Budget and Policy Priorities, *Policy Basics: An Introduction to TANF*, March 19, 2009.

<sup>2</sup> *The State of Poverty in Ohio*, January 2010, Community Research Partners, <http://www.communityresearchpartners.org/uploads/publications//SOP2009%20Full%20Final2.pdf>

<sup>3</sup> No one is currently researching outcomes for OWF families who hit time limits without employment. However, a recent study of homelessness in Cuyahoga County estimated that in 2006 about 10% of those living below the poverty level, lived in doubled up housing, a 4.5% increase from 2005, with children 60% of the total number. This study found that homeless families who used the county shelter system were usually mothers with an average of two young children, with unstable and short-term housing problems because of lack of income. (*Family Homelessness in Cuyahoga County, Research Summary*, April 2009, No. 09-03, Center on Urban Poverty and Community Development, CWRU) It is likely that some women, in desperation, may offer their landlords sex in exchange for rent. Some families are undoubtedly living in abandoned buildings.

<sup>4</sup> In March, 2009 there were 4, 717 parent/child households receiving cash assistance subject to time limits. In a report to County Commissioner Peter Lawson Jones (*Advocates Proposal to Increase Exemptions to OWF Time Limits*, 2- 23-09 ) Cuyahoga County Department of Employment and Family Services Director, Joseph Gauntner, states: "Though there is a belief among many in the system that time limits push those who can work to work, there is not meaningful research to support this".

<sup>5</sup> *Battered by the Storm: How Safety Net is Failing Americans and How to Fix It*, 2009, The Institute for Policy Studies, the Center for Community Change, Jobs with Justice, and Legal Momentum, <http://www.ips-dc.org/reports/battered-by-the-storm>

<sup>6</sup> Advocacy is building for a national jobs program: National Jobs for All Coalition <http://www.njfac.org/>; Bail Out People <http://www.bailoutpeople.org/>; Economic Policy Institute; AFL-CIO

## II. State and County policies force separation of parents and children.

When parents reach time limits, they are ineligible to receive "child only" payments. In fact when parents apply for OWF cash assistance, they were warned in a County handout: *When you use up your 36 months, your entire family may not get any more cash assistance as long as you live with them.*<sup>8</sup> Such policies may force parents to abandon their children to relatives or friends who are eligible to receive such payments which, for them, are not subject to time limits.<sup>9</sup>

Since the implementation of "welfare reform", the number and percentage of these "child only" cases has increased nationally. In Cuyahoga County over half of cash assistance households are "child only" in which children live separated from their parent(s). The most common child-only households consist of one or two children living with grandparents or other "kin" as defined by Ohio's Kinship Care program. Parents are currently excluded from the definition of "kin".

Then there is the issue of parents caring for infants. Although Federal and Ohio regulations permit single parents with children under one year of age to be exempted from work requirements, currently Cuyahoga County exempts mothers only until the infant is 12 weeks old. Because children are most vulnerable in the first year of life, infant mortality is a key measure of community health and well-being. Out-of-home care is not the optimal choice for the health and development of most infants. Public policy should support parental care during this crucial developmental stage. Such policy would be consistent with the goals of Cuyahoga County's *Invest In Children* initiative.

For struggling very poor OWF parents, out-of-home care entails additional burdens. Added costs include child care co-pay, required extra pampers, daily travel and added stress. Permitting the parent to care for their child would also save government (and tax-payers) the cost of out-of-home child care for children under one year of age. Out of home care for infants is more expensive (e.g., in centers \$17 a week more per child than the cost for care of children 18 months to three years; in child care homes \$9 more per week).

### **We recommend (in addition to lifting time limits):**

5. Amend Ohio regulations to include parents as "kin" and allow parents who are sanctioned<sup>10</sup> or who reach time limits to receive child-only payments (as they do in California and three other states) thus strengthening the safety net and helping to keep parents and children together.
6. County allow children under one year of age to be cared for by their parent by exempting single parents with children under the age of one year from OWF work requirements as permitted by federal and Ohio regulations and disregarding these individuals in the calculation of participation rates for up to twelve months.

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<sup>7</sup> In March 2009, only 145 households had a hardship extension (*1<sup>st</sup> Quarter 2009 Performance Report*). Director Gauntner acknowledges that "current economic conditions may indicate a need to expand our hardship criteria" and cites some changes that will "moderately" increase use of existing exemptions (*Advocates Proposal to Increase Exemptions to OWF Time Limits*, 2- 23-09)

<sup>8</sup> *Facts on Time Limits for Ohio Works First*

<sup>9</sup> Children are also placed in foster care as a result of their parents' poverty. When parents lose their benefits and can no longer pay rent, utilities and other basic needs, County considers that "neglect" and can place the children in foster care. Foster parents are paid more than either the parent's cash assistance or payments to "kin".

<sup>10</sup> Parents are sanctioned for a variety of reasons including missed appointments, not filing for child support, absence from work, or not following through on their self-sufficiency contract. If sanctioned they may be denied food stamps and cash payments. Case workers have wide latitude in applying sanctions; this system is viewed by parents and advocates as arbitrary and often punitive, raising the issue of fair and equal treatment: Do caseload levels permit adequate attention to each family? Does case worker training, supervision and culture support sensitivity and a helping attitude? A prior intimidating County flyer on sanctions warned parents: *....If you fail to go to a scheduled assessment and/or do not participate as scheduled in OWF work activities, your OWF check will be stopped. Also, you will find that your food stamps may be stopped or reduced. 1<sup>st</sup> time: You and your children will lose your OWF (Welfare Check) and can lose your food stamps for one (1) month or until you chose to participate (whichever is longer). 2<sup>nd</sup> time: You and your children will lose your OWF (Welfare) check and can lose your food stamps for three (3 months or until you choose to participate (whichever is longer)....*

### III. Current assistance levels leave OWF families well below the federal poverty level.

Cash assistance plus food stamps puts a family of three at only 58% of the federal poverty level. These families are under stress, cannot pay for basic needs and have difficulty meeting OWF self-sufficiency contract requirements.

Federal and Ohio minimum wage is now \$7.25/hour. Currently, OWF parents must work a minimum of 30 hours per week. While the amount of payments varies by individual case, maximum OWF monthly payment for a parent with one child is \$355; with two children \$434. Assuming 132 work hours per month, hourly wages in these cases are only \$2.69 and \$3.28 respectively. It is demeaning and difficult for OWF parents to work along side other employees who receive at least minimum wage. Parents want to work in real jobs which provide a family wage.

These families are also denied child support payments even though Federal regulations allow for 75 percent of child support payments to be returned to families. In Ohio, child support payments by fathers are collected and kept by government to offset OWF payments. Since mothers' work requirements are intended to offset their OWF payments (as well as to support progress toward employment) government is thus "double dipping" and, thereby, disadvantaging parents struggling to pay rent, utilities and other basic needs,

#### **We recommend:**

7. County, State and Federal Government assure OWF recipients who meet work requirements receive minimum wage. No one should be paid less than minimum wage for their labor, including parents on public assistance.

8. Amend Ohio's child support system to assure that all payments go to the family whether or not the mother and children are on public assistance or food stamps. Also pass the "Responsible Fatherhood and Healthy Families Act of 2009" with it's provision: *Require states to send 100 percent of all child support payments to the single parent within five years, rather than letting states take a portion of money for administrative costs.*<sup>11</sup>

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<sup>11</sup> This legislation was introduced by Senator Evan Bayh (D-IN) and Representative Danny Davis (D-IL) to change the system whereby many noncustodial fathers—particularly African-American and Latino fathers -- are required to pay their child support to the state to reimburse the cost of public assistance, instead of to the children's mothers. This provision would not only help low-income mothers, but would be positive for low income, struggling fathers who must resent paying "child support" that doesn't go to their kids.