

Thank you for this opportunity provide comments on the policies and regulations of the Department of Social Services (DSS). Our commitment is to assure that our limited state resources are used effectively and efficiently to support families. In these comments, we offer opportunities for simplification that will benefit both DSS workers and the families they serve. We also offer suggestions of ways to structure Missouri's family support programs to better support families' efforts to access basic human needs, obtain work and experience financial benefit from that work instead of penalty.

Providing adequate support to children and their families is wise both in the short run and in the end. When families cannot secure their basic human needs, they suffer and their children experience immediate negative effects that too often have life-long consequences. Toxic stress is "a chronic or frequent state of stress that can be caused by experiencing abuse, neglect, economic hardship or other adverse childhood experiences (ACEs) without the buffer of a safe, supportive adult".<sup>1</sup> When ACEs are experienced and toxic stress does not receive a trauma-informed response, consequences ripple throughout our society. Homelessness, decreased public safety, malnutrition and other costly health problems, increased need for special education, failure to graduate, and lower earning potential all may be side effects. The chaos of living in poverty can impact brain development.<sup>2</sup>

Here are some sections of TANF policy that we recommend updating by administrative and/or legislative action:

### **1. Eliminate unnecessary gross income tests**

#### *13 CSR 40-2.310 Requirements as to Eligibility for Temporary Assistance*

Three separate tests are outlined in 13 CSR 40-2.310.1

- a. Under AFDC, federal law required that families had to have gross income below 185% of the state's standard of need in order to qualify. Some states retained this under TANF, although it was no longer required by federal law. Mostly, the 185% of need standard is so high that it does not screen out anyone who would actually qualify to receive a benefit (\$1,565 for a family of 3 in MO.)
- b. Missouri has a 100% standard of need test, which is a second hurdle that applies in some circumstances. This also likely has limited impact.
- c. Missouri has a percentage of Need Test that is 34.526 percent of the Standard of Need

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<sup>1</sup> 1. Center on the Developing Child. (2015). Toxic Stress Key Concepts. <http://developingchild.harvard.edu/science/key-concepts/toxic-stress/>

<sup>2</sup> National Scientific Council on the Developing Child (2005). Excessive Stress Disrupts the Architecture of the Developing Brain: Working Paper #3. <http://www.developingchild.net>

**Recommendation:** Implement a single income test that disregards some portion of earned income and compare it to a Standard of Need or new poverty standard that realistically reflects the expenses of families. This reduces paperwork and creates a more efficient system that better respects the time of eligibility workers and applicants.

**2. Update the Standard of Need to reflect actual monthly expenses of families**  
*13 SR 40-2.120 Methods Used to Determine the Amount of Cash Payments*

The current Standard of Need (SON) for a typical family of three is \$846 and has not been changed since 1993. If adjusted for inflation, the buying power of the 1993 SON would be \$1,452 today.<sup>3</sup>

**Recommendation:** Replace the Standard of Need with the Federal Poverty Level (FPL), a standard used in calculating many safety net programs. The FPL is not an accurate measure of the cost of living as it is based only on the costs of a “thrifty food plan” and an outdated formula related to the proportion of income families in poverty tended to spend on food versus other expenses in 1955.<sup>4</sup> Still the FPL is a familiar standard, utilized by a wide variety of public assistance programs, and some programs set eligibility above 100% of the FPL when it is clear that families at those income levels still need aid to access basic human needs. (For example, Missouri provides health insurance through CHIP to children in families up to 300% FPL.)

**3. Set benefit levels to a percentage of the Federal Poverty Level, updating payments when the FPL is adjusted so that purchasing power stays constant.**

*13 CSR 40-2.120 Methods Used to Determine the Amount of Cash Payments*

This section states that the budgetary method used to determine payments “requires the determination of the needs of the individual or groups of individuals who may be affected by the receipt of assistance, the determination of income and resources available to these persons, and, if income and resources are not sufficient to provide a reasonable subsistence compatible with decency and health, the planning of assistance to meet the deficit.”

The current maximum TANF benefit is only 34.5 percent of Missouri’s current SON, or 27 percent of the FPL. This clearly does not meet the intent stated in the regulation.

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<sup>3</sup> Department of Labor CPI Inflation Calculator, <https://data.bls.gov/cgi-bin/cpicalc.pl>, accessed 09/06/2017.

<sup>4</sup> How We Measure Poverty,” Oregon Center for Public Policy website, <https://www.ocpp.org/poverty/how/>, accessed 09/06/2017.

**Recommendation:** Tie the TANF benefit level to a percent of the FPL. We believe it is in the interest of healthy child development for TANF payments and earnings to be able to reach 100% of the FPL without being penalized. Because accessing basic human needs with TANF benefits of only 27% of the FPL – as is current practice - is such a challenge, we recommend 75% FPL as a better standard for TANF payments. We caution against any TANF benefit lower than 50% FPL because the stress on local charitable organizations and additional family or community members, anxious to provide as much support as they can, may be too great, forcing the family into the kinds of chaos and instability described earlier.

#### **4. Simplify eligibility for two-parent families**

*13 CSR 40-2-310(5)(A) Requirements as to Eligibility for Temporary Assistance* include detail about deprived of parental support for various reasons, but ultimately in subsection (A)(8) the rule recognizes that financial need alone is sufficient

Under AFDC, a needy child had to be “deprived” of parental support due to death, absence, incapacity or unemployment of the parents. Thus two-parent families were eligible only if a parent was incapacitated or if the primary wage-earner met special work history and unemployment tests. Under TANF, most states, including Missouri, eliminated most or all of the special two-parent rules such as the work history test. Missouri did this in a cumbersome way, retaining the concept of “deprivation” and just broadening the unemployed parent eligibility criteria. As a practical matter, the result is that a two-parent family is eligible simply based on financial need.

**Recommendation:** Remove the concept of “deprivation” that was borrowed from the old AFDC law and rules. This will simplify administration and avoid wasted processes. The bottom line is that a family is eligible based on financial need regardless of whether there are one or two parents in the home, so all of the process steps on incapacity or absence are really irrelevant. This is a policy that encourages formation of family structures in which two parents are in the home.

#### **5. Simplify earnings disregards and design so families do not face a “cliff” after 12 months**

*13 CSR 40-2-310 Requirements as to Eligibility for Temporary Assistance*

- a. Under AFDC, federal law required this limited and complicated \$30 plus 1/3 earnings disregard, which had short time limits on the 1/3 portion. Under TANF, nearly all states expanded the earnings disregards as part of “making work pay” policies. Missouri expanded the earnings disregard by providing a 12-month 67% earnings disregard for those who were already

on TANF when they got a job. But the time-limited earnings disregard creates an abrupt cliff when the 12 months is used up. Missouri's system of disregarding earnings is more complicated than it needs to be, and may be a barrier to families benefitting from TANF, even if they are eligible.

**Recommendation:** Simplify the disregard to be 67 percent of earnings and remove the time limit. This will better support families by assuring they do not have an abrupt drop in income after 12 months and is a way to "make work pay", similar to the earned income tax credit.

If earnings disregards are simpler to use and to explain, recipients might more clearly understand the benefit of continuing to report earnings to stay on TANF.

Note that this would require statutory change. Statute: Section 208.040(5)(1).

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**6. Remove the prohibition of TANF participation because of drug-related felony offenses**

*13 CSR 40-2.2.305 Prohibition Against the Payment of Temporary Assistance to a Person Who Has Been Convicted of Certain Felony Drug Offenses*

Several years ago the General Assembly considered the compelling stories from individuals, particularly parents, who were barred from receiving SNAP benefits because of prior drug-related offenses. They clearly made a point about how this policy created yet another barrier to success for those who were trying to get their lives back on track after drug involvement. The General Assembly acted compassionately and wisely to remove that prohibition. The same should be done with the prohibition of TANF benefits. Those who have served their time, including those living in recovery from alcohol or drug dependence, deserve a second chance, especially in times of unemployment, escape from domestic violence, or other crisis situations.

**Recommendation:** Remove this prohibition. Note that it will require statutory change. Statute: Sections 207.020 and 208.040.5, RSMo

**7. Amend the Ten-Day Verification Deadline to allow time for mailing and to honor the reality that families in extreme poverty face many challenges when trying to obtain verification documents**

13 CSR 40-7.040(2)(A-C)

- a. The participant shall provide the required verification within ten (10) days from the date that the division requests the information in writing.

b. A participant may request additional time to provide the information. The additional time shall be granted if the participant is making a reasonable effort to obtain the information.

c. If a participant fails to provide the requested verification within ten (10) days from the date of the written request or fails to obtain additional time to provide the information, the division shall issue an adverse action notice to the participant notifying them that their coverage is denied or their coverage shall terminate ten (10) days from the date of the adverse action notice.

Parents living in dire poverty who apply for and/or receive TANF often have transportation challenges and little access to public transportation. They seldom have access to internet – unless obtained at a public institution such as a library and then may be limited to 15 minutes of use or may have had no training in using computers, leading to fruitless attempts at communicating with agencies by email. Often they run out of minutes on their phones and do without phone service for weeks at a time. In rural parts of the state, given distances between agencies such as the Family Support Division, banks, doctors' offices, court houses, and other places an applicant might have to go to obtain records, ten days will be an impossible challenge for many.

**Recommendation:** The Social Security Administration adds five days for mailing to their ten day deadline. A compassionate and realistic rule for TANF households would be ten business days, plus five additional days to allow for mailing, after the date of an adverse action notice.

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***These recommendations are also supported by the following organizations:***

**Beyond Housing**  
**Clark-Fox Policy Institute at Washington University**  
**Deaconess Foundation**  
**Missouri Budget Project**

**Missouri Community Action Network (state association)**  
**Missouri Catholic Conference**  
**Missouri Children's Leadership Council**  
**Missouri Jobs with Justice**  
**St. Louis Child Abuse and Neglect Network**  
**Women's Voices Raised for Social Justice**