



**U.S. House of Representatives Committee on Ways and Means
Subcommittee on Work & Welfare**

*Written Comments for Hearing, “Welfare is Broken: Restoring Work
Requirements to Lift Americans Out of Poverty”*

Chairman Smith, Ranking Member Neal, Subcommittee Chairman LaHood, Subcommittee Ranking Member Davis, and Members of the House Committee on Ways and Means, thank you for the opportunity to submit this statement for the record.

The Child Welfare League of America (CWLA) is a coalition of hundreds of private and public agencies that since 1920 has worked to serve children and families who are vulnerable. Our expertise, leadership, and innovation on policies, programs, and practices help improve the lives of millions of children across the country. Our impact is felt worldwide.

We appreciate the opportunity to send our recommendations on the future of the Temporary Assistance for Needy Families (TANF) block grant. TANF is important to child welfare for three reasons: its role in providing support to relative caregivers, its significant financial support to wraparound child welfare services, and its potential to address child poverty, which research has shown is a risk factor in abuse and neglect.

TANF and Child Welfare

TANF, like its predecessor, the Aid to Families with Dependent Children (AFDC) program, provides an important source of support to relative caregivers through the child-only grant. In FY 2020, 457,000 families were receiving child-only grants,¹ a total that is decreasing from 2015 when there were 649,000 child-only families.² Approximately half

¹ U.S. Department of Health & Human Services, Administration for Children and Families, Office of Family Assistance, Temporary Assistance for Needy Families (TANF): Fiscal and Calendar Year 2020; Total Number of No Parent Families.

https://www.acf.hhs.gov/sites/default/files/documents/ofa/fy2020_tanf_caseload_0par_0.pdf.

² U.S. Department of Health & Human Services, Administration for Children and Families, Office of Family Assistance, Temporary Assistance for Needy Families (TANF): Temporary Assistance to Needy Families Twelfth Report to Congress Fiscal Years 2014 and 2015.

https://www.acf.hhs.gov/sites/default/files/documents/ofa/12th_annual_tanf_report_to_congress_final.pdf.

of these families include a parent not covered by TANF assistance, while relative caregivers are included in the remaining half.

These child-only grants allow some relative caregivers to avoid entering the formal child welfare system, which may be appropriate for some families. In other instances, these TANF-funded grants can support children in the child welfare system who may not qualify for federal reimbursement due to Title IV-E eligibility restrictions. It's an important alternative for many families trying to maintain family connections for the children involved. Perhaps the greatest challenge here is the drain on funding. As TANF loses its value due to inflation and past reductions to the block grant, it becomes more difficult to provide adequate support to relative caregivers while also addressing the needs of single and two-parent families through basic assistance.

TANF is also important because it provides important wraparound services by funding important family support, family preservation and other preventive services. In FY 2020 over \$1.2 billion in child welfare services were drawn from TANF and spent in this way. This does not include child-only grant funding or the other vital human services supports funded through the TANF block grant, including supplemental child care funding, Head Start supplemental funding, state supplements to the Earned Income Tax Credits, or other services. All these services should be viewed as initiatives to prevent child maltreatment and foster care placements.

That said, TANF plays a significant role in other parts of the child welfare system. TANF funds flow into some foster care placements because the law allows some states to spend TANF funds in the same way they spent funds through the Aid to Families with Dependent Children (AFDC) program before 1996 when TANF replaced AFDC. In this way, TANF supplements some of these out-of-home placements, providing critical support since Title IV-E foster care and kinship care assistance continues to erode due to the ongoing eligibility link to the July 1996 AFDC eligibility requirements. Less than 40 percent of the foster care population are now covered through Title IV-E.

In federal fiscal year (FY) 2020, at least 15 states spent more than 15 percent of their TANF funds directly on child welfare services, including the Chairperson and Ranking Member's home state of Illinois, which spent approximately 20 percent of FY2020 TANF funds on child welfare services. These funds are in addition to child-only relative care services.

We caution this Subcommittee that, short of a significant increase in the \$16.5 billion TANF block grant, restricting this use of TANF funding would be harmful to children and families, since these dollars have become critical funding sources for child welfare, child care, and prevention services.

Federal Strategies to Addressing Poverty

There is another key part that TANF can and should play regarding child welfare: reduction of child poverty. Re-focusing the mission of the TANF program on child poverty would provide critical relief to families both in and outside of the formal child welfare system and could reduce reports of suspected child maltreatment due to poverty-related neglect.

More than five years ago, CWLA President and CEO Chris James-Brown served on the Congressionally mandated committee for National Academies of Sciences, Engineering, and Medicine to study evidence-based strategies to reduce child poverty by half within a ten-year period. This Congressionally driven study resulted in the 2019 National Academy of Sciences report *A Roadmap to Reducing Child Poverty*.

After nearly two years of work, the Committee completed a review of the research literature and commissioned analyses to answer some of the most important questions surrounding child poverty and its eradication in the United States. The Committee found there was no single approach that could reduce child poverty in half within ten years. The Academy report identified a combination of evidence-, based work-based and income support packages that would reduce child poverty and deep poverty within the ten year timeframe and recommended four different approaches, which did not include TANF but instead focused on expansions of tax credits like the Earned Income Tax Credit (EITC), the Child Tax Credit (CTC), and the Child and Dependent Care Tax Credit (CDCTC), increasing the minimum wage, and expanding access to basic needs through SNAP and housing vouchers³. These programs and tax incentives were grounded in sufficient research to be selected as the most effective way to reduce child poverty.

The Committee did examine TANF and other anti-poverty programs, but as the Committee stated in *CONCLUSION 7-4*:

*“There is insufficient evidence to identify mandatory work policies that would reliably reduce child poverty, and it appears **that work requirements are at least as likely to increase as to decrease poverty**. The dearth of evidence also reflects underinvestment over the past two decades in methodologically strong evaluations of the impacts of alternative work programs,⁴”* (emphasis added).

The Report further detailed, *“...very little evidence concerning the impact of block grants on poverty rates meets the standard of rigor we imposed on the other reforms we simulated. Second, block grants come in a variety of forms, and knowing how they are constructed is crucial in assessing any poverty impacts they might have. Accordingly, there is no simple answer to the question of whether block grants are likely to increase or reduce poverty.⁵”*

³ National Academies of Sciences, Engineering, and Medicine. 2019. *A Roadmap to Reducing Child Poverty*. Washington, DC: The National Academies Press. <https://doi.org/10.17226/25246>.

⁴ *Ibid.*, p. 210

⁵ *Ibid.*, p. 211

When specifically addressing work requirements in block grants, as was the topic of the Subcommittee hearing, the Report Committee noted, “One study which attempted to separate the work components concluded that ‘work requirements alone have relatively weak effects on family income and poverty,’⁶ (Grogger & Karoly, 2005, p. 171).” Hearing witness Heather Reynolds, Managing Director, Lab for Economic Opportunities at the University of Notre Dame, corroborated this finding in testimony, noting that the currently available data makes clear that flexible funding and case management are needed for people to retain work and move out of poverty.

The Report notes that there is some evidence that TANF had short-term impacts on poverty at the time of its implementation, but there was insufficient research to prove its long-term impact as a poverty reduction program.

... “A review examining the short-run poverty impacts of well-evaluated pre-1996 programs resembling TANF, as well as studies of TANF itself, concluded that while evaluations of most of the pre-1996 programs showed no effect on poverty, some of the studies of TANF itself suggested that it did indeed reduce poverty (Grogger and Karoly, 2005). The review cautioned that after time limits became effective and block grants declined in real value, the program might show different effects. A later review by Ziliak (2016) found less evidence for the poverty-reducing impact of the 1996 legislation, which suggests that the longer-run impacts of TANF on poverty reduction may have been smaller than its short-run impacts.⁷”

More recently, the *New York Times* and Child Trends released the study [*Expanded Safety Net Drives Sharp Drop in Child Poverty*](#), which examined the impact of various federal programs on reducing child poverty. The positive news is that the analysis found that child poverty had been reduced by 59 percent between 1993 and 2020 (before the COVID-19 pandemic began) but the decrease was not the result of TANF.

While that analysis found that multiple forces reduced child poverty, including the employment rate, labor force participation and state minimum wage increases, the story went on to state, “*But a dominant factor [in reducing child poverty] was the expansion of government aid.*”⁸

The federal programs that had the greatest impact between 1993 and 2019 were in order of significance included: the earned income tax credit, Social Security, SNAP, housing assistance, free and discounted school lunch, Supplemental Security Income, cash assistance, the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), unemployment insurance, and home energy assistance.

⁶ Ibid., p. 210 (footnote).

⁷ Ibid., p. 214

⁸ DeParle, J. (2022, September 11). Expanded Safety Net Drives Sharp Drop in Child Poverty. *New York Times*. <https://www.nytimes.com/2022/09/11/us/politics/child-poverty-analysis-safety-net.html>.

The *New York Times*-Child Trends analysis found that cash assistance had reduced child poverty by 5 percent in 1993 but by only 2 percent in 2019. By comparison, the EITC had reduced child poverty by 5 percent in 1993 and by 22 percent by 2019. The only two federal programs that had not increased its reduction in child poverty between 1993 and 2019 were TANF and unemployment insurance.

The Need to Refocus and Increase TANF Funding

Like other block grants that convert entitlement funds to a fixed allocation or block grant, the value of TANF has been eroded by more than 40 percent by inflation. Some of the funding was halted in 2012 with the elimination of the supplemental TANF grants. The block grant funds are insufficient to meaningfully reduce poverty, which ought to be a primary purpose of the TANF program. As noted in the *Roadmap* report, “block grants that are inadequately funded, fail to be sustained, or lack provisions for countercyclical adjustment have resulted in reduced support for low-income families and in increased poverty.”⁹

We hope Congress will do much more as part of a poverty reduction strategy including restoring the Child Tax Credit as it existed during the pandemic. For now, regarding this particular program, we do propose certain reforms.

When AFDC was converted into the TANF block grant in 1996, over 65 percent of families who are low-income were receiving cash assistance through AFDC. In recent years that percentage has shrunk to less than one in four of families receiving cash assistance. “Because expenditures in the TANF program have fallen so dramatically, the cash component of the program currently contributes very little to poverty reduction. Eliminating TANF would increase the child poverty rate by about one-half of one percentage point.”¹⁰ If TANF is to live up to its potential to reduce poverty for children and families, it will be necessary to implement significant reforms that refocus the program on poverty reduction and increase efficacy and access for families in need of support.

More than five years ago, this Subcommittee considered a re-draft and reauthorization of the TANF law—something that is long overdue. At that time, we submitted several suggestions tied to an earlier reauthorization draft. Some of those comments, although more than five years old, still hold value today.

Purposes of the Act

CWLA supports the inclusion poverty reduction as one of the purposes of the act as we did more than a decade ago. We feel this is an important step in helping to focus TANF on assistance for families who are low-income. As was noted multiple times during the

⁹ National Academies of Sciences, Engineering, and Medicine. (2019). *A Roadmap to Reducing Child Poverty*. The National Academies Press. <https://doi.org/10.17226/25246>. P. 213

¹⁰ *Ibid.*, p. 213 footnote.

Work and Welfare Subcommittee Hearing, more than 70 percent of TANF recipients are children.¹¹ TANF reform is an opportunity to focus on reducing poverty for children.

In addition to adding poverty reduction to the purposes, states should be rewarded for decreasing the number of families who are low-income—or at least the number of families in deep poverty—who are in need of assistance. Incentivizing states to reduce poverty and deep poverty, with clear and relevant success measures, would refocus the TANF program to address desired outcomes rather than outputs, such as tracking the number of hours spent on work-related activities.

Elimination of Caseload Credit

Part of the goal of the TANF program was to reduce welfare caseloads, and it was largely successful: “by 2000 it was only a little more than one-half of what it had been in 1995, prior to passage of the TANF legislation.”¹² We support elimination of the caseload credit because it has placed too much emphasis on reduction of cash assistance caseloads since 1996. Although caseloads have dramatically decreased, poverty has not decreased in equal measure. The overall goal of TANF should include not just assisting adults to find permanent and productive work but also the provision of needed assistance for vulnerable families. Incentives that reward decreasing caseloads in times of great need, as was the case during the recession of 2008-2009, should not be a goal unto themselves; the main goal must be to assist and protect families. We recognize the interaction this caseload reduction credit has on state work targets but caseload reduction in and of itself is a false test of success for this human service program.

Improved Counting Hours/Work

We support improvements in how and what qualifies as work. We support allowing states to count as partial work credits for adults who may not be able to meet the full number of hours but who are working. We also support a broader definition of work that expands upon what a state may be able to count.

As part of this recommendation, we support the expanded way in which states can count vocation education as meeting the work requirements and the extension to age 26 for adults seeking their GED or high school degrees. We also suggest that a cap on how many adults are counted under the vocation education provisions be removed.

Penalty Provisions

We believe that any penalties assessed on states should be redirected into program improvement plans. If a state is failing to successfully move adults into work or failing to meet their targets, revenue from penalties assessed would be better utilized in working with that state in developing more effective strategies around assistance and work.

¹¹ Falk, G. (2023). The Temporary Assistance for Needy Families (TANF) Block Grant: Responses to Frequently Asked Questions. Congressional Research Service. 2023. <https://sgp.fas.org/crs/misc/RL32760.pdf>.

¹² National Academies of Sciences, Engineering, and Medicine. (2019). *A Roadmap to Reducing Child Poverty*. The National Academies Press. <https://doi.org/10.17226/25246>. P. 213

¹² Ibid., p. 213.

Individuals Convicted of a Drug-Related Crime

The current blanket prohibition on assistance to anyone with a past conviction of a drug-related crime should be eliminated. This barrier is a relic past political scare tactics, when too many policy-makers viewed drug addiction as a scourge of the cities dominated by the use of crack cocaine, declaring a War on Drugs to combat its usage. We now have more research and knowledge available to us, as well as experience from the past 25 years of addressing the epidemics of manufactured drugs, such as methamphetamines, that were prevalent in rural areas—and more recently, opioids, which are a product of the drug-regulated pharmaceutical industry and found in in both rural and suburban settings. Addiction is an illness that doesn't discriminate, and people with addictions can and do recover when the right supports are available.

It's time to address the need for greater access to substance use treatment and to walk away from outdated assumptions that we can penalize people out of their substance use addictions. If our goal is productive employment that lifts people up, then treatment, not penalty, is the more logical approach.

Minimum Spending on Child Care, Cash Assistance, and Work Activities

In the past, there has been discussion of limiting how TANF is spent to some mission-focused parts of TANF. While there may be some logic to limiting the block grant to assistance, work support, and child care, we caution the Subcommittee that any such reforms must include an increase in the \$16.5 billion 1006 block grant.

It is worth noting that in the Roadmap Report, the Committee found that in order for work requirements to be successful in reducing child poverty, “[c]oupling mandated employment with work supports like child care, job search assistance, and transportation assistance is often the key to success, because... low-income families face many barriers to work related to these factors.¹³” In the absence of broad reform and investment in these supports outside of TANF, it is prudent to continue to allow TANF funds to be spent in this way.

Elimination of Marriage Penalty

We support the elimination of the separate and often too rigorous work requirements and standards for married families. The current work requirements have often failed to consider the challenges that many of these families experience due to the areas of the country they live in or the personal challenges they may be living with.

Additional Concerns

In regard to data collection, we suggest that states, through TANF in coordination with the child welfare agency, collect data on the number of children in child-only families that are in state custody while receiving child-only grants. In addition, the state should

¹³ Ibid., P. 208

indicate if these children are also counted as part of their AFCARS data in the out-of-home care category.

We also propose that under the TANF program, if a state also has a Title IV-E-subsidized guardianship program, that families be informed of their options including the options available under Title IV-E, the supports available and the benefit levels provided under TANF compared to Title IV-E. Similar information is required under Title IV-E regulations but not under the TANF program.

Thank you again for the opportunity to offer these recommendations for the record and for your consideration and attention to our comments.