



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

*Written Comments for Hearing, "Where is all the Welfare Money
Going? Reclaiming TANF Non-Assistance Dollars 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 submit our recommendations on the future of the Temporary Assistance for Needy Families (TANF) block grant. As we noted in our [comments for the record](#) regarding the March 29th hearing, "*Welfare is Broken: Restoring Work Requirements to Lift Americans Out of Poverty*," TANF is important to child welfare for three reasons: its role in providing support to relative caregivers, its significant financial support to wrap-around child welfare services, and its potential to address child poverty.

Our previously submitted comments included several recommendations to strengthen the TANF program, many of which were focused on the eligibility requirements for receiving cash assistance. For our comments today, we have chosen to focus TANF's potential to address child poverty, which research has shown is a risk factor in abuse and neglect. Should the subcommittee choose to put forward a bill to reauthorize TANF, CWLA makes the following recommendations:

1. Include poverty reduction as one of the core purposes of the program.
2. Increase transparency and accountability in how non-cash assistance funds are spent by the states.
3. Optimize family preservation efforts, complementary to the goals of the Family First Prevention Services Act.
4. Significantly increase the funding for the TANF block grant.

Poverty Reduction as a Core Purpose

CWLA supports the inclusion of poverty reduction as one of the core purposes of the act, as we did more than two decades ago. We feel this is an important step in helping to focus TANF on assistance for poor families. TANF reform is an opportunity to focus on reducing poverty for children, and 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.

Recently, the New York Times with Child Trends released a 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.”¹*

The federal programs that had the greatest impact between 1993 and 2019 included, in order of significance: the Earned-income tax credit (EITC), Social Security, SNAP, Housing assistance, Free and discounted school lunch, Supplemental Security Income, Cash assistance, Women/children nutrition (WIC), Unemployment insurance, and Home energy assistance.

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.

TANF has been largely ineffective in significantly reducing child poverty to date. When AFDC was converted into the TANF block grant in 1996, over 65 percent of poor families were receiving cash assistance through AFDC. In recent years that percentage has shrunk to less than 1 in four of poor 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.”² While we believe that TANF can reduce some deep poverty (families at one-half the federal poverty level), if TANF is to live up to its potential to reduce poverty for children and

¹ 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>.

² Ibid., p. 213 footnote.

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.

Increase Research, Transparency and Accountability

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

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” (emphasis added).

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

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.

This lack of evidence was highlighted by witnesses in both TANF hearings this year. Any TANF reauthorization should include an effort to gather more information and data about how TANF dollars are spent and to measure whether these funds are effective at reducing poverty rates of recipients for both cash assistance benefits and non-assistance funds.

It is particularly important that more information is provided about how states spend non-assistance funds. As Mr. Shad White from the Mississippi Office of the State Auditor highlighted in his remarks in the July 12th hearing, the lack of accountability and transparency surrounding these funds has resulted in them being misspent or not spent at all, with some states accumulating funds rather than using them. Non-assistance spending under TANF and the flexible ways it can help families is a critical support but because of this lack of information, there is currently little concrete evidence to support the effectiveness of non-assistance TANF expenditures in reducing poverty and supporting families.

Optimize Family Preservation Efforts

Safety net programs, and welfare programs in particular, were originally created to support some of the most precarious needs in our country, primarily focusing on supporting single mothers with very low incomes to stay home and raise their children, rather than forcing them to find work. These programs were designed to promote family preservation, unification and permanency. Importantly, the first goal of TANF is to support needy families so that children remain safely at home.

As funding streams and programs have diversified and child welfare work has been separated from economic supports and cash assistance, this focus on family preservation has been weakened over time. When families experience material hardship, they are more likely to be the subject of a child abuse or neglect investigation. Nearly 85 percent of families investigated by child protective services have incomes below 200 percent of the federal poverty line⁶. Child welfare workers often don't have access to funds that would allow them to address the pressing needs of the families that they serve, and therefore are often unable to effectively help children to stay in their homes.

In federal fiscal year (FY) 2020, at least 15 states spent more than 15 percent of their TANF funds directly on child welfare services. CWLA recommends that these non-assistance TANF funds that are spent on child welfare services be both strengthened and increased under the TANF block grant as well as the Title IV-B Child Welfare Services

⁶ Melissa Dolan et al., "NSCAW II Baseline Report: Introduction to NSCAW II Final Report OPRE Report 2011-27a," Office of Planning, Research and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services, August 2011, https://www.acf.hhs.gov/sites/default/files/documents/opre/nscaw2_intro.pdf.

block grant to create a more thoughtful set of earmarks for child welfare, primarily to be used for foster care placement prevention. This approach would complement other federal child welfare legislation, such as the Family First Preservation Services Act, and would align with the original goals of welfare and TANF's predecessor, Aid to Families with Dependent Children (AFDC). With additional accountability and transparency measures in place, giving resources to child welfare agencies to provide concrete and economic supports directly to families would reduce the number of children placed in out-of-home care.

CWLA recommends that an alignment between the goals of TANF and child welfare systems be created in partnership with experts in these fields, including people with lived expertise in both child welfare and TANF, and with leaders in tribal communities, where interfamily and community connectedness has proven successful in breaking down silos and supporting and preserving families.

TANF also supplements some out of home placements, a critical support given that 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 addition to aligning TANF goals with the goals of Title IV-B Child Welfare Services, CWLA recommends de-linking Title IV-E eligibility from the AFDC eligibility requirements so that more children and youth in out-of-home care are covered by federal dollars, reducing states' reliance on TANF funds to support placements.

It is also vital to note that access to cash assistance benefits in TANF has been shown to have a substantial impact on child welfare involvement as well. A study published in the Health Affairs Journal in December 2022, demonstrated that increases in TANF caseloads were associated with significant reductions in numbers of neglect victims and foster care placements. Additionally, the findings show that restrictions on TANF access were associated with more than forty-four additional neglect victims per 100,000 child population and between nineteen and twenty-two additional children per 100,000 placed in foster care⁷. Research on the impact of economic and concrete supports on child welfare involvement by Chapin Hall has also shown correlation between reduced access to TANF assistance and increases in reports of neglect and foster care entries⁸.

Cash benefits for families are a crucial strategy in reducing child maltreatment and keeping families together. To that end, TANF reform must include reducing barriers to cash assistance for families. CWLA has [previously recommended](#) a variety of reforms, such as: eliminating the caseload credit; improving how and what qualifies as work, such as partial work credits and a broader definition of work; removing the cap on vocational

⁷ Ginther, Donna K. and Johnson-Motoyama, Michelle. "Associations Between State TANF Policies, Child Protective Services Involvement, And Foster Care Placement." Health Affairs Journal, Vol. 41 Number 12. December 5, 2022. <https://www.healthaffairs.org/doi/10.1377/hlthaff.2022.00743>

⁸ Chapin Hall. "Child and Family Well-being System: Economic & Concrete Supports as a Core Component." March 2023. <https://www.chapinhall.org/wp-content/uploads/Economic-Supports-deck.pdf>

education; eliminating the current blanket prohibition on assistance to anyone with a past conviction of a drug related crime; and eliminating the separate and too rigorous work requirements and standards for married families.

Increase TANF Funding

Similar to 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 actually eliminated in 2012 with the elimination of the supplemental state 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 propose a substantial increase in overall funding in addition to the reforms noted above to better address and reduce child and family poverty and to promote family preservation and permanency for children.

Thank you again for the opportunity to offer these recommendations for the record and for your consideration and attention to our comments. CWLA is eager to work with the Committee in implementing thoughtful and effective reforms to the TANF program.

⁹ 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>. P. 213