

July 26, 2023

The Honorable Jason Smith
Chairman
House Committee on Ways and Means
1011 Longworth HOB
Washington, DC 20515

The Honorable Darin LaHood
Chairman
Subcommittee on Work and Welfare
1424 Longworth HOB
Washington, DC 20515

The Honorable Richard Neal
Ranking Member
House Committee on Ways and Means
372 Cannon HOB
Washington, DC 20515

The Honorable Daniel Davis
Ranking Member
Subcommittee on Work and Welfare
2159 Rayburn HOB
Washington, DC 20515

Dear Chairman Smith, Subcommittee Chairman LaHood, Ranking Member Neal, and Ranking Member of the Subcommittee Davis,

On behalf of the American Public Human Services Association, the bipartisan organization representing state and county human service agencies across the country and the Temporary Assistance for Needy Families (TANF) programs they administer, we are grateful for this opportunity to submit comment in response to the hearing held July 12, 2023, titled *Where is all the Welfare Money Going? Reclaiming TANF Non-Assistance Dollars to Lift Americans Out of Poverty*.

We wish to thank Chairman LaHood for anchoring this discussion in TANF's original intent as a poverty alleviation program. As TANF's four purposes indicate, assisting families in attaining economic mobility through supports such as employment or cash assistance is effective only when we address root barriers impeding them and systematically disrupt cycles of poverty.

As demonstrated by both the Work and Welfare Subcommittee hearing on March 29th of this year and this second related conversation, the current statutory construct of TANF falls short of our shared beliefs about what TANF should be for our communities. As we together look toward bipartisan TANF reform, we must commit to following the evidence of what works, to requiring monitoring and reporting of non-assistance spending that will reestablish national trust in the program, to protecting TANF's flexibilities that allow jurisdictions to accommodate their region's needs, and to maintaining our focus on meaningful solutions found through comprehensive TANF reform.

Guided by these community-centered aims and an unflagging belief in human potential, we can assess and identify effective antipoverty strategies. Ranking Member Davis referenced research from 2010 that demonstrated if families with children under the age of five receive an extra \$3,000 per year, this boosts children's adult earnings by 17%.ⁱ Additional research published in 2021, disseminated by Chapin Hall, demonstrates that each additional \$1,000 that states spend annually on public benefit programs of cash assistance or near-cash assistance is associated with significant reductions in child maltreatment reports, foster care placements, and reduction in child fatalities due to maltreatment.ⁱⁱ Through states, local agencies, and community organizations and with bipartisan reform, TANF has the capacity to provide families across the nation living below the poverty line with cash, low-income housing infrastructure development, child care assistance, employment opportunities, and other life-saving economic and concrete supports.

While the misuses of funds such as the public fraud that previously occurred in Mississippi understandably raise questions that must be addressed, they should not obstruct the way forward for families and communities.ⁱⁱⁱ Taking measures to ensure visibility and accountability in how TANF agencies use non-assistance funds and contract with critical community partners in upstream anti-poverty measures is imperative to preserving trust in the program as it stands today and in what it might become. While adding monitoring and reporting requirements of TANF spending is necessary, curtailing states' spending flexibilities in the process—especially in the absence of comprehensive, community-centered TANF reform—is counterproductive to our shared goal of customizing services to meet the unique needs of each individual, family, and community with which human service agencies work.

APHSA and its membership of state and local human services agencies are eager to advance lasting reforms that wield TANF's significant capability to support families' path out of poverty and proactively promote wellbeing. For this reason, we have developed a set of [Core Principles for TANF Modernization](#) that articulate our North Star in what TANF policies and practices should reflect, and a [Legislative Framework for TANF Reform](#) that translates those principles into a roadmap from which Congress can enact a reauthorization. Further, we continue to embed these core principles into our work, constructing them into the collage of state and local practice changes happening around the country that are generating new insights on how to modernize TANF.

For inclusion in the hearing record, we have enclosed with this comment a copy of our TANF Core Principles and Legislative Framework and welcome further opportunities to discuss ways to thoughtfully and comprehensively improve the program. Please direct any follow-up to Matt Lyons, Senior Director of Policy and Practice, at mlyons@aphsa.org, or Christine Johnson, Assistant Director of Policy, at cjohnson@aphsa.org.

Sincerely,



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Babette Roberts
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Fariborz Pakseresht
Chair, APHSA Leadership Council

ⁱ Duncan, Ziol-Guest, and Kalil, 2010. [Center for Budget and Policy Priorities](#) confirmed by one of the authors show that this is a typographical error and 17 percent is correct.

ⁱⁱ Puls, 2021.

ⁱⁱⁱ As was evidenced during the July 12th hearing, beginning in August 2019, Mississippi Department of Human Service leadership has made significant efforts to shape policies and improve internal controls to enforce transparency and accountability for subgrantees and Request for Proposals, including MDHS Executive Director Robert G. “Bob” Anderson’s issuance of a forensic audit of the agency. Read more at <https://www.mdhs.ms.gov/mdhs-issues-rfi-for-a-forensic-audit-of-the-agency/>

Core Principles for TANF Modernization: A Legislative Framework for TANF Reform

Revised May 2022

This year marks the 25th anniversary of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), establishing the Temporary Assistance for Needy Families (TANF) program. TANF provides millions of parents and caregivers with economic supports to help meet their basic needs; employment and training skills to earn family-sustaining wages; early childhood care that fosters development during children’s formative years; and services that prevent and mitigate childhood stress and trauma.

Over these past 25 years, we have learned much about what works—and what doesn’t—to help families succeed for the long-term and get to the root of barriers communities face to promote opportunity for all. As our nation faces unprecedented new challenges in response to the COVID-19 pandemic, we have simultaneously made bold new investments in the foundational supports we all rely on to thrive. TANF has the potential to catalyze and transform these investments into economic mobility for millions of Americans by working in true partnership with people to remove roadblocks to their economic and family well-being.

Working with TANF administrators and human services leaders across the country, the American Public Human Services Association (APHSA) embraces the call to reimagine how TANF can work in support of the families it serves and has established a set of [TANF Modernization Core Principles](#) to guide our vision for the future of TANF. Grounded in these Core Principles, APHSA’s members have laid out a legislative framework to unlock the potential of TANF. We call upon Congress to use this framework as a starting point to build common ground to achieve a TANF reauthorization that promotes a more equitable and prosperous future for all Americans.

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*For inquiries or more information,
contact Matt Lyons, Senior Director of
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TANF MODERNIZATION CORE PRINCIPLES

We maintain the values of equity, inclusion, and the limitless possibilities of human potential as a clear North Star, guiding each of the Core Principles and all of our work; these values must serve as the foundation for building modern TANF programs to support child and family well-being for generations to come.

To advance these values, we pull each Core Principle through a race equity lens.



6 Families must have access to adequate assistance and services that allows them to meet their basic needs while working to achieve their long term goals.

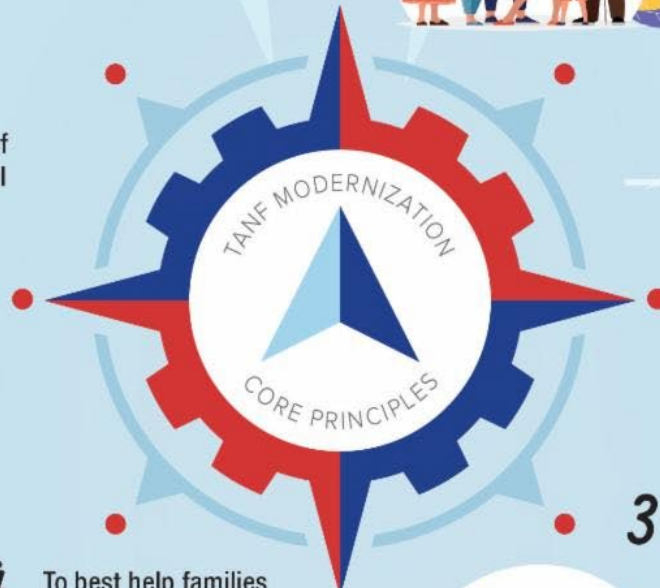


1 To help families achieve economic mobility, TANF must support the physical, social, and emotional well-being of individuals and their family.

5 The broader workforce system must provide a coordinated continuum of services that supports all jobseekers' strengths, goals and needs.



2 TANF must prioritize tailored solutions that help families succeed for the long term.



3 TANF should foster conditions that advance a person's sense of agency over their life and belonging within their community.



4 To best help families achieve their goals, TANF policies should be centered in evidence and promising practices that reflect the lived experiences of families.



Reimagining Family Engagement in TANF

VISION FOR TANF:

Families should be in the driver's seat of their own lives, co-creating plans with TANF agencies that support their family well-being and long-term economic mobility. Families should receive individualized assessments that are used to place them in customized activities that reflect their input and expertise. These plans should be reviewed and updated over time with participants and staff jointly evaluating progress as they work together to achieve agreed upon goals.

CONGRESS SHOULD:

> Establish a Framework for Customized Career and Family Success Plans

- Direct the Department of Health and Human Services (HHS) to establish common standards for states to develop individualized assessments for TANF participants that consider families' economic, social, emotional, and physical well-being.
- Direct states to co-create with TANF participants customized Career and Family Success Plans that put into action a plan to achieve mutually agreed upon goals based on individualized assessments.
- Use individualized assessments to measure progress towards goals and update Career and Family Success Plans bi-annually and as otherwise requested by TANF families.
- Require states to submit to HHS their methodology for conducting individualized assessments to develop Career and Family Success Plans (replacing the existing Work Verification Plan requirement) using state performance data, participant feedback, and social and economic indicators to inform changes and revisions.

> Use Career and Family Success Plans to Reimagine the Role of TANF Agencies to Support Pathways to Economic Mobility

- Replace arbitrary and convoluted Work Participation Rate (WPR) requirements and associated restrictions on countable hours and activities with economic mobility and child and family well-being components jointly identified with participants through their individualized Career and Family Success Plans.
 - Economic mobility activities may include education, training, and employment activities and/ or work readiness activities that help support successful entry and long-term success and growth in the workforce.
 - Child and family well-being activities may include services and resources that address children and caregivers' physical, behavioral, social, and emotional needs.
- Tailor economic mobility and child and family well-being activities to the specific needs of TANF participants and their families using a trauma-informed approach, accounting for families' participation in other economic mobility and child and family well-being programs and advancing a strategy towards family-sustaining wages.

- Require states to reassess and update, in consultation with TANF participants, Career and Family Success Plans, when participants are not meeting Plan requirements.
- Limit sanctioning of TANF participants to instances where individuals are not meeting Career and Family Success Plan requirements and proactive outreach has failed to reengage TANF participants in jointly reviewing and realigning their Success Plans with relevant and achievable goals and activities.
- Prohibit “full family” sanctions, fostering continued service provision and support that meet the needs of children in the home.

> Provide a Minimum Five-Year Lifetime Limit for TANF Participation

- As a condition of accepting the TANF block grant, states must provide a minimum five-year lifetime limit for TANF cash assistance.
- States should have discretion to propose through State Plans to increase their lifetime limit for TANF assistance beyond five years.



Establishing Performance Measures Focused on Outcomes

VISION FOR TANF:

TANF services should be centered in evidence of what works for families, informed by the perspectives, goals, and needs of individuals served. The success of TANF programs should be measured by their ability to achieve employment and economic well-being outcomes, as captured through progress towards and attainment of family-sustaining wages. Further, TANF programs should measure family stabilization outcomes that assess whether participants have the child and family supports they need to effectively pursue their career goals.

CONGRESS SHOULD:

> Establish Employment & Economic Well-Being Performance Measures Aligned with WIOA

- Direct HHS to establish TANF Employment and Economic Well-Being Measures that:
 - Align with WIOA measures of employment rates (Q2 and Q4), median earnings (Q2), and credential attainment rates (within 1 year) after exit, and measurable skills gains rates for program participants.
 - Are adapted to the specific characteristics of TANF participants, such as measuring skill gains and credential attainment that consider improvements in executive functioning and soft skills while participating in TANF.
 - Include a list of acceptable supplemental measures that consider whether TANF recipients are achieving long-term economic mobility or incremental progress towards removing barriers to economic mobility, which states may report on to be factored into determining whether they have met performance standards.
- Provide a three-year transition period for states to adopt new outcome-based performance measures, including grant funding and technical assistance to collect the data needed for performance reporting.
 - Establish state-specific TANF baselines using data on TANF participant employment and economic well-being outcomes in the three years prior to implementation of new outcome-based performance measures.
 - Fund pilots during the three-year transition period for states with existing capabilities to track and evaluate outcome measures.

> Establishing Federal Oversight to Assess Progress in State Performance Outcomes

- Direct HHS to develop criteria for acceptable employment and economic well-being outcomes based on states falling within an acceptable range of performance targets.
 - Metrics should include data that enable states to identify and track progress towards addressing disparities in outcomes among TANF participants.
- Permit states that fail to meet performance standards in a reporting period to establish a corrective action plan to avoid penalties, contingent on performance outcomes in the following reporting period.
- Require states under penalty to increase state Maintenance of Effort spending to improve performance outcomes rather than withhold a share of the TANF block grant.
- Direct HHS to determine aspirational thresholds for employment and economic well-being measures and establish a high-performance bonus structure that rewards states that reach aspirational thresholds and maintain high TANF penetration rates within eligible populations.
- Grant HHS discretion to waive penalties in exceptional circumstances.

> Establish Family Stabilization Metrics to Measure Child and Family Well-Being

- Direct HHS to establish acceptable state and/or county-level Family Stabilization Measures for assessing child and family well-being overall, prioritizing identifying and tracking progress towards addressing disparities in outcomes among TANF participants.
- Require states to identify within their State Plan which Family Stabilization Measures they will track. Measures selected should be informed by community assessments that include input from current or former TANF recipients.
- Provide a three-year transition period for states to adopt and implement Family Stabilization Measures.
- Direct HHS to offer technical assistance to states on establishing, measuring, and improving outcomes within Family Stabilization Measures.



Moving TANF Upstream Through Cross-Systems Alignment

VISION FOR TANF:

TANF must act as a bridge to create alignment with the constellation of programs and services critical to optimizing career and family well-being outcomes for people experiencing poverty.

CONGRESS SHOULD:

> Require States Spend at Minimum 50% of Federal TANF Funding Towards Core Activities

- Core activities include cash assistance, case management, and economic mobility and child and family well-being activities that are part of Career and Family Success Plans, as well as non-recurrent short-term benefits and family support/family preservation/reunification services.
 - Countable core activities may include activities included in a Career and Family Success Plan intended to support non-custodial parents, grandfamilies, and other non-traditional caregivers of TANF assistance recipients in financially and socially supporting their families.
 - Countable core activities may include activities funded by TANF transfers to another program so long as they are part of a TANF assistance recipient's Career and Family Success Plan.
 - Provide a two-year transition period for states to come into compliance with core activities requirements.

> Require TANF Transfers to Demonstrate Coordination Across Programs

- Require states that choose to transfer TANF funds to CCDBG, SSBG, WIOA, or child welfare to document within State Plans how funds are being coordinated in pursuit of TANF goals through policy and system alignment, data sharing, referrals, shared metrics, and customer feedback.
- Direct HHS to develop a schedule for key reporting and administrative requirements that supports coordination with other major federal program planning and reporting schedules.

> Adequately Fund Mutually Supportive Systems to Work Effectively with TANF

- Ensure that systems aligned with TANF to help families achieve success, such as child welfare, child care, child support, and workforce development, are adequately funded, allowing states the ability to prioritize TANF funds towards core activities.

> Direct HHS to Evaluate Alignment of TANF Cash and Supportive Services with Aligned Economic Mobility and Child and Family Well-Being Programs

- Reserve funding to enhance research, technical assistance, and pilots that increase the evidence base on best practices and impacts of aligning TANF with child welfare prevention services, housing, WIOA, and WIOA one-stop partners.
- Expand the scope of the Pathways to Work Evidence Clearinghouse to warehouse evidence of what works in alignment with the full scope of TANF Career and Family Success Plans.

Updating TANF Funding and Resourcing

VISION FOR TANF:

TANF must be adequately resourced to invest in families' short-term stability and long-term economic mobility goals. States must be able to make investments in people and services in ways that mitigate benefit cliffs, clearing a path to economic mobility and supports healthy, thriving families. TANF must also be responsive in times of public health emergencies, natural disasters, and economic downturns; families must have adequate resources to weather the storm.

CONGRESS SHOULD:

> Invest in TANF's Potential to Align Benefits and Supportive Services to Help Families Out of Poverty

- Immediately increase the TANF block grant from 1995 spending levels to compensate for lost value due to inflation.
- Index future block grant levels to inflation to prevent future loss in value.

> Modify the Calculation of Individual State's Block Grant Levels to Reflect Current Need

- In conjunction with an increase to the TANF block grant and holding states harmless from a reduction to existing TANF state grant amounts, charge HHS to transition from the current state allocation formula that is based on outdated AFDC spending levels to reflect more equitable distribution across states based on current economic needs of families with children.

> Provide Cash Assistance, Paired with Career and Family Services, that Meets Families' Basic Needs to Support their Path Out of Poverty

- Require states to demonstrate how TANF benefits and services, in conjunction with other economic supports, provide TANF participants enrolled in Career and Family Success Plans with the resources needed to meet their basic needs while working towards career and family well-being goals.
- Grant authority for states to exempt TANF cash assistance from countable income for other means-tested programs when TANF benefits would result in benefit cliffs that reduce net wealth as TANF participants' earned income rises.
- Incentivize states to adopt and expand child support pass through policies by fully waiving the federal share of child support collections for TANF cash assistance on passed-through child support payments.

> Limit States' TANF Reserves to 100% of Their Annual Block Grant

- Limit states reserves of overall, unobligated TANF block grant funds at the end of each fiscal year to no more than 100% of the state's current fiscal year allocation of TANF funds.
- Allow States with current reserves above this threshold two fiscal years from the date of the policy change to obligate excess funds with an additional year to expend excess funds.

For inquiries or more information, contact Matt Lyons, Senior Director of Policy & Practice at mlyons@aphsa.org.