"We fail to see that some are mired in desperate and degrading poverty, with no way out, while others have not the faintest idea of what to do with their possessions, vainly showing off their supposed superiority…" –Pope Francis

RECIPIENT IMPACT STATEMENT

Welfare Reform Proposal by The House Human Resources Subcommittee of the House Ways and Means Committee

Boustany Announces Hearing on Welfare Reform Proposals

JULY 15, 2015

HEARING HUMAN RESOURCES WELFARE REFORM

Congressman Charles Boustany (R-LA), Chairman of the Subcommittee on Human Resources of the Committee on Ways and Means, today announced that the Subcommittee will hold a hearing on welfare reform proposals, specifically involving the reauthorization of the Temporary Assistance for Needy Families (TANF) program.

The hearing will take place on Wednesday, July 15, 2015, in 1100 Longworth House Office Building, beginning at 10:30 A.M.

The subcommittee invites witnesses and other interested parties to submit testimony and comments on the following Committee Discussion Draft of welfare reauthorization legislation: COMMITTEE DISCUSSION DRAFT

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Dear Chairperson Boustany:

As an antidote to poverty for families with children in America, the TANF program has failed. As a result of the callous treatment families endure from the state governors, legislators and TANF administrators, millions of children will endure lifelong problems, including profound health issues.

Several years ago, a *60 Minutes* segment on the CBS network, presented the tough journey of a homeless family, living in the southern United States, who could only qualify for SNAP. The TANF program was not even mentioned as a benefit to help poor and homeless families. This Committee should enact a TANF reform bill that would be consistent with Pope Francis's recent encyclical letter wherein he wrote: *"We fail to see that some are mired in desperate and degrading poverty, with no way out, while others have not the faintest idea of what to do with their possessions, vainly showing off their supposed superiority…"*

No family in the United States should have a TANF grant less than 100% of the federal poverty level. See **TABLE #1** that reveals the average TANF payment level is less than 25% of the federal poverty level.

The TANF program has been a federal "bonanza" for States who are charged with assisting parents of poor children get on the road to self-sufficiency. In 2015, only 30% of the total TANF block grant and State MOE funding is used to meet the family's basic survival needs, such as rent, utilities and clothing. TANF money is a great source of funding for the welfare industry and bureaucracy who receive 70% of TANF money while only 30% goes to payments to impoverished families. As contrast, the previous Aid to Families With Dependent Children (AFDC) Program paid 70% of the AFDC funds for direct benefits payments to families. AFDC was funded with 50% federal dollars and 50% state dollars.
TABLE #2 reveals the how States fleece the TANF program.

Since the inception of TANF, California has been able to fleece the TANF program out of $23 billion while TANF/CalWORKs children lead the nation in child poverty. Today, the average grant is about 30% of the federal poverty level. See **TABLES #3.**

How do States manage to use less than 30% of the federal TANF allocation and the State Maintenance of Effort (MOE) for cash assistance? States are operating inhumane and punitive public assistance programs. Most states impose full family sanctions upon families with children whose parent has allegedly not participated in the state employment programs even if the individual did not have childcare or transportation. States do this to meet the Work Participation Rates (WPR) through caseload reductions as well as eliminating families out of the numerator for the WPR calculations.

Many children who are subjected to full family sanctions end up in the foster care system accused of negligence. In reality, it's "State induced *economic* negligence" because parents cannot meet their child's basic needs due to the sanctions. A lot of the TANF dollars are used by States to fund their foster care program – aiding the TANF children. We now have "TANF government children" in the foster care system that would have been with their natural parents when we had the AFDC program.
What is the fiscal difference between TANF and foster care? In California, CalWORKs (TANF) costs on the average $200 a month per child while costing $2,200 a month for a child in foster care.

TABLE # 1

In 2015, the Federal Poverty Level for a Family of Three is $1,674 a month

States	TANF (3 Children)	Percentage of Federal Poverty Level		States	TANF (3 Children)	Percentage of Federal Poverty Level
Alabama	$215	13%		Missouri	$292	17%
Alaska	$656	39%		Montana	$504	30%
Arizona	$278	17%		Nebraska	$364	22%
Arkansas	$204	12%		Nevada	$383	23%
California	$694	41%		New Hampsh.	$675	40%
Colorado	$404	24%		New Jersey	$424	25%
Connecticut	$576	34%		New Mexico	$447	27%
Delaware	$428	26%		New York	$900	54%
DC	$270	16%		North Carolina	$272	16%
Florida	$303	18%		North Dakota	$310	19%
Georgia	$280	17%		Ohio	$434	26%
Hawaii	$763	46%		Oklahoma	$241	14%
Idaho	$309	18%		Oregon	$477	28%
Illinois	$284	17%		Pennsylvania	$403	24%
Indiana	$256	15%		Rhode Island	$554	33%
Iowa	$426	25%		South Carolina	$216	13%
Kansas	$375	22%		South Dakota	$681	41%
Kentucky	$262	16%		Tennessee	$232	14%
Louisiana	$240	14%		Texas	$179	11%
Maine	$386	23%		Utah	$498	30%

Maryland	$733	44%		Vermont	$710	42%
Massachusetts	$633	38%		Virginia	$389	23%
Michigan	$420	25%		Washington	$478	29%
Minnesota	$532	32%		West Virginia	$340	20%
Mississippi	$170	10%		Wisconsin	$550	33%
				Wyoming	$561	34%

TABLE #2

Federal Fiscal Year	Total Federal TANF and State MOE Funds	Total Spent for Payments to Poor Families with Children	Percentage of TANF dollars Going to Cash Assistance to TANF Families	Children Living in Deep Poverty - 50% of the federal poverty level	Children Living Below 100% of the Federal Poverty Level
1997	$19,603,114,268	$13,901,705,312	71%	2,640,694	6,269,998.00
1998	$22,772,430,582	$13,927,623,731	61%	2,519,906	6,001,292.00
1999	$26,954,983,262	$13,165,747,213	49%	2,283,492	5,601,860.00
2000	$28,275,174,613	$11,180,400,974	40%	2,108,912	5,212,228.00
2001	$28,499,551,177	$10,143,465,544	36%	2,153,071	5,197,115.00
2002	$28,372,057,418	$9,408,233,518	33%	2,266,480	5,434,762.00
2003	$29,056,889,945	$10,218,545,347	35%	2,441,227	5,760,902.00
2004	$28,541,831,816	$10,389,421,895	36%	2,579,276	6,003,736.00
2005	$28,439,900,706	$10,739,000,687	38%	2,568,050	5,975,370.00
2006	$28,445,736,836	$9,906,038,682	35%	2,554,450	5,973,777.00
2007	$30,006,456,645	$9,068,930,860	30%	2,577,614	6,041,259.00
2008	$30,989,868,539	$8,648,970,019	28%	2,663,741	6,173,802.00
2009	$33,534,692,301	$9,323,502,540	28%	2,877,916	6,590,502.00
2010	$35,848,113,846	$10,699,142,042	30%		

There is no reason why Congress should not DEMAND that states use at least 70% of the funding for payments to needy families (cash assistance) rather than allowing states to use 70% of the TANF funds to pay for bureaucratic costs, especially when Congress has appropriated billions for employment and childcare programs in the past two years. These funds must first be used for those in the highest need – TANF recipients.

The other major reform needed in the TANF program is to assure that the TANF is a program helping "poor families" and not "greedy states".

The other major reform needed in the TANF program is to assure that the TANF is a program helping “poor families” and not “greedy states”. USDA keeps track of the number of people potentially eligible for SNAP and how many receiving SNAP. TANF has no similar information. It seems like Congress and States don't care that there are families suffering in deep poverty that should be eligible for TANF but cannot overcome the path to eligibility that is loaded with landmines that are often insurmountable.

Is the State Welfare Agency the Right Entity for Employment Services for the Poor of America?

We encourage the House to end the welfare office responsibility to find jobs for welfare recipients. The welfare department is not the jobs department. TANF mandates that the welfare department perform the “jobs” function. Recently, Congress enacted the Workforce Investment Program. Section 2 of PL. 113-128 states:

> *The purposes of this Act are the following:*
>
> *(1) To increase, for individuals in the United States, particularly those individuals with barriers to employment, access to and opportunities for the employment, education, training, and support services they need to succeed in the labor market.*
> *(3) To improve the quality and labor market relevance of workforce investment, education, and economic development efforts to provide America’s workers with the skills and credentials necessary to secure and advance in employment with family-sustaining wages and to provide America’s employers with the skilled workers the employers need to succeed in a global economy.*

Welfare recipients are also Americans and they should have the same opportunities to be assisted by the state employment professionals and not be subjected to the segregated employment programs operated by the welfare officials of the various states.

Congress authorized over $3.3 billion a year to operate employment programs for Americans in the most recently reauthorized WIA act P.L. 113-128. In California there is another estimated $5.6 billion employment programs for Californians.

Welfare recipients are also Americans and they should have the same opportunities to be assisted by the state employment professionals and not be subjected to the ***segregated employment programs*** operated by the welfare officials of the various states.

Section-By-Section Analysis The Ways & Means Committee “Discussion Draft”

SECTION 3. EXTENSION OF PROGRAM – Page 2, Line 7

RECIPIENT IMPACT STATEMENT: None.

CCWRO POSITION – Support

CCWRO RECOMMENDATIONS – None

SECTION 4. NO WAIVER OF WORK REQUIREMENT – Page 3, Line 19

RECIPIENT IMPACT STATEMENT: Historically most waivers issued by HHS has had a negative impact on the beneficiaries of the AFDC and now TANF program.

CCWRO POSITION – Support

CCWRO RECOMMENDATIONS – None

SECTION 5. INDIVIDUAL OPPORTUNITY PLANS – Page 4, Line 11

RECIPIENT IMPACT STATEMENT: Opportunity plans, employment plans or contracts, rarely give beneficiaries an opportunity to elect a path to self-sufficiency. A family has less chance of becoming self-sufficient when the entire process gives the government all of the decision-making and the beneficiary has no say in it. Many will NOT achieve independence when the whole process starts with making the individual totally dependent on the whims of the state welfare agency. If the individual is going to achieve independence, Congress needs to trust the individual to make decisions on how to achieve self-sufficiency. Currently, participants must either obey the state welfare agency, who believe they know best how to achieve self-sufficiency, or be sanctioned and face the loss of all TANF benefits.

Many will NOT achieve independence when the whole process starts with making the individual totally dependent on the whims of the state welfare agency. If the individual is going to achieve independence, Congress needs to trust the individual to make decisions on how to achieve self-sufficiency.

Under this proposal, the opportunity plan is developed in consultation with the beneficiary, but given §408(b)(2), the desires of the participant will not be reflected in the plan. First of all, the beneficiary, or the individual as stated in this bill, would sign the plan presented by the TANF department or face the total loss of “all” TANF benefits in many states. This does not present a landscape of fair “consultation”.

Moreover, the information being gathered pursuant to §403(b) is meaningless if the individual does not have verified access to the services. In California, 50% of the participants do not receive transportation assistance even though the law mandates that the state agency pay for transportation. **See TABLE # 4**. The reason is very simple. There is no requirement for the state or local agency to verify that the individual has transportation or childcare before being required to participant in an activity or be sanctioned.

CCWRO POSITION – Support if amended

CCWRO RECOMMENDATIONS – In order to make the consultation process more effective we suggest the following amendment:

On page 5, line 25, after the word “employment” insert:

> *The plan shall allow the agency to suggest the employment activity that the agency determines is appropriate for the individual. The plan shall also state other activities that the state agency provides in its state plan. The*

proposed plan shall be mailed to individual and the individual shall select the activity offered by the state agency or another activity in the state plan. The activity selected by the individual shall be approved unless the state agency has documentary evidence that the activity selected by the participant would not enhance the individuals' employability;

The state agency shall verify, through documentary evidence, that the individual actually has the needed supportive services before requiring the individual to participate in any activity that would be subject to the penalties under section 408(b)(3).

SECTION 6. STRENGTHENING REQUIREMENTS TO ENGAGE RECIPIENTS IN WORK AND WORK PREPARATION ACTIVITIES

SECTION 6(a), (b) ELIMINATION OF CREDIT TOWARD WORK PARTICIPATION REQUIREMENT FOR CASELOAD SIZE AND EXCESS STATE SPENDING & COUNTING OF WORK PERFORMED BY INDIVIDUALS RECEIVING ATYPICAL BENEFIT PAYMENTS – Page 8 Line 4 and Line 10

RECIPIENT IMPACT STATEMENT: This is a good change for beneficiaries in that it would make sure that the state gets credit for "positive outcomes" – moving families to self-sufficiency and not into deep poverty. Currently, states are rewarded for terminating cases and imposing full-family sanctions that leave the family in deep

This is a good change for beneficiaries in that it would make sure that the state gets credit for "positive outcomes" – moving families to self-sufficiency and into deep poverty.

poverty. States have also become masters of 101 ways to prevent a family in need from receiving TANF benefits. With this change states would have to think about positive terminations – hopefully. The fact that states do not have to spend a specified amount of the TANF and TANF MOE funds for cash assistance still leaves the door wide open for states to use funds for themselves and not for the TANF recipients.

CCWRO POSITION – Support

CCWRO RECOMMENDATIONS- None

SECTION 6(c)(1) - ELIMINATION OF DISTINCTION BETWEEN CORE AND NON-CORE ACTIVITIES – Page 10, Line 13

RECIPIENT IMPACT STATEMENT: This change would simplify the program and encourage state agencies to offer individuals more options that would help them in their efforts to achieve self-sufficiency. States that may give TANF participants a choice would now be able to make a choice.

CCWRO POSITION – Support

CCWRO RECOMMENDATIONS - None

SECTION 6(c)(2) ALLOWING STATES TO RECEIVE PARTIAL CREDIT FOR PARTIAL ENGAGEMEMNT – Page 10, Line 20

RECIPIENT IMPACT STATEMENT: This change would finally recognize the efforts of the individual to meet the federal WPR, even if it is a partial effort. All efforts should be recognized.

CCWRO POSITION – Support

CCWRO RECOMMENDATIONS – None

SECTION 6(c)(3) STATE OPTION TO REQUEST

ALTERNATIVE WORK PARTICIPATION CALCULATION -– Page 11, Line 16

RECIPIENT IMPACT STATEMENT: From the perspective of the TANF beneficiary the best outcome of the TANF program is to obtain the tools needed to become self-sufficient through a self-sufficiency path selected by the individual and not the state welfare bureaucrat.

Congress should also be aware that this does not happen overnight. First of all, families living on a fixed income that is less than 25% of the federal poverty rate, are in deep poverty. They are competing for jobs with people who are dressed, have a computer, cell phone, car and money for transportation. Most TANF beneficiaries lack many of these resources.

CCWRO POSITION – Support if amended as set forth below

CCWRO RECOMMENDATIONS – The TANF recipients are the customers of this program. We believe that TANF recipient evaluation of the performance of the state welfare agency should be given adequate weight.

California's Welfare-to-Work (WtW) program spends about $2.2 billion a year on work and childcare programs and less than 2 to 3% of the participants find employment that results in the termination of TANF benefits.

On the other hand, the WtW program sanctions over 50% of the unduplicated participants. **See TABLE # 4**.

SECTION 6(c)(5) MODIFICATION OF RULE PROVIDING FOR PARTICIPATION BY REASON OF SECONDARY SCHOOL PARTICIPATION – Page 13, Line 20

RECIPIENT IMPACT STATEMENT: Education is the only real effective antidote to poverty in the 21st century. **This proposal is a very small step in helping TANF recipients to achieve self-sufficiency through education.** As recent history has shown us, jobs yielding incomes that allow for self-sufficiency have migrated to other countries. Jobs yielding income that would support a family demand workers with education higher than a

Jobs yielding income that would support a family demand workers with education higher than a high school diploma. Most TANF recipients lack high school diplomas.

high school diploma. Most TANF recipients lack high school diplomas.

We would suggest that rather than having a 2-year ceiling on education, states be required to have a program that provides *at least two-years of secondary school education* and allow states to approve more than two years at their option.

CCWRO POSITION – Support if amended as stated below.

CCWRO RECOMMENDATIONS – Amend the bill as follows:

On page 14, strike lines 8 through 11 and in lieu thereof insert:

> *(6) The individual who maintains satisfactory attendance at secondary school or the equivalent for at least 24 months and, at the state's option, for a longer period provided the participant is making satisfactory progress as defined by the secondary education entity that the individual is attending.*

OPEN ISSUE

SECTION 6(c)(6) WHETHER TO ADJUST CURRENT CAP ON SHARE OF WORK PARTICIPATION RATE THAT CAN BE SATISFIED BY PARTICIPATION IN EDUCATION – Page 14, Line 8

RECIPIENT IMPACT STATEMENT: Education is the most effective way to help TANF recipients achieve self-sufficiency. As recent history has shown us, jobs yielding incomes that allow for self-sufficiency have migrated to other counties.

Individuals should have a right to decide the best path to self-sufficiency and Congress should provide states with the flexibility to accommodate the individuals' decision how to overcome deep poverty that the majority of TANF recipient endure today – they live on a cash assistance of 25% of the federal poverty level.

CCWRO POSITION – Support lifting the cap.

CCWRO RECOMMENDATIONS – Remove all caps. If workfare and job search have no caps, then education should not have a cap. Let the beneficiaries decide and not Washington – "the bureaucrats what best for the TANF individuals".

SECTION 6(c)(4) MODIFICATION OF COUNTING JOB SEARCH AS WORK - Page 14, Line 8

RECIPIENT IMPACT STATEMENT: This change would increase the job search period to three months. We have seen many job search programs that require individuals without a high school diploma, non-English speakers or individuals with a felony record to look for jobs that they are not equipped to do or jobs that do not exist. It makes more sense if the state submits quarterly plans to the HHS regional office for approval, showing the availability of jobs so that the individual is not merely submitting applications and getting a piece of paper signed just to satisfy the state and local workfare bureaucrats. This is burdensome on small business owners, who have to take applications for jobs that do not exist, just to make sure that the individual, who is also a customer of the small business, satisfies the welfare agency's need for paper proof that the individual applied for a job.

This is burdensome on small business owners, who have to take applications for jobs that do not exist, just to make sure that the individual, who is also a customer of the small business, satisfies the welfare agency's need for paper proof that the individual applied for a job.

CCWRO POSITION – Oppose unless amended.

CCWRO RECOMMENDATIONS – Amend the law to require that States demonstrate with objective statistical information that the job search being performed by individuals to meet the federal WPR are for jobs that actually exists and that states are not "gaming the system" by forcing individuals looking for jobs that do not exist.

SECTION 6(c)(7) REQUIREMENT TO REVIEW INDIVIDUAL OPPORTUNITY PLANS FOR INDIVIDUALS INVOLVED IN JOB READINESS ACTIVITIES FOR LONGER THAN THREE MONTHS– Page 14, Line 12

RECIPIENT IMPACT STATEMENT: This is a positive change, but, from the perspective of the individual, the current draft is meaningless. This section simply requires the State to "certify" that more job search would be good for the person after the three months of, often frivolous, job search, that is a total waste of taxpayer dollars. Under the federal AFDC Work Incentive Program (WIN), California had a 3-day job search that yielded more employment than today's glorified job clubs and never ending job search programs. Although job search is cheaper than training and education, it does not lead to self-sufficiency.

Finally, it is puzzling that the state agency is required to determine if the participant can be sanctioned pursuant to section 408(b)(3). The insertion of 408(b)(3) implies that the individual has done something wrong by not finding a job after looking for work for three months – when there was no finding by the state agency that there were any available jobs in the first place that the participant could perform and all barriers to self-sufficiency have been identified and verifiably removed.

CCWRO POSITION – **OPPOSE** unless amended as stated below.

CCWRO RECOMMENDATIONS – Amend the bill as follows:

On page 15, strike lines 3 through 8 and in lieu thereof insert:

> "unless *the individual certifies in writing that continued participation in such an activity would support and prepare the individual for employment or in the alternative it would not. The individual shall make a choice between the two options in writing.*
>
> *The state agency shall provide objective evidence that the additional job search would yield self-sufficiency. The state agency shall provide quarterly reports of the number of individuals who participated in the job search activity and the number of participants finding employment that yielded income over 100% of the federal poverty level. If two consecutive quarterly reports show that the state agency has not met this standard, then the state shall no longer be allowed to operate a job search program more than three months."*

SECTION 6(c)(9) INCREASE IN TIME LIMIT ON COUNTING

VOCATIONAL EDUCATION TRAINING AS WORK – Page 15. Line 19

RECIPIENT IMPACT STATEMENT: This would be beneficial to TANF beneficiaries.

CCWRO POSITION – Support

CCWRO RECOMMENDATIONS – As stated above, states should have flexibility to go beyond this 24-month limit. One-size does not fit all.

OPEN ISSUE

SECTION 6(c)(10) HOW TO VERIFY PARTICIPATION ACTIVITIES- Page 15, Line 23

RECIPIENT IMPACT STATEMENT: How to verify TANF activities? From the perspective of the TANF beneficiary, participation alone is not much benefit, if it is done just to meet the desires of the statute to show that TANF recipients are doing something that has no positive outcomes for the beneficiary. From the perspective of the beneficiary, a positive outcome is getting the necessary tools to obtain and retain employment that would propel the family out of poverty and into self-sufficiency.

The TANF program has time limits. Time limits impede the ability of beneficiaries to acquire the tools needed to obtain and retain employment that would pay more than the poverty level. The purpose of the employment program is to remove the barriers that the beneficiary has preventing her or him from getting a job that pays a family wage. The removal of those barriers cannot be done the same way for all beneficiaries. Each individual, just like each state, has different needs and barriers. Some need extensive education, while others need a refresher course. Transportation is generally a major problem for finding and maintaining a job for TANF recipients. Yet most states do thing to address this major barrier except for sometimes paying for public transportation, if the beneficiary is lucky.

In California about 50% of the beneficiaries actually participating do not receive transportation services. **See TABLE # 4.** Moreover, there is nothing in the federal law that says the beneficiary shall receive transportation. In America today, thousands and thousands of families endure full-family sanctions because they did not have money for transportation and could not use their TANF grant to pay for transportation after paying for rent and utilities, with the TANF grants being 25% of the federal poverty level.

Often beneficiaries who find employment and become self-sufficient, do not report it to the welfare department because of the relationship of the welfare system and the individuals – the state agency is the overbearing parent always threatening “sanctions” and the individual just can’t wait to get out of the horrible relationship. This is not to say that there are not individuals who adore their state employment worker. But as a general rule they don't, thus they do not tell the welfare system that they got a job. On the other hand, if the statute would mandate that individuals who meet the provisions of the opportunity plan and provide evidence of self-sufficiency, they should be given an incentive for reporting and achieving the milestone of self-sufficiency that is meaningful.

CCWRO POSITION – Support if the participation rates are based on achieving the benchmarks of the individual's "opportunity plan" by 50% and having 50% of those eligible for TANF to be participating in the TANF program and require states to provide meaningful bonuses to individuals who become self-sufficient and report that to the state agency.

CCWRO RECOMMENDATIONS – The discussion draft has a proposal for an "opportunity plan". The TANF program has two primary goals: (1) assistance to needy families; and (2) getting the TANF recipients to become self-sufficient by meeting the benchmarks of the TANF opportunity plan.

SECTION 6(d) PENALTY FOR FAILURE TO SATISFY MINIMUM PARTICIPATION RATES – Page 16, Line

RECIPIENT IMPACT STATEMENT: We would oppose this provision unless it protects the individuals that the program is supposed to serve from being punished through reduction of cash assistance payments because of the failure of the State to meet the federal minimum participation rates. The children suffer the most by having States reduce the already low payment levels of payments to families.

CCWRO POSITION – Support if amended as stated below.

CCWRO RECOMMENDATIONS – Amend the bill as follows:

> *On page 17, between lines 11 and 12 insert:*
>
> *"(C) In no event shall payments to families in the form of cash assistance be reduced that have any explicit or implied connection to the state's failure to meet the requirements of this section."*

SECTION 6(e) REPORT OF NON-ENGAGEMENT OF NON-WORKING RECIPIENTS Page 17, Line 16

RECIPIENT IMPACT STATEMENT: Many beneficiaries are not engaged because the state agency has failed to assure that they have childcare and transportation services. While Congress wants to *"verify"* participation, there is no requirement that state agencies *"verify"* that the individual actually has supportive services before being required to participate in an activity and be subject to the provisions of Section 408(b)(2).

CCWRO POSITION – Support if amended.

CCWRO RECOMMENDATIONS – Amend the bill to include monthly sanction reports to let the public know the number of children enduring TANF-caused government *economic child abuse* that often leads to the destruction of the family with children ending up in foster care.

The report should also document whether or not supportive services were actually available before the individual was asked to engage and did not engage.

In California, local welfare workers tell participants that the county will pay for childcare. However, before childcare can be paid, the provider must be approved by Trust line[1]. If the provider fails Trust line, the provider is not paid for his/her work. Thus, the community learns that the welfare office does not speak the truth when they say they will pay for childcare and refuse to work as a childcare provider unless paid in advance. In California, and I believe in most states, childcare payments cannot be advanced.

Congress should know that just because there are millions of dollars appropriated for TANF recipients for childcare, does not mean the individuals actually receive childcare.

SECTION 6(f) PURPOSES OF TANF PROGRAM TO INCLUDE REDUCING POVERTY – Page 19, Line 13

RECIPIENT IMPACT STATEMENT: The reason that the TANF program has been a bonanza for States in that the TANF money can be used for anything rather than families who meet the rigorous eligibility and work requirements of the TANF program. This has caused extreme undue hardship upon impoverished families of America while showering states with federal money that is minimally used to relieve poverty and it is generally used to provide "aid to state bureaucracies".

CCWRO POSITION – Support if amended.

[1] TrustLine is a California's registry of license-exempt childcare providers who have been through a criminal background screening and clearance process.

CCWRO RECOMMENDATIONS – Limit the purpose of the using the TANF money for the families who meet the eligibility requirements and are required to participate in employment programs and are subject to the provisions of 408(b)(3).

OPEN ISSUE

SECTION 6(h) ELIGIBILITY OF INDIVIDUALS CONVICTED OF DRUG-RELATED CRIMES – Page 20, Lines 8-9

RECIPIENT IMPACT STATEMENT: Children are always better off with their natural parents, even with a natural parent who has done wrong and done the time.

The denial of TANF benefits to parents who have criminal convictions and have served time in jail or prison should not continue to be punished because such continued punishment has a negative impact on the children. Moreover, by denying aid to the parent, the parent is also being denied the opportunity to receive case management and assistance in becoming self-sufficient.
CCWRO POSITION – See below.

CCWRO RECOMMENDATIONS – This policy has always been anti-family and anti-child resulting in government-induced *economic child abuse*. It should be repealed. Every child needs a parent, and no child should be punished because his or her parent did wrong, paid the price and now wants to do right.

SECTION 7. PROMOTING INCREASED EMPLOYMENT, RETENTION, AND ADVANCEMENT AMONG FORMER TANF RECIPIENTS – Page 21, Line 1.

RECIPIENT IMPACT STATEMENT: Former TANF recipients would be very happy to get assistance.

CCWRO POSITION – Support if amended

CCWRO RECOMMENDATIONS – This section should specify the amount of money to be used to pay for case management services, which should be no more than 50%. The remaining funds should be used to aid former TANF recipients with supportive services, such as childcare, transportation and other ancillary needs

SECTION 8. STRENGTHENING TANF

FINANCIAL REQUIREMENTS

SECTION 8(a)(1). No Counting of Third-Party Spending to Meet State Spending Requirements – Page 28, Line 15

RECIPIENT IMPACT STATEMENT: This would have a positive impact on TANF recipients in that it stops the States from “gaming the system” and pretending to count money that does not reach TANF recipients, in that, the beneficiaries of those funds do not have to meet the TANF eligibility and work requirements.

CCWRO POSITION – Support

CCWRO RECOMMENDATIONS – None

SECTION 8(a)(2). No Counting of Spending on Medical Services to Meet State Spending Requirement – Page 29, Line 23

RECIPIENT IMPACT STATEMENT: This would have a positive impact on TANF recipients in that it stops the States from “gaming the system” and pretending to count money that does not reach TANF recipients in that the beneficiaries of those funds do not have to meet the TANF eligibility and work requirements.

CCWRO POSITION – Support

CCWRO RECOMMENDATIONS – None

SECTION 8(c). Prohibition on Use of Federal TANF Funds for Families with Income Greater Than Twice the Poverty Line – Page 30, Line 9

RECIPIENT IMPACT STATEMENT: This would have a positive impact on TANF recipients in that is stops the States from “gaming the system” and pretending to count money that does not reach TANF recipients in that the beneficiaries of those funds do not have to meet the TANF eligibility and work requirements.

CCWRO POSITION – Support

CCWRO RECOMMENDATIONS – This section should be amended to include the State TANF Maintenance of Efforts to prevent the States from finding another way to game the system.

OPEN ISSUE

SECTION 8(e). HOW SHOULD STATES USE THE TANF FUNDS? Page 32, Lines 20-23

RECIPIENT IMPACT STATEMENT: States have been fleecing the TANF program and gaming the system for decades. The name of this program is "Temporary Assistance to Needy Families" and not "Aid to Needy States".

The program has been functioning as a program that provides "aid to needy, and often greedy, states". California's budget reveals that TANF has contributed over $1.5 billion a year to the state general fund while the average family on TANF/CalWORKs is getting cash assistance that is equal to about 30% of the federal poverty level. **See TABLE #3** showing the history of California's budget for the TANF program. This is from the Governor's proposed budget. Taking from poor children and families is not a California phenomenon. It is something done by majority of the States.

The program has been functioning as a program that provides "*aid to needy, and often greedy, states*".

CCWRO POSITION – See recommendation below.

CCWRO RECOMMENDATIONS – Limit TANF expenditures to TANF-eligible recipients who are required to meet the TANF work requirements. The federal TANF grant and the State Maintenance of Efforts (MOE) funds shall be used by states as follows:

Expenditures	Floor –Percentage of Federal TANF and State MOE funds
Cash Assistance – Payments to Needy Families	70%
Child care- There is already the Child Care Block Grant available for TANF. 10% should be more than sufficient	10%
Work activities	10%
Administration	10%

Any funds not used by the state in any year shall be returned to the federal government and used to pay of the U.S. public debt. In 2013 states failed to use over $3 billion. In 2014 there were about $1.5 billion not used. There are some who are advocating for the increase of

In 2013 states failed to use over $3 billion. In 2014 there were about $1.5 billion not used. There are some who are advocating for the increase of the TANF block grant. We would support increasing the TANF block grant if states had to do a 100% match and use 70% for cash assistance. We do not support "welfare for state government".

the TANF block grant. We would support increasing the TANF block grant if states had to do a 100% match and use 70% for cash assistance. We do not support "welfare for state government".

The administrative costs of other means-tested programs and employment programs:

Program	Administration Costs
SNAP, formerly known as food stamps	5% for state and local SNAP agencies
Supplemental Security Income (SSI)	Less than 1%
Unemployment Insurance that includes a work program (in 2010 according to the GATO institute)	$134 billion in benefits and administrative cost of 5.9 billion = .004%

SECTION 8(f)(2). LIMITS ON ACCESS TO ASSISTANCE IN CASINOS, STRIP CLUBS, AND LIQUOR STORES – Page 33, Line 5

RECIPIENT IMPACT STATEMENT: These federal restrictions have already been implemented in California. The major problem facing TANF recipients is that with "Electronic Benefits Transfer" banks have been fleecing TANF recipients by charging fees to use the banks' ATM machine to access their funds.

Calendar Year	TANF Recipient Payments to Banks in the Form of Surcharges and Fees
2011	$20,234,150
2012	$19,377,374
2013	$18,875,475
2014	$19,595,619

CCWRO POSITION – see below

CCWRO RECOMMENDATIONS – Prohibit the state agency from requiring any TANF individual from being required to pay any fee or surcharge to any bank to access their TANF benefits.

SECTION 9. ELIMINATION OF THE MARRIAGE PENALTY – Page 35, Line 9

RECIPIENT IMPACT STATEMENT: This is a good step in supporting marriage. Congress should go one more step and prohibit the use of any TANF funds or TANF MOE funds for state TANF policies that results in a penalty for being married.

CCWRO POSITION – Support

CCWRO RECOMMENDATIONS – Prohibit the use of any TANF funds or TANF MOE funds for state TANF policies that results in a penalty for being married.

OPEN ISSUE

SECTION 11(b). REQUIRE SECRETARY OF HHS, USDA, HUD AND OTHER SECRETARIES TO REPORT TO CONGRESS ON BARRIERS TO IMPROVING PROGRAM COORDINATION AND HOW TO DEVELOP CROSS-PROGRAM ACCOUNTABILITY – Page 92, Line 3

RECIPIENT IMPACT STATEMENT: The major barriers for beneficiaries to assistance lies in the fact that each program has different eligibility requirements. Recipients must complete and file multiple applications when it can be done more efficiently through horizontal integration. This means that if a person is eligible for TANF, then they should also be eligible for SNAP, WIC if the child is at the WIC age, Section 8, childcare, school meals and other programs, if otherwise eligible.

Recipient would OPPOSE putting these programs in one pot to be administered by the welfare office or another office that is not in business of running all of these programs. Lumping programs together into one pot would mean beneficiaries would receive benefits, but the outcomes would not yield maximum benefits to the beneficiary as the program has potential to deliver.

CCWRO POSITION – None

CCWRO RECOMMENDATIONS – The Secretaries should review their programs and try to align the eligibility requirements to streamline and *simplify the administration of the program designed for the same beneficiary*. They should report to Congress annually what statutory eligibility requirements impede the simplification of the programs designed to assist low-income persons and families.

SECTION 13. RESEARCH AND EVALUATION – Page 108, Line 12

RECIPIENT IMPACT STATEMENT: There is very little research as to why so many families who live in deep poverty, are able to eat, but are homeless and receive no cash assistance. The barriers to participation in the TANF program should be extensively reviewed to spot barriers to participation similar to the way USDA identified barriers to participation in the SNAP program, unless it is the intent of Congress to enact a program and then erect barriers between the program and its intended beneficiaries. A family eligible for TANF and SNAP should leave the welfare office with both SNAP and TANF, if otherwise eligible.

The barriers to participation in the TANF program should be extensively reviewed to spot barriers to participation similar to the way USDA identified barriers to participation in the SNAP program, unless it is the intent of Congress to enact a program and then erect barriers between the program and its intended beneficiaries.

CCWRO POSITION – Support

CCWRO RECOMMENDATIONS – Research should also identify barriers that families eligible for TANF not receiving TANF benefits.

SECTION 13(h). DEVELOPMENT OF WHAT WORKS CLEARINGHOUSE OF PROVEN AND PROMISING APPROACHES TO MOVE WELFARE RECIPIENTS INTO WORK– Page 111, Line 10

RECIPIENT IMPACT STATEMENT: This section would only look at what works and fails to look on the other side of the coin – *what does not work*. Many TANF state policies, such as full-family sanctions, are financially deadly to poor families. Full family sanctions help states meet their work participation rates by sentencing families to a lifetime of poverty. If the family is not in the numerator, then they cannot impact the denominator.

CCWRO POSITION – Support

CCWRO RECOMMENDATIONS – Develop best practices for the improvement of the TANF program to benefits the individuals and children. Upon completion, circulate the best practices to the states.

OPEN ISSUE

SECTION 15(b). CHANGE TERMINOLOGY FROM FROM VOCATIONAL AND EDUCATION TRAINING TO CAREER AND TECHNICAL EDUCATION TRAINING – Page 117, Line 5

RECIPIENT IMPACT STATEMENT: The constant changing of names of a program is confusing to TANF beneficiaries. Any education or training program is designed for career development. The only reason that TANF recipients would enroll in any educational or training program is to have a career, to become self-sufficient. Welfare moms do not go to college to have fun. They are not invited to parties because they have kids to take care of. Any welfare mom participating in an educational or training, is doing so to achieve self-sufficiency. They are heroes!

CCWRO POSITION – Oppose

CCWRO RECOMMENDATIONS –

RECIPIENT SUGGESTIONS TO MAKE THE PROGRAM FAMILY/CHILD FRIENDLY

Some ideas that the Ways and Means Committee may want to consider are:

1. Provide employment services and supportive services to parents who have timed out.

2. The time limits shall never be applied to children.

3. Any month that the parent works and meets the federal WPRs should not count towards the 60-month time clock.

4. All states shall have a 60-month time clock.

5. Parents who are not being aided should not be in the numerator. Current law requires that the States include parents in the numerator even when they are not being aided and are not provided with any employment services.

TABLE #3

AUXILIARY TABLES*

TABLE OF CONTENTS

Includes charts, graphs and additional history regarding various CDSS local assistance programs.

Historical CalWORKs and TANF Funding Chart*

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
Total TANF Grant/Required MOE	**$ 6,583,092,000**	**$ 6,584,132,000**	**$ 6,950,599,000**	**$ 6,580,797,000**
CalWORKs Program[1]	**5,341,526,077**	**5,341,519,431**	**5,576,729,520**	**5,269,004,000**
Grants	3,275,881,220	3,406,732,000	3,674,460,000	3,260,513,000
Administration	579,578,620	590,571,121	619,727,897	652,927,039
Services	829,198,822	798,905,700	784,790,383	826,832,008
Child Care	542,554,111	440,639,196	388,502,665	409,314,953
Substance Abuse/Mental Health Svcs	114,313,304	104,671,414	109,248,575	119,417,000
County Share of Admin/Svcs[2]	27,214,878	8,368,000		
Tribal TANF[3]	71,001,000	69,750,000	69,073,000	73,743,000
Performance Incentives (budgeted)				
Probation				
Student Aid Commission				
KinGAP	**114,052,000**	**107,687,000**	**91,033,000**	**56,454,000**
ARRA Subsidized Employment - ECF		**158,508,000**	**200,348,000**	
ARRA Non-Recurrent Short-Term Benefits ECF		**176,233,000**	**18,775,000**	
Non-MOE/TANF in CDSS	**(196,041,000)**	**(179,056,000)**	**(158,118,000)**	**(163,597,000)**
Additional TANF/MOE Expenditures in CDSS	**271,073,000**	**299,394,000**	**303,620,000**	**291,131,000**
Other MOE Eligible Expenditures	**714,079,000**	**668,044,000**	**641,575,000**	**682,620,000**
State Support	**28,131,000**	**27,687,000**	**29,180,000**	**29,019,000**
Total Expenditures	**6,343,821,077**	**6,892,156,000**	**6,772,215,520**	**6,238,374,000**
Federal TANF	3,560,047,000	4,041,842,000	3,810,007,000	3,391,395,000
General Fund (MOE)[4]	2,715,820,000	2,712,840,000	3,103,684,000	1,689,030,000
Other State Funds (Employment Training Funding)	35,000,000	20,000,000		
County Funds[4]	133,454,000	117,474,000	113,097,000	1,157,949,000
Total TANF transfers	**442,017,000**	**440,818,000**	**440,163,000**	**444,672,000**
Non-CalWORKs Transfers[5]	169,793,000	186,921,000	197,931,808	192,242,450
CalWORKs/Tribal TANF Transfers and Reserves	272,224,000	253,897,000	242,231,192	252,429,550
TANF Grant/Required MOE	6,583,092,000	6,584,132,000	6,950,599,000	6,580,797,000
Prior Year TANF Carry Forward[6]	119,532,000	117,100,000	233,398,000	158,450,000
Excess MOE Needed to Fund Programs				
Single Allocation Reappropriation (AB 1477)				
ARRA - Emergency Contingency Funds	259,212,000	370,195,000	125,626,000	
ARRA - Subsidized Employment		159,386,000	215,348,000	
ARRA - Non-Recurring ECF Un-spent Performance Incentives		176,233,000	27,225,000	
High Performance Bonus				
Total Available Funding	**6,961,836,000**	**7,407,046,000**	**7,552,196,000**	**6,739,247,000**
Total Funding Needed	**6,785,838,077**	**7,332,974,000**	**7,212,378,520**	**6,683,046,000**
NET TANF Carry-Over Funds[6]	75,498,000	74,072,000	91,187,000	56,201,000
CalWORKs Contribution to the General	**$ 1,268,997,000**	**$ 1,262,046,000**	**$ 1,234,159,808**	**$ 1,222,447,450**

Please see Notes Associated with the CalWORKs and TANF Funding Chart for additional information.

Historical CalWORKs and TANF Funding Chart*

	FY 2012-13	FY 2013-14	FY 2014-15 Revised Budget	FY 2015-16 Governor's Budget
Total TANF Grant/Required MOE	**$ 6,584,722,000**	**$ 6,575,412,000**	**$ 6,578,959,000**	**$ 6,572,248,000**
CalWORKs Program[1]	**5,076,484,000**	**5,285,017,000**	**5,503,947,000**	**5,607,783,000**
Grants Admin-	3,155,806,000	3,117,515,000	3,200,769,000	3,241,950,000
stration Ser-	643,265,561	746,813,504	779,020,271	801,636,168
vices	819,383,597	931,663,610	1,021,629,035	1,050,754,650
Child Care	330,464,842	362,418,886	375,922,694	386,836,182
Substance Abuse/Mental Health Svcs	127,564,000	126,606,000	126,606,000	126,606,000
County Share of Admin/Svcs[2]				
Tribal TANF[3]	69,045,000	80,168,000	75,945,000	83,951,000
Performance Incentives (budgeted)				
Probation				
Student Aid Commission	803,754,000	541,712,000	377,406,000	286,320,000
KinGAP	**69,044,000**	**73,319,000**	**74,977,000**	**78,523,000**
ARRA Subsidized Employment - ECF				
ARRA Non-Recurrent Short-Term Benefits ECF				
Non-MOE/TANF in CDSS	**(163,874,000)**	**(339,006,000)**	**(599,719,000)**	**(596,209,000)**
Additional TANF/MOE Expenditures in CDSS	**308,402,000**	**311,414,000**	**343,540,000**	**371,502,000**
Other MOE Eligible Expenditures	**522,617,000**	**468,067,000**	**540,382,000**	**561,016,000**
State Support	**29,703,000**	**29,999,000**	**29,900,000**	**29,796,000**
Total Expenditures	**6,715,175,000**	**6,450,690,000**	**6,346,378,000**	**6,422,682,000**
Federal TANF	3,470,035,000	3,389,838,000	3,387,456,000	3,378,309,000
General Fund (MOE)[4]	2,056,417,000	1,653,982,000	1,202,909,000	1,262,417,000
Other State Funds (Employment Training Funding)				
County Funds[4]	1,188,723,000	1,406,870,000	1,756,013,000	1,781,956,000
Total TANF transfers	**440,136,000**	**451,931,000**	**446,794,000**	**454,547,000**
Non-CalWORKs Transfers[5]	192,243,000	192,242,773	192,119,000	192,119,000
CalWORKs/Tribal TANF Transfers and Reserves	247,893,000	259,688,227	254,675,000	262,428,000
TANF Grant/Required MOE	6,584,722,000	6,575,412,000	6,578,959,000	6,572,248,000
Prior Year TANF Carry Forward[6]	245,245,000	107,951,000	199,470,000	99,038,000
Excess MOE Needed to Fund Programs	394,236,000	219,258,000	113,781,000	205,943,000
Single Allocation Reappropriation (AB 1477)	80,000,000			
ARRA - Emergency Contingency Funds				
ARRA - Subsidized Employment				
ARRA - Non-Recurring ECF Un-				
spent Performance Incentives				
High Performance Bonus				
Total Available Funding	**7,304,203,000**	**6,902,621,000**	**6,892,210,000**	**6,877,229,000**
Total Funding Needed	**7,155,311,000**	**6,902,621,000**	**6,793,172,000**	**6,877,229,000**
NET TANF Carry-Over Funds[6]	148,892,000	-	99,038,000	
CalWORKs Contribution to the General Fund[7]	$ 1,896,060,000	$ 1,586,754,773	$ 1,528,424,000	$ 1,489,480,000

California TANF/CalWORKs
Annual Involuntary Contributions to the California State General Fund

State Fiscal Year	Amount of Annual TANF/CalWORKs Involuntary Contribution
FY 98-99	$708,502,000
FY 99-00	$745,249,000
FY 00-01	$1,021,913,000
FY 01-02	$1,126,647,000
FY 02-03	$1,088,940,000
FY 03-04	$1,163,238,000
FY 04-05	$1,087,321,000
FY 05-06	$1,299,448,000
FY 06-07	$1,184,134,000
FY 07-08	$1,745,291,000
FY 08-09	$1,268,997,000
FY 09-10	$1,262,291,000
FY 10-11	$ 1,234,159,808
FY 11-12	$ 1,222,447,450
FY 12-13	$1,896,060,000
FY 13-14	$1,586,754,773
FY 14-15	$1,522,729,000
FY- 15-16	$1,777,001,000
Total TANF Contribution to the California General Fund Since the Repeal of AFDC	**$22,941,123,031**

TABLE #4		
CalWORKs Welfare-to-Work Monthly Activity Report WTW 25 For May, 2015 - STATEWIDE		
PART A. ENROLLMENT DATA		
1.	Enrollees	179,488
2.	Exemptions	84,847
3.	Removed from the Assistance Unit	0
	a. Sanctions	58,810
4.	Entered employment	9,353
5.	Terminations due to employment	4,614
PART B. ACTIVITIES		
6.	Appraisal	11,360
7.	Assessment	5,710
8.	Reappraisal	949
9.	Job search & job readiness assistance	14,231
10.	Unsubsidized employment	64,741
11.	Self-employment	5,143
12.	Subsidized private sector employment	1,776
13.	Subsidized public sector employment	2,442
14.	On-the-job training (OJT)	226
15.	Grant-based on-the-job training (OJT)	1
16.	Work-study	1,955
17.	Supported work or transitional employment	140
18.	Work experience	2,874
19.	Community service	4,914
20.	Job skills training directly related to employment	4,816
21.	Vocational education training	18,714
22.	Education directly related to employment	3,518
23.	Adult basic education	5,953
24.	Satisfactory progress in a secondary school	201
25.	Other activities	6,228
27.	Providing childcare to community services participants	0
27.	Mental health services	6,247
28.	Substance abuse services	1,480
29.	Domestic abuse services	3,259
	a. Granted DV Waiver	2,721
30.	Number of individuals 6-29 (Unduplicated)	122,173
	a. Self-Initiated Education Program	6,883
PART C. NONPARTICIPATION STATUS		
31.	Noncompliance	30,412
32.	Good cause for not participating in WTW	16,562
PART D. SUPPORTIVE SERVICES		
33.	Transportation	67,872
34.	Ancillary services	13,292
35.	Post-employment/Job-retention services	9,119
36.	Post CalWORKs 60-month time limit services	2,876
CCWRO DATA ANALYSIS		
Unduplicated Participants Not Receiving Transportation – 54,301 Persons		44%
Unduplicated Participants Sanctioned		48%
Unduplicated Participants Finding Employment that Terminates TANF		4%