

# **The Failure of TANF Work Requirements in 2015: The Need for “A *Much Better Way*”**

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Most conservatives have touted work requirements as the key to the putative success of the 1996 “welfare reform” and a model to be replicated. In this regard, Speaker Ryan recently remarked:

In 1996, we created a work requirement for welfare. But that was just one program. We have to fix all the others now.<sup>2</sup>

The suggestion that the creation of the Temporary Assistance for Needy Families (TANF) block grant created a “work requirement” and “fixed” a welfare program is, by any objective analysis, wrong. While the law sent a symbolic message about the importance of work requirements, TANF’s work requirements are unreasonable, dysfunctional, and are not about work. Their main function has been to impose barriers and cut caseloads through a process known as “bureaucratic disenfranchisement.” Even with sharply reduced caseloads, states have resorted to loopholes and gimmicks to satisfy federal work requirements that are unreasonable. Such gimmickry does nothing to help the poor get connected to work opportunities.

Most conservatives also assert that work requirements should provide “a hand up not a handout.”<sup>3</sup> I agree, but I do not believe TANF’s work requirements have ever been particularly effective in this regard. (For a detailed discussion, see “TANF Work Requirements: An Epic Fail,” in *TANF is Broken! It’s Time to Reform “Welfare Reform.”*<sup>4</sup>) Today, however, there can be no doubt that TANF’s work requirements are “broken” and that TANF is *not* a model for reforming the rest of the safety net. This paper focuses on TANF’s work requirements in fiscal year (FY) 2015 to demonstrate this truth.

## **Background**

Under TANF, states are subject to two work rates – an overall work rate of 50 percent for TANF families with a “work-eligible individual” and a separate two-parent work rate of 90 percent. To count toward TANF’s overall rate, a “work-eligible individual” must engage in one or more of 12 specified work activities for a minimum average of 30 hours per week in a month, of which at least an average of 20 hours per week must be in one or more of the nine “core” activities; for a single parent with a child under 6 years of age, the requirement is an average of 20 hours per week in one of the nine core activities. (The two-parent rate requirement has higher hourly minimum requirements.) The law also includes a caseload reduction credit, which reduces a state’s required participation rate by one percentage point for each percentage point that the state’s assistance caseload for the prior year (the comparison year) falls below the caseload in a base year (initially FY 1995; later changed to FY 2005), not counting reductions due to federal or state eligibility changes since the base year. The foregoing is a very brief overview of TANF’s work requirements; the actual rules regarding who can count, hours of countable participation, and calculating the caseload reduction credit can be quite complicated, but understanding them is not required to see how TANF has failed.<sup>5</sup>

## **TANF Work Rates in 2015**

On December 15, 2016, the U.S. Department of Health and Human Services (HHS) released the TANF work participation rates for FY 2015.<sup>6</sup> On the surface, it appears that there has been a dramatic improvement in state performance in engaging families in work activities. Between FY 2014 and FY 2015:

- The overall work participation rate increased from 36.6 percent to 48.4 percent; the two-parent rate nearly doubled, from 30.8 percent to 60.6 percent.
- The number of families counted toward the overall work rate rose from 320,733 to 448,736.
- The share of families with zero hours of participation fell from 50.6 percent to 40.1 percent.

Notably, Speaker Ryan's home state of Wisconsin was just one of only four states that failed to meet TANF's work requirements – and, the state has now failed four consecutive years and faces the prospect of significant penalties. This data would lead one to believe TANF is working fine everywhere, but perhaps in a few states. This conclusion would be wrong; TANF is broken everywhere.

### **The Main State Strategies to Meet TANF Work Rates**

Rather than actually engaging poor families in constructive work activities, most states rely on two other strategies to meet the federal work rates – slashing the TANF caseload so that work requirements are irrelevant and/or taking advantage of various “loopholes” created by the 1996 “welfare reform” law itself.

#### ***Slashing the Cash Assistance Safety Net and Making Work Requirements Irrelevant***

House Ways and Means Chairman Kevin Brady recently said: “...we will focus on modern anti-poverty solutions proven to help move Americans from government benefit checks to real paychecks and the unlimited opportunity our people deserve.”<sup>7</sup> The search for “modern anti-poverty solutions” should begin with the rejection of the TANF model. Between 1996 and 2015, the number of poor families with children in Texas grew by over 112,000 (20 percent), yet the TANF caseload plunged by 219,000 (89 percent).<sup>8</sup> One reason is that the state no longer uses TANF for welfare reform related activities. Whereas in FY 1995, the state spent 70 percent of its AFDC/JOBS (TANF's predecessor programs) funds on basic assistance and work activities, this fell to just 13 percent in FY 2015.<sup>9</sup>

The story is the same in Georgia, home state of House Budget Committee Chairman Tom Price, who recently said, “We are demanding that government measure success by how many people have been able to rise up and out of poverty rather than how much money Washington has spent.”<sup>10</sup> While I agree with Chairman Price's measure of “success,” under TANF, by this measure, Georgia has failed. Between 1996 and 2015, the number of poor families with children grew by over 123,000 (76 percent), yet the TANF caseload plunged by nearly 113,000 (90

percent).<sup>11</sup> Like Texas, the state no longer uses TANF for welfare reform related activities. In FY 1995, the state spent 83 percent of its AFDC/JOBS funds on basic assistance and work activities, this fell to just 14 percent in FY 2015.<sup>12</sup>

In these and many other states, TANF has become welfare for state politicians, not poor families. What about federal work requirements in these states? There are none. In Texas and Georgia, the sharp caseload declines have reduced the target for the overall work rate to 0 percent. In FY 2015, in both Texas and Georgia, the percentage of poor families with children that were *both* receiving TANF cash assistance and engaged in a welfare-to-work activity was under 1 percent.

### ***Gaming TANF's Work Requirements***

Many states today are only able to meet TANF's work requirements by taking advantage of the loopholes *Congress* created in drafting the 1996 law. Each of these loopholes is a direct or indirect result of TANF's block grant structure or conceptual errors in the drafting of the work requirements. This section outline the three main strategies used today that either inflate the work rate by artificially reducing the denominator of the calculation or artificially increasing its numerator, or that lower the target rate(s) states must achieve by artificially inflating the caseload reduction credit.

*Artificially reducing the denominator.* TANF replaced a federal-state matching program, with a block grant and state maintenance-of-effort (MOE) requirement; the latter requires states to spend 75 or 80 percent of what they spent in FY 1994 on cash, emergency assistance, job training, and welfare-related child care expenditures. Inflation has reduced the real state spending level requirement so that it is just 50 percent of what it was in FY 1994. In addition, under TANF states can count virtually any state expenditure that meets a TANF purpose,<sup>13</sup> so it is now easy for most states to meet their basic MOE requirement by counting existing state spending for activities that often have little or no connection to core "welfare reform" purposes. This can free up state funds that had been used for assistance under the TANF/MOE structure to instead create "solely state funded programs" – programs that provide assistance *outside* the TANF/MOE structure, where federal work requirements do not apply. States use these programs primarily for families unlikely to meet TANF's work rate requirements. By removing such cases from the denominator of the calculation, they can artificially inflate the work rate.

Some states maximize MOE using a strategy called a "swap." This involves using federal TANF funds to pay for an existing state activity that meets a TANF purpose and is an allowable use of federal funds, but not MOE funds (because MOE can only be spent on "eligible families," i.e., those that are needy and have a minor child). For example, California uses federal TANF funds that were once used for basic assistance to instead pay for college scholarships that were previously financed with state general fund dollars. The freed up general fund dollars are then used to pay for the assistance that had been funded with federal dollars. This "swap" did not affect total spending in any program, but did inflate what could be counted as MOE. The "excess MOE" generated by the "swap" can then be used to create solely state funded programs for families unlikely to meet federal work requirements (or, as described below, to increase its caseload reduction credit).

The following is a description of how the “swap” works in California, involving nearly \$1 billion in expenditures:

### **TANF–CSAC Funding Swap Provides Additional State Flexibility**

*Swap Has No Net Impact on CalWORKs Funding Levels or Overall General Fund Spending.* The 2012–13 enacted budget redirected \$804 million in Temporary Assistance for Needy Families (TANF) block grant funds from the California Work Opportunity and Responsibility to Kids (CalWORKs) program to the California Student Aid Commission (CSAC) to be used for expenditures in the Cal Grants program that are allowable under federal rules that govern the use of TANF funds. Reduced TANF funds in CalWORKs were replaced dollar for dollar with General Fund monies from CSAC, resulting in no net impact on funding levels for Cal Grants and CalWORKs or General Fund spending overall.

*Spending Above MOE Has Important Implications.* Having higher General Fund expenditures in CalWORKs than is required by the MOE provides potential benefits to the state. First, should the state choose to do so, General Fund and county spending above the MOE could be counted as excess MOE to obtain an additional reduction in the required work participation rate (WPR), thereby lowering the risk of federal penalties.

Second, General Fund and county spending above the MOE could, at the state’s choosing, not be counted towards the MOE requirement. This opens the door to CalWORKs spending on purposes that are not allowed under TANF rules but that benefit the state. For example, the state can fund CalWORKs benefits for individuals that it wishes to exclude from the state’s WPR in a so-called “solely state-funded program,” as discussed in more detail in the body of the CalWORKs analysis. Finally, should the need arise in the future, the state has greater flexibility to enact policy changes—including those that would reduce General Fund spending in the CalWORKs program—without coming up against the constraint of the MOE requirement.<sup>14</sup>

Illinois is perhaps the most notable example of a state using this strategy, as it placed over half its assistance cases in various solely state funded programs. The names of the programs are self-explanatory: “Two-Parent Families Paid with State Only Funds;” “First Time Pregnant Women Paid with State Only Funds;” “Refugee Cases Paid with State Only Funds;” “Child Under One cases Paid with State Only Funds;” and a final program aptly called “Single Parent Cases Not in A Countable Activity Paid with State Only Funds.” The average monthly number of cases in solely state funded programs in Illinois outnumbered the actual number of TANF cases (21,611 vs. 18,643.)<sup>15</sup>

Illinois is not alone, over half of all states have solely state funded programs for certain population groups, shifting well over 100,000 families to such programs.

*Artificially inflating the numerator.* One increasingly common loophole states take advantage of to meet TANF’s work rates is paying a token benefit to families with children that have enough hours of employment to count in the work rate. (This also increases the denominator, but these

cases have a 100 percent or near-100 percent work participation rate, so they raise the overall work rate average.)

A notable example of a state using this strategy is Maine, notable because of the extent to which it relies on this loophole and because conservatives view the state as a model in terms of running a work program for Able-Bodied Adults Without Dependents (ABAWDs) receiving food stamps (now known as SNAP).<sup>16</sup> In FY 2015, Maine reported an average monthly TANF/SSP caseload of 22,403, with 19,984 included in the denominator of the work rate and 14,236 “participating families” in the numerator.<sup>17</sup> Its overall work participation rate was 71.3 percent.

Maine’s work rate appears impressive until one breaks out the rate it achieved in TANF (16.3 percent) and in the state’s “separate state program” (80.6 percent).<sup>18</sup> The latter was made up of 17,688 cases that did receive a regular TANF benefit, but were expected to work enough hours to count in the work rate and were provided a \$15 a month “worker supplement” to artificially boost the state’s participation rate. (For some, hours ended up falling short of TANF’s minimum needed; hence, this group had a work rate of only 80.6 percent.) In other words, nearly 80 percent of the state’s total caseload was not part of the state’s main cash assistance program; the cases were added simply to manipulate the work rate.

Here is how the Alexander Group, consultants to Maine, described the strategy:

Maine corrected the overall WPR [work participation rate] through a corrective-compliance plan... This was achieved by the end of FFY 2012. Maine achieved this compliance by adding a worker-supplement benefit (\$15 per month), which allowed Maine to count families that have transitioned from TANF and are working the required number of hours to meet the work participation requirement. This benefit is provided to approximately twenty thousand families per month and is included as part of the TANF-MOE caseload. ...Without this new initiative, Maine would not achieve its WPR.<sup>19</sup>

About a dozen states have such “worker supplement” cases involving over 250,000 families.

*Using “excess MOE” to inflate the caseload reduction credit.* The caseload reduction credit reduces a state’s work rate target by percentage decline in a state’s caseload from a base year, which was initially set at FY 1995 (changed to FY 2005) compared to a “comparison year” caseload – the year prior to the year for which work rates are measured. In addition, a regulatory provision allows state to reduce its comparison year caseload by spending in excess of its basic MOE requirement. The more it spends, the more it can reduce its target rate. (Note: While this is a regulatory provision, it is only possible because Congress replaced the federal-state match with a block grant and a separate MOE requirement. The concept of “excess MOE” would not exist in a federal-state matching program.) This provision led many states to simply find more third-party spending to count as MOE to artificially inflate the caseload reduction credit.

Grant Collins, a former TANF official in HHS, explained the consequences of this provision in testimony before the House Ways and Means Committee:

Because of the excess MOE credit, States began looking at spending in other departments throughout government that could be claimed in the TANF program, as is allowed under current program rules. So a State may begin counting new child care programs, prekindergarten classes, or earned income tax credits as TANF spending. The State may even count volunteer hours as MOE by multiplying the hours by an estimated wage and reporting this as TANF spending. States can also report spending by third parties as MOE. For example, a State may count the value of food given out at food banks as TANF spending.

In closing, I want to point out that none of these practices are illegal. None of them are questionable according to current policy. States cannot be blamed for working within rules and regulations to meet Federal requirements. However, based on my experience as overseeing the TANF program and implementing the Deficit Reduction Act regulations, I believe that this combination of factors has resulted in weaker work requirements, less investment in TANF families, and fewer families becoming self-sufficient.<sup>20</sup>

Indeed, one of the unintended effects of the Deficit Reduction Act was to lead states to simply find more third-party spending to count as MOE, including third-party nongovernmental expenditures, just so that they could artificially inflate the caseload reduction credit.<sup>21</sup> And, reported MOE did rise sharply – from \$12 billion in FY 2006 to \$13.7 billion in FY 2008 to over \$15 billion in FY 2009 and most subsequent years.

As Collins notes, this led to even weaker work requirements; it also undermined the integrity of the program as a whole. The GAO noted that in FY 2008, of the 44 states that met the overall work rate, 30 used “excess MOE” to calculate their work rate target and 14 would not have met the target had it not been for this excess MOE.<sup>22</sup> Eliminating the “excess MOE” provision, as some conservatives suggest, would simply lead to a different loophole – solely state funded programs.

### **TANF Work Requirements in FY 2015: California and Wisconsin**

Perhaps the two most significant stories for FY 2015 are in California, which adopted several of the aforementioned strategies to inflate its work rates, and Wisconsin, which continues to struggle in meeting its work rates.

***TANF in California.*** The significant increases in the overall and two-parent work participation rates at the national level are due primarily policy changes in California. Between FY 2014 and FY 2015, the state’s overall work rate rose from 29.8 percent to 55.7 percent; its two-parent rate increased from 25.5 percent to 61.4 percent. California accounts for about 47 percent of the cases included in the national overall work participation rate and 85 percent of families in the two-parent work participation rate calculation; thus, the state has a large impact on the national work rates. California now has a more significant impact on the national work rates than in TANF’s early years, not because the state’s caseload has grown since the 1996 law, but rather because states like Texas, Georgia, and many others no longer provide a meaningful cash assistance safety net and they are such a minor factor in the national work rate calculations. For

example, even though Texas accounts for about 10 percent of the number of poor families with children, eliminating its cash assistance program would have almost no impact on the work rate, because so few families still receive cash assistance – only about 2 percent of the national caseload and less than 1 percent of those subject to work requirements.

The increase in California’s work participation rates came from two policy changes.<sup>23</sup> First, the state created a mandatory nutritional supplement that provides \$10 assistance payments to SNAP families with children in which parents are likely to work enough hours for the families to count in the work participation rate. California did not have such a program in FY 2014 and in FY 2015 enrolled a monthly average of 175,000 families in its SSP-MOE caseload, 85 percent of whom had enough hours to count in the work participation rate. Second, California created several solely state-funded programs – i.e., programs funded with state-only dollars but that do not count as MOE – for families not likely to meet TANF’s work requirements, such as long-term sanctioned cases where the adult no longer receives assistance but remains a work-eligible individual. By removing families not likely to meet the work requirements from the caseload, this raises the average work participation rate for those remaining in the TANF caseload. This shift appears to have accounted for over 50,000 cases.<sup>24</sup>

While California did *game* the work rate, nearly all states that provide any meaningful cash assistance program have done so. It is noteworthy that California outperforms the rest of the nation by a significant margin in terms of providing *both* cash assistance and involving families in a core work activity, other than unsubsidized employment. Table 1 below provides some basic statistics that compare California’s reach as both a cash assistance safety net and as a welfare-to-work program. I again include Georgia and Texas, and also add Kansas and Maine, as many conservatives point to the putative success of their ABAWD work requirements under SNAP.<sup>25</sup> As described below, California does far more to serve poor families with children than do other states, particularly the highlighted states.

Table 1 provides data on the number of poor families with children in 2015, and an estimate of the average monthly number of families included in the overall work rate (excluding those receiving token payments). The share of families receiving assistance and *subject to* work requirements is over 30 percent of the number of poor families in California. For all other states, excluding California, this figure drops less than 7 percent. In Texas and Georgia, it is just 1 percent; Kansas and Maine are a bit better, at 4 percent and 9 percent, respectively.

Table 1 also provides data on the number of families that had enough hours to count in TANF’s work rate by the primary core work activities and expresses them as a percentage of the number of poor families with children in the state and is thus illustrative of the reach of TANF. California’s TANF work programs appear to reach about 7 to 8 percent of the state’s poor families with children; this is significantly more than the “rest of the nation,” which reaches less than 1 percent, as do Georgia, Kansas, Maine, and Texas. Indeed, Texas reports no families in these activities. This may be because the state doesn’t need additional hours of participation from such participants (as its target is 0 percent) and so does not report them. However, even if it counted *all* those subject to work requirements, it would be serving just 1 percent of poor families with children.

**Table 1: The Reach of TANF Welfare-to-Work Programs (FY 2015):  
California vs. the Rest of the Nation**

	<b># of Poor Families with Children</b>	<b># of Families in Overall Rate (excl. token payments)*</b>	<b>Work Exp./Community Service (% of poor)**</b>	<b>Job Search and Job Readiness Assistance (% of poor)**</b>	<b>Vocational Educational Assistance (% of poor)**</b>
California	832,868	262,895	8,380 (1.0%)	43,706 (5.3%)	13,214 (1.6%)
Rest of Nation	5,940,044	412,807	22,914 (0.3%)	16,944 (0.3%)	15,115 (0.3%)
Georgia	284,551	2,210	791 (0.2%)	140 (0.0%)	153 (0.1%)
Kansas	61,294	2,987	23 (0.0%)	71 (0.1%)	113 (0.2%)
Maine	26,918	2,304	94 (0.3%)	116 (0.4%)	124 (0.5%)
Texas	664,693	8,825	0 (0.0%)	0 (0.0%)	0 (0.0%)

*Source:* Unpublished data from the Center on Budget and Policy Priorities. For poverty data by state through 2014, see the tables at: Ife Floyd, LaDonna Pavetti, and Liz Schott, “TANF Continues to Weaken as a Safety Net,” Center on Budget and Policy Priorities, October 27, 2015, available at: <http://www.cbpp.org/research/family-income-support/tanf-continues-to-weaken-as-a-safety-net>. U.S. Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance, “TANF Work Participation Rates – Fiscal Year 2015,” December 15, 2016, available at: <https://www.acf.hhs.gov/ofa/resource/work-participation-rates-fiscal-year-2015>.

\* These estimate exclude separate state program cases in California, Maine, Massachusetts, and Oregon – the states with largest caseloads involving token benefits.

\*\* This calculation divides the average monthly number of TANF families in an activity by the annual number of poor families with children as a proxy for how well state welfare-to-work programs serve poor families.

### ***TANF in Wisconsin***

In FY 2015, Wisconsin achieved an overall work participation rate of 38.9 percent and a two-parent work rate of 40.0 percent, both short of the required work rate targets of 50 percent and 90 percent, respectively.<sup>26</sup> Wisconsin has now failed to meet TANF’s work requirements for four consecutive years (FY 2012 – FY 2015) and faces potentially large financial penalties. Unlike most states, Wisconsin implemented TANF’s work requirements *without* gaming them. The fact that it can’t meet TANF’s work rate targets is a reflection of the fact that the requirements are not reasonable or realistic.

### **Conclusion**

Most states today use gimmicks to meet TANF’s work requirements, rather than actually connecting needy families to welfare-to-work activities that might help. In FY 2015:

- About a dozen states artificially inflated their work rates by paying token benefits (e.g., \$10 a month) to low-income families that otherwise would not be on welfare to artificially boost their work rates. This accounted for over 15 percent of the national

caseload – at least 250,000 families, all of whom were already working and who otherwise had no connection TANF cash assistance.<sup>27</sup>

- In more than half the states, over 100,000 families were shifted to “solely state funded” programs because they did not have enough countable hours to count in the work rate; this is possible because TANF is a flexible and fungible funding stream.<sup>28</sup>
- By way of comparison, in FY 2015, less than 100,000 TANF families that were counted as “participating” were engage in a real activity:
  - Vocational educational training: 28,000
  - Work experience: 13,000
  - Job search and job readiness assistance: 61,000

Since some individuals may be in more than one activity, a rough approximation is that in an average month in FY 2015, about 80,000 work-eligible individuals participated in a real activity enough hours for the family to count.<sup>29</sup> This represents just 6 percent of the cash assistance caseload and just over 1 percent of poor families with children.

Is this really a model anyone would want to defend? How does creating a work requirement structure that encourages states to use gimmicks rather than engage families in a real activity help needy families? Real welfare reform requires adequate funding, realistic work requirements, and rigorous evaluation so that we can learn what works and what doesn't and build on an evidence base. Welfare reform should be about giving needy families a hand up, but instead, under TANF, it has abandoned them.

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<sup>1</sup> The views in this document reflect my own as a citizen and do not reflect the views of any organization I am now or have ever been affiliated with. By way of background, I am a conservative and have worked on welfare issues for the Heritage Foundation, the American Enterprise Institute, and the White House under both President Reagan and President George H.W. Bush. This paper assumes the reader has a basic understanding of the TANF program, but for those readers who want more context and background, see Peter Germanis, *TANF is Broken! It's Time to Reform "Welfare Reform" (And Fix the Problems, Not Treat their Symptoms)*, July 25, 2015 draft, available at: <http://mlwiseman.com/wp-content/uploads/2013/09/TANF-is-Broken.072515.pdf>.

<sup>2</sup> Speaker Paul Ryan, "#ConfidentAmerica: Full Text of Speaker Ryan's Remarks at the Library of Congress," December 3, 2015, available at: <http://www.speaker.gov/press-release/full-text-speaker-ryans-remarks-library-congress>.

<sup>3</sup> Robert Rector and Rachel Sheffield, "Paul Ryan's New Anti-Poverty Plan Should Take Work and Marriage Seriously," July 25, 2014, available at: <http://dailysignal.com/2014/07/25/paul-ryans-new-anti-poverty-plan-take-work-marriage-seriously/>

<sup>4</sup> Peter Germanis, *TANF is Broken! It's Time to Reform "Welfare Reform" (And Fix the Problems, Not Treat their Symptoms)*, July 25, 2015 draft, available at: <http://mlwiseman.com/wp-content/uploads/2013/09/TANF-is-Broken.072515.pdf>.

<sup>5</sup> For a fuller description of TANF's work requirements, see: U.S. Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance, *Claims Resolution Act - Engagement in Additional Work Activities and Expenditures for Other Benefits and Services, April-June 2011: Engagement in Additional Work Activities and Expenditures for Other Benefits and Services*, February 13, 2012, pp. 1-4, available at: <http://www.acf.hhs.gov/ofa/resource/cra-june2011.html>.

<sup>6</sup> U.S. Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance, "TANF Work Participation Rates – Fiscal Year 2015," December 15, 2016, available at: <https://www.acf.hhs.gov/ofa/resource/work-participation-rates-fiscal-year-2015>.

<sup>7</sup> House Ways and Means Committee, "Chairman Brady Lays out Vision for Ways and Means Committee Remarks as Prepared for Delivery," November 18, 2015, available at: <https://waysandmeans.house.gov/chairman-brady-lays-out-vision-for-ways-and-means-committee/>.

<sup>8</sup> Unpublished data from the Center on Budget and Policy Priorities. For data through 2014, see the tables at: Ife Floyd, LaDonna Pavetti, and Liz Schott, "TANF Continues to Weaken as a Safety Net," Center on Budget and Policy Priorities, October 27, 2015, available at: <http://www.cbpp.org/research/family-income-support/tanf-continues-to-weaken-as-a-safety-net>.

<sup>9</sup> FY 1995 spending based on unpublished data from the Congressional Research Service; FY 2015 spending from U.S. Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance, "TANF Financial Data – FY 2015," August 13, 2016, available at: <https://www.acf.hhs.gov/ofa/resource/tanf-financial-data-fy-2015>.

<sup>10</sup> House Budget Committee, "Price Statement on 20th Anniversary of 1996 Welfare Reforms," August 22, 2016, available at: <http://budget.house.gov/news/documentsingle.aspx?DocumentID=394298>.

<sup>11</sup> Unpublished data from the Center on Budget and Policy Priorities. For data through 2014, see the tables at: Ife Floyd, LaDonna Pavetti, and Liz Schott, "TANF Continues to Weaken as a Safety Net," Center on Budget and Policy Priorities, October 27, 2015, available at: <http://www.cbpp.org/research/family-income-support/tanf-continues-to-weaken-as-a-safety-net>.

<sup>12</sup> FY 1995 spending based on unpublished data from the Congressional Research Service; FY 2015 spending from U.S. Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance, "TANF Financial Data – FY 2015," August 13, 2016, available at: <https://www.acf.hhs.gov/ofa/resource/tanf-financial-data-fy-2015>.

<sup>13</sup> State and local governmental expenditures on programs that existed in 1995 and were not part of the state's AFDC and related programs can be claimed only to the extent that they are higher than the spending in 1995. In other words, only new spending counts. Of course, since that level is not adjusted for inflation, over time states can count preexisting spending that rises simply because of inflation.

<sup>14</sup> Legislative Analyst's Office, "The 2013-14 Budget: Analysis of the Health and Human Services Budget," February 27, 2013.

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<sup>15</sup> Illinois Department of Human Services, “TANF Caseload Reduction Credit Report FY 2016,” December 9, 2015, available at:

<http://www.dhs.state.il.us/OneNetLibrary/27897/documents/HCD%20Reports/TANF%20Reports/TANFCaseloadReductionReportFY2016.pdf>. Note: the caseload reduction credit report for FY 2016 provides data for the comparison year caseload of FY 2015.

<sup>16</sup> See, for example, Statement of Tarren Bragdon, CEO of the Foundation for Government Accountability, “Moving America’s Families Forward: Setting Priorities for Reducing Poverty and Expanding Opportunity,” House Ways and Means Committee, May 24, 2016, available at: <https://waysandmeans.house.gov/wp-content/uploads/2016/05/20160524FC-Testimony-Bragdon.pdf>.

<sup>17</sup> This is an oversimplification; the actual work rate is calculated by averaging monthly work participation rates for each state; this is not the same as using the average monthly numerator and denominator, but it is generally close.

<sup>18</sup> Using a “separate state program” to pay token benefits avoids triggering the federal time limit and other requirements when federal TANF funds are used.

<sup>19</sup> “Baseline Analysis of Maine’s Public Welfare System: A Review Submitted to the Commissioner of Health & Human Services, Final Report, May 2014.”

<sup>20</sup> See: Hearing on State TANF Spending and its Impact on Work Requirements, at: <http://waysandmeans.house.gov/news/documentsingle.aspx?DocumentID=319232>.

<sup>21</sup> See GAO’s July 23, 2012, testimony on the extent of this problem at: <http://www.gao.gov/assets/600/592861.pdf>.

<sup>22</sup> GAO, *Implications of Recent Legislative and Economic Changes for State Programs and Work Participation Rates*, May 2010.

<sup>23</sup> For more detail, see California Department of Social Services, Welfare to Work Division, “CalWORKs: Healthy Children and Families on the Road to Self-Sufficiency Annual Summary,” May 2015, available at: <http://www.cdss.ca.gov/cdssweb/entres/pdf/CalWORKsAnnualSummary2015.pdf>.

<sup>24</sup> This is an estimate that assumes the dramatic decline in the TANF caseload between September 2014 (the last month of FY 2014) and October 2014 (the first month of FY 2015) was due to the creation of one or more solely state funded programs. During this period, the TANF caseload fell from 528,764 to 472,115 families.

<sup>25</sup> See, for example, Statement of Tarren Bragdon, CEO of the Foundation for Government Accountability, “Moving America’s Families Forward: Setting Priorities for Reducing Poverty and Expanding Opportunity,” House Ways and Means Committee, May 24, 2016, available at: <https://waysandmeans.house.gov/wp-content/uploads/2016/05/20160524FC-Testimony-Bragdon.pdf>.

<sup>26</sup> U.S. Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance, “Work Participation Rates – Fiscal Year 2015,” December 15, 2016, available at: <https://www.acf.hhs.gov/ofa/resource/work-participation-rates-fiscal-year-2015>.

<sup>27</sup> This figure is derived from a wide range of documents; readers interested in more detail on sources for this information should email me at [petergermanis1@gmail.com](mailto:petergermanis1@gmail.com). See also *TANF is Broken!*

<sup>28</sup> This figure is derived from a wide range of documents; readers interested in more detail on sources for this information should email me at [petergermanis1@gmail.com](mailto:petergermanis1@gmail.com). See also *TANF is Broken!*

<sup>29</sup> These figures are from U.S. Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance, “Work Participation Rates – Fiscal Year 2013,” January 12, 2016, available at: <http://www.acf.hhs.gov/programs/ofa/resource/wpr2013>. See Table 4A.