



Greater Hartford Legal Aid

Appropriations Committee, March 3, 2021

Testimony submitted by Alison Weir, Policy Advocate and Attorney
Greater Hartford Legal Aid

HB 6439: Oppose.

My name is Alison Weir, and I am a policy advocate and staff attorney with Greater Hartford Legal Aid (GHLA). On behalf of GHLA, Connecticut Legal Services and New Haven Legal Assistance Association, I urge the legislature to include in the budget for the FY 2022-23 biennium funding for the cost of living adjustments (COLA) for Temporary Family Assistance (TFA), State Administered General Assistance (SAGA), and for State Supplemental Assistance for the Aged, Blind, and Disabled (“State Supp.”, also known as “AABD”), as is currently provided for by state law. I also urge that the legislature not cut the state grant to the Diaper Bank of Connecticut. Legal Services also support reasonable new revenue options as needed to balance the budget, instead of making these and other cuts that would severely impact low income individuals in the middle of a pandemic.

Cuts to Cost of Living Adjustments for TFA, SAGA and AABD for FY22 and beyond

Connecticut General Statutes §17b-104 and §17b-106 require an adjustment to the maximum benefit levels for TFA and SAGA and State Supp. consistent with the Consumer Price Index for Urban Populations (CPI-U), which reflects the increase in the cost of goods over the year. The statute provides a basic protection for beneficiaries, designed to stabilize the buying power of these programs, and not have recipients slip even **deeper** into poverty. Yet, despite being written into statute, over the last 12 year, the COLA has been funded only twice for TFA and SAGA, and only five times in 32 years for State Supp. It is a long standing pattern of many years for governors of both parties to not fund the adjustment, citing other pressing state needs. Yet this money is used to address the most pressing needs of those people who receive it. For some recipients, this cash assistance is the only cash they receive, and it is used to pay for basic needs from rent to gas for the car to diapers for their babies.

Each year the choice is made to not fund the COLA, our fellow residents suffer the compounded impact from years of our failure to apply existing state law. When the COLA is not funded, the buying power of the benefits erodes, and with it the ability of these recipients to meet their basic needs. Today, the maximum TFA benefit for a family of three in Connecticut of \$698 per month, buys 33 percent less than the maximum benefit in 1996 could buy. While justice would suggest that the benefit should be increased 33 percent, today I ask that at a minimum you do not further reduce the

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buying power of the assistance and fund the COLA in accordance with Connecticut General Statutes §17b-104 and §17b-106.

TFA is Connecticut's cash assistance funded by the federal Temporary Assistance for Needy Families (TANF) block grant program. In Connecticut, we have three different TFA levels to account for the different cost of living in the different towns in the state, but each is wholly inadequate. In Region A, which includes high cost of living towns like Greenwich and Darien, the maximum benefit for a family of three is \$698 per month, which equates to just 38% of the federal poverty level. In Hartford (Region B) it is \$597, or 33% of the poverty level. In Waterbury (Region C), it is \$589, or 32% of the poverty level. In 1996, when TANF, was established, replacing the Aid to Families with Dependent Children program, for each region the TFA allotment was at least 50% of the poverty level, ensuring that no family receiving assistance would be living in deep poverty. We cannot say the same thing now.

Also, when TANF was established, Connecticut allocated a much larger amount of the block grant to cash assistance and provided cash assistance to many more families than we do now. In 1996, 82 of every 100 families in poverty received TFA cash assistance. In 2019, it was only 27 of every 100 families in poverty who received any TFA cash assistance.ⁱ Compared to our fellow states, Connecticut spends far less of its block grant on direct cash assistance. In 2019, Connecticut spent \$501 million combined federal and state maintenance of effort money on TANF expenditures, but only 8% of this funding, \$42 million, went to TFA cash assistance. This compares with a national average of 21% of TANF block grant going to fund cash assistance for families.

SAGA's buying power has likewise eroded, failing to keep up with the rise in the cost of basic necessities it is supposed to help needy individuals secure. Of course, at a maximum benefit of only \$219 per month, the SAGA benefit is already woefully insufficient to cover basic living expenses. People who receive SAGA are people who qualify but have not received federal benefits through Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI), who cannot work, and who have very limited assets and income if any.

Historically, SAGA was not intended to be the pittance it is today. SAGA supplanted the General Assistance program in 1997, and was at that time a reduction from the General Assistance program: restricting eligibility, dramatically reducing enrollment, and cutting benefit levels. But the program has since been actively cut in addition to the erosion of buying power that has resulted from failure to fund the COLA. The initial, 1997 SAGA benefit of \$350 per month for unemployable people was reduced to \$200 per month in 2003. It has risen to only \$219 since then because the COLA has not been funded for thirteen of the past seventeen years. It is truly unconscionable to deny COLA increases for this population in particular, the most destitute, who are awaiting Social Security eligibility determinations.

For AABD, which supplements federal programs such as Social Security, SSI, SSDI payments, or Veteran's benefits, the failure to fund the COLA is a double

whammy. Not only has the state not funded annual increases in the maximum benefit for AABD, it has also neglected to adjust the disregarded income to account for the federal cost of living adjustment for Social Security, SSI, SSDI, and Veterans' benefits. The effect of this failure is that each dollar of the COLA intended by Congress for recipients of these federal benefits is then fully taken away through the dollar-for-dollar reduction in the individual's AABD benefits. Thus, by failing to fund the Connecticut COLA and not adjusting the income limits to account for the federal COLA, AABD recipients are denied two statutorily required cost of living adjustments.

The proposed savings from suspending the cost of living adjustment, as identified in the governor's budget, is \$770,500 in FY 2022 and \$2,101,300 in FY 2023. Despite the dire predictions of a catastrophic budget deficit, the state is currently enjoying a budget surplus and has completely filled the rainy-day fund. While it is true that the state budget is predicted to be in deficit in the near future, the amount saved is a tiny fraction of the budget. However, for the state residents who rely on these programs, the increase from a cost of living adjustment would significantly improve their ability to keep pace with the cost of living in the state. The state residents at the bottom rung of the income ladder have not enjoyed the economic windfall the state has enjoyed this year. They do not have unexpected income resulting from a higher than normal stock market nor do they have a comfortable rainy day fund. Rather, the state's lowest income residents have suffered from record rates of unemployment. The state's economic disparity, among the worst in the nation, has not improved during this last year. Failure to fund the COLA impacts those at the bottom end of the economic ladder and reduces their ability to meet their basic needs.

Failure to fund the COLA is but one of the many ways that Connecticut actively discourages people who need cash assistance from applying for it. We are one of only two states that places a property lien on the real property of individuals who receive cash assistance. At twenty-one months, Connecticut's is the second most restrictive time limit on receiving cash assistance through TANF; only Arizona's time limit is shorter. We are one of only twelve states that refuse to pay the full amount for an additional child born while a family is enrolled in TANF/TFA, and once that child is born, we refuse to allow the parent the standard twelve month exemption from the work requirement for the parent of an infant. Legal services attorneys have been told by clients that case managers discourage them from applying for TANF because of the lifetime time limit on the program, urging them to save it for when they are really desperate.

Is it any wonder, then, that the caseloads for all the programs that are statutorily entitled to a COLA have decreased? Most recently, this decrease has resulted in a lapse in the last year's budget that, if applied, would more than fully fund the statutory COLA of 1.0 percent for this year as well as the cost of living adjustments for the next several years. Across all programs, reduced caseloads in the cash assistance programs has resulted in a \$32.6 million lapse. That would fund the COLA adjustment for this year and years to come.

The Governor's budget takes the reduction in caseload as a given, reducing the amount allocated for cash assistance programs each year during the biennium, despite the fact that Connecticut, with the rest of the country, is experiencing a significant economic downturn from which some economists predict we will not fully emerge until 2030.ⁱⁱ In truth, there are many more people who are potentially eligible for cash assistance than currently receive it.

Multiple studies have demonstrated that cash assistance is one of the most cost effective ways to help people secure their basic needs. Because this money is used for basic needs, it is all spent and goes directly back into the economy. As we saw this past year, providing cash assistance, whether it be increased unemployment benefits or a stimulus check for low income families, can prevent homelessness and further spiraling into poverty. The same is even truer for these cash assistance programs which go to the poorest of the poor in our state. However, when the buying power of that cash assistance does not keep up with the cost of living, it is much less effective. I urge the legislature to fund the COLA, and end the annual erosion of these benefits on which so many people rely. This will help to stabilize our fellow residents who have been slipping deeper into poverty with each year the COLA has gone unfunded.

Cuts to the Diaper Bank of Connecticut State Grant

In 2019, while the legislature again failed to fund COLA's, it did allocate a small amount of funding for diapers through the Diaper Bank of Connecticut. Hearing discussions at the time recognized that this would afford at least some relief to TFA recipients because diapers are a necessary expense for those with small children that cannot be bought with SNAP benefits, nor are they provided by other government programs. TFA recipients and others rely upon private nonprofit diaper banks to obtain the diapers they need.

This budget proposal not only fails to fund COLAs, it also cuts the support for the Diaper Bank in half. The Diaper Bank of Connecticut serves approximately 5000 babies each month. According to Janet Stolfi Alfano, the Executive Director of the Diaper Bank, the lost funding would mean they would be unable to serve 1200 of those babies. If their parents are receiving cash assistance, under this budget, they would not have any additional funds to buy the missing diapers. We urge the legislature to restore this funding as well as fund the COLA as mandated by statute.

Finally, we understand that, despite the current surplus, the legislature may be facing a deficit for the upcoming fiscal years due to the economic consequences of the pandemic, and that it may feel pressure to make cuts such as these balance the budget. In that event, if necessary to prevent cuts to low income Connecticut residents, we support reasonable revenue options asking well-off residents to pay a little more, such as provided in the revenue proposals put forth by CT Voices for Children, as a far better approach.

Thank you for the opportunity to testify today.

ⁱ Center for Budget and Policy Priorities, “State Fact Sheets: How States Spend Funds under TANF-- Connecticut Fact Sheet,” Jan. 12, 2021, available at <https://www.cbpp.org/research/family-income-support/state-fact-sheets-how-states-spend-funds-under-the-tanf-block-grant>

ⁱⁱ Keith M. Phaneuf, “CT economy will struggle until at least 2030 to recover from COVID, UCONN report warns,” CT Mirror, Oct. 23, 2020, available at <https://ctmirror.org/2020/10/23/ct-economy-will-struggle-until-at-least-2030-to-recover-from-covid-uconn-report-warns/>