

October 8, 2024

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 full committee hearing held September 24, 2024, titled, *States' Misuse of Welfare Funds Leaves Poor Families Behind*.

The hearing surfaced several key themes related to the federal TANF program. As the title indicates, much of the discussion focused on a few significant instances of unmonitored TANF non-assistance fraudulent spending as well as the Government Accountability Office's preliminary report detailing 155 unresolved TANF single state audit findings nationally in 2023. Members of the committee and witnesses also discussed at length how TANF funding should be spent, with significant emphasis on enforcing work requirements as a condition of receiving cash assistance.

As the Chairman and Ranking Member emphasized, TANF is a central component of our nation's human services sector, and the American public deserves a TANF program that fosters trust and integrity and achieves meaningful outcomes that promote family economic mobility. To accomplish this, we need a TANF program that has the necessary guardrails to ensure funds are used as intended. We also need a TANF program that is flexible in delivering cash and wrap-around supports that stabilize and equip families to overcome their unique barriers to work and provide them with the skills and experiences to grow in career directions that provide long-term, family-sustaining employment.

We are concerned that the narratives in this and recent hearings from the Committee oversimplify the issues facing the program and risk bringing TANF back into the past when we need to be forging a path for the future. We know that the Work Participation Rate is an ineffective tool to drive towards positive work outcomes and that the core and non-core activity structure added to the program in the Deficit Reduction Act of 2005 has hampered states' ability to meet work participation targets, motivating them to seek out other means to meeting these target rates through caseload reduction credit and excess maintenance of effort spending. We also know fraud, waste, and abuse are not equivalent to flexibility,

and tailored solutions must be preserved to disrupt intergenerational poverty for different people in different places in the country. Reforms that engender fidelity to effective strategies that channel the flexibility of the TANF block grant to strengthen communities and set families on paths towards family economic mobility will help the program reach its true potential.

We applaud Congress for its bipartisan actions in the Fiscal Responsibility Act of 2023 to establish nationwide work outcomes reporting measures in TANF and authorize pilots to test alternative approaches to the Work Participation Rate in engaging TANF assistance recipients and defining program performance. Efforts such as these reflect opportunities to bring TANF into the future, leveraging evidence and innovation to improve services.

We encourage the Committee to review APHSA's TANF Modernization [Core Principles](#) and [Legislative Framework](#), which detail our membership's renewed vision for a reimagined TANF program, modeled after the work their state agencies are already doing to advance impact through TANF's current imperfect design. Enclosed in Appendix A, we expound further on three key lessons our members have learned about how to leverage the TANF program to best serve families experiencing poverty: (a) parents need stabilization support before they can work; (b) in alignment with TANF core purposes two, three, and four, supportive services beyond cash assistance are crucial for family stability, and (c) reporting and monitoring requirements should not limit state flexibilities to meet the unique needs of their local communities, which remains a pivotal aspect of the program's design.

As always, we welcome further opportunities to discuss ways to improve TANF. Please direct any follow-up to Rebekah Sides, APHSA Policy Associate at [rsides@aphsa.org](mailto:rsides@aphsa.org).

Sincerely,



Matt Lyons

Senior Director, Policy & Practice  
APHSA



Patara Horn

Chair, APHSA National Association of State  
TANF Administrators

## Appendix A.

### Stabilization for Long-Term Mobility and Well-Being

To achieve economic mobility, families need support in first establishing their physical, social, and emotional well-being. The Urban Institute’s [Upward Mobility Dashboard](#) highlights key factors in influencing mobility including housing stability and affordability, transportation access, environmental quality, safety from trauma and crime, access to health services, neonatal health, and social capital. Without these, employment opportunities and wealth-building opportunities can feel beyond reach.

In response, human services agencies such as Oklahoma have introduced individualized assessments for TANF participants that evaluate families’ economic, social, emotional, and physical well-being upon intake. Together with participants, they co-create customized plans with families receiving TANF cash assistance based on these assessments, setting mutually agreed-upon goals. Progress toward goals is regularly measured and plans are updated as needed.

In addition, the District of Columbia’s TANF program is embedding this model into their two-generation, or “2Gen,” approach with the goals of ensuring the enrichment, security, and safety of children, while providing meaningful engagement with caregivers. For D.C., facilitating meaningful engagement meant shifting away from time-bound policies, allowing caregivers to advance their personal well-being and the well-being of their children through personal growth and career development, education, and family goals. In 2018, they reduced the case manager-to-customer ratio, implemented performance-based contracts with training providers in high-growth industries in D.C., and introduced financial incentives for job promotion and exit from TANF. Moreover, D.C. eliminated the five-year time limit, increased TANF benefit levels, and limited sanctions to reduce scarcity, creating a foundation for families to thrive and pursue meaningful work that offers family-sustaining wages. While Oklahoma and the District of Columbia provide just two examples, TANF administrators across the nation continue to acknowledge how essential stabilization is for TANF families to succeed in the long-term. State non-assistance spending is a critical funding source that enables state agencies to provide families with these types of supports.

### Non-Assistance TANF Funds Are Foundational to TANF’s Purposes

TANF funds, both assistance and non-assistance, provide parents and caregivers with essential economic supports to meet basic needs, gain employment and training skills to earn family-sustaining wages, access early childhood care that fosters development during children’s formative years, and receive services that prevent and mitigate childhood stress and trauma. These comprehensive economic and concrete supports funded through the TANF block grant reduce the risk of child welfare system involvement<sup>i</sup> and help families overcome critical barriers to work.

Agencies have found that leveraging opportunities for TANF non-assistance to stand as a connecting point to broader systems—working with public health, child welfare, substance misuse, housing, nutrition, child care, and related systems—to promote economic mobility and move services upstream before families face dire poverty or child welfare involvement. By leveraging TANF’s flexibility to fill gaps, align systems, and support whole families, we can dismantle structural inequities and drive transformative change in human services.



As Congress considers TANF reform, in place of the work participation rate, core/non-core activities list, and work verification plan, consider again Oklahoma’s use of individualized assessments to determine what activities might be necessary to help a family achieve their career goals. We urge Congress to require states to spend at minimum 50% of their federal TANF funding towards core activities included on families’ individualized plans, ensuring that non-assistance uses of TANF are supporting the activities that families have named as steps toward their goals.

Finally, we caution the Committee from making quick assumptions related to the state expenditure data published on ACF’s website. The spending categories in the state expenditure data published on ACF’s website are not clearly operationalized, creating uncertainty about the true picture of state spending. Moreover, with the depreciation of the TANF block grant due to inflation, the real value has depreciated by about 40 percent in this time, which has influenced states’ choices to shift TANF block grant spending allocations.<sup>ii</sup>

### **Increased Accountability is Critical, But Not at the Expense of State Flexibility**

The two Work and Welfare Subcommittee hearings held in 2023 as well as this full committee hearing have surfaced various misuses of TANF funds that should be addressed; however, as we move forward, these instances should not obstruct the way forward for families and communities. 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.

For example, consider the TANF program in Chesterfield-Colonial Heights, VA. This county program has developed trusting relationships with numerous employers in their community; the county’s TANF work program trains skills and competencies that are in-demand from well-respected local employers, and the state agency staff facilitate warm-handoffs between the TANF work program participants and the hiring employers, bolstering the participants’ likelihood of securing gainful employment. Piecemeal statutory changes to states’ allowable spending flexibilities of their TANF block grants has the potential to disrupt local, community-based partnerships like these in Chesterfield-Colonial Heights and should be carefully assessed through a comprehensive, community-centered lens.

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<sup>i</sup> Anderson, C., & Grewal-Kök, Yasmin. (July 2023). The role of TANF in economic stability and family well-being and child safety. Retrieved from [https://www.chapinhall.org/wp-content/uploads/Chapin-Hall.TANF\\_Policy\\_Brief\\_7\\_6\\_23.pdf](https://www.chapinhall.org/wp-content/uploads/Chapin-Hall.TANF_Policy_Brief_7_6_23.pdf).

<sup>ii</sup> Falk, G., & Landers, P. (January 25, 2021). The temporary assistance for needy families (TANF) block grant: Responses to frequently asked questions. Congressional Research Service. Retrieved from <https://fas.org/sgp/crs/misc/RL32760.pdf>



# 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 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.



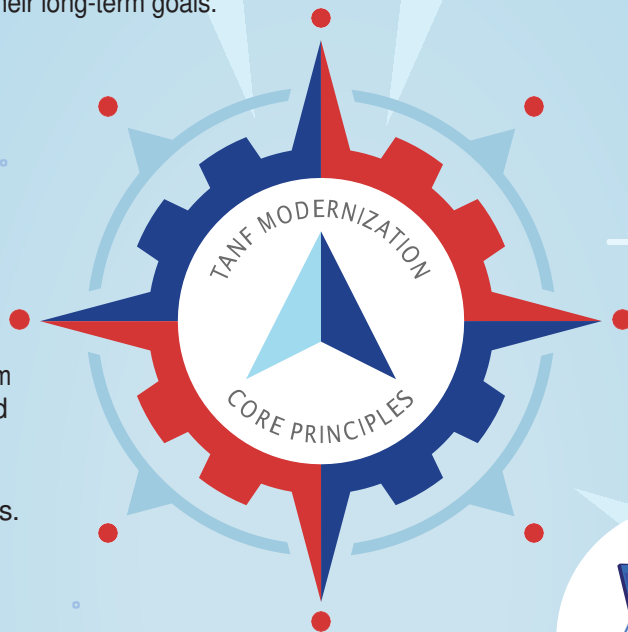
**6** Families must have access to adequate assistance and services that allows them to meet their basic needs while working to achieve their long-term goals.



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



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



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



**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.



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