

# **TANF Can't be Reformed – It Must be Repealed and Replaced: A Brief Explanation for Matt Weidinger**

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In “The latest bipartisan welfare extension conceals significant partisan differences on the future of welfare reform,” Matt Weidinger of the American Enterprise Institute (AEI) blames partisan divisions for the inability of Congress to pass a meaningful reauthorization of the Temporary Assistance for Needy Families (TANF) block grant, relying instead on yet another short-term extension.<sup>2</sup>

As long as Congress and the White House remain divided between the parties, we should expect only more short-term extensions like H.R. 2940. But beneath the short-term bipartisan cooperation lay some stark partisan differences over the direction of future welfare policy, reflected in two rival TANF reauthorization bills.

Prior to joining AEI, Weidinger served in various positions on the staff of the House Ways and Means Committee and was “a primary staff author of the landmark 1996 welfare reform law (The Personal Responsibility and Work Opportunity [Reconciliation] Act).”<sup>3</sup> While he may be right about the politics of welfare reform, he is wrong about both who is to blame for Congress’ inability to pass meaningful TANF legislation and in his approach to reform.

Most conservatives believe TANF and its work requirements have been an unprecedented success and a model for reforming other safety net programs. While the 1996 law sent a symbolic message about work requirements and time limits, neither of these elements have been implemented in the way Congress intended. In fact, TANF is not “welfare reform” at all, but a flexible funding stream that has failed to provide an adequate safety net or an effective welfare-to-work program. The real obstacle to achieving meaningful reform is the intransigence of most conservatives in recognizing the source of TANF’s failures and in developing reforms that address the problems rather than just treat the symptoms.

Weidinger now supports the Jobs and Opportunity with Benefits and Services (JOBS) for Success Act, a bill he believes would improve “the TANF program’s effectiveness at helping low-income parents go to work by closing loopholes, adding a new work accountability system, and modestly increasing funding for child care among other changes.” The initial version of the legislation (introduced in 2018) made some modest improvements in a futile effort to reform TANF, but when it was reintroduced in 2019, it was with changes that would push more families deeper into poverty and encourage more state gaming of its new work requirements. Neither version addresses the root cause of TANF’s problems – the block grant structure and excessive state flexibility. Until Congress confronts this reality, TANF will remain “broken.”

This response addresses some of the points made by Weidinger; it is not intended to be a comprehensive critique of TANF or a full analysis of any TANF reauthorization proposal. Each statement is followed by a “PC Response” – short for “Peter the Citizen.”

**Weidinger:** “When they were the majority in the House last year, Republicans moved through committee a comprehensive five-year welfare reauthorization bill called the JOBS for Success Act, and senior Republicans reintroduced that legislation earlier this year in the House and Senate. ...But the legislation received no Democratic votes in committee, ostensibly because it focuses on increasing effective work requirements while making, as committee Democrats put it, ‘zero new investments’ in TANF or other programs Democrats would like to expand.”

**PC Response:** Weidinger suggests that Democrats are to blame for the failure to pass last year’s version of the JOBS for Success Act, but that’s not really true. Republicans didn’t need the support of Democrats to pass the bill out of the U.S. House of Representatives. The real reason the bill stalled in Congress is because *conservative* ideologues opposed it, arguing that it was too weak on work. In the weeks leading up to the vote in the House Ways and Means Committee, they circulated a paper, “Bipartisan Efforts to Undermine Work Requirements,” which stated:

In July 2012, the Obama Department of Health and Human Services issued a proposal to allow states to apply for waivers to the mandatory work requirements contained in the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), a bill widely regarded as a seminal conservative achievement. The JOBS for Success Act, a bill introduced May 17<sup>th</sup> in the Ways and Means Committee and scheduled to be marked up on May 23<sup>rd</sup>, takes a similar approach, significantly vitiating the mandatory work requirements instituted by PRWORA. **Conservatives should oppose the proposal until provisions that weaken work requirements are removed from the legislation.**<sup>4</sup>  
[Emphasis in original text.]

Why didn’t Weidinger mention this? He also notes that “senior Republicans reintroduced that legislation earlier this year in the House and Senate.” What he doesn’t tell you is that the latest version of the JOBS for Success Act is considerably different – with much stricter work requirements for both recipients and states, ensuring that it would encourage states to push more families off assistance (or impose barriers to coming on) and/or to game the new requirements. For recipients, the *current* draft requires states to impose *at least* a pro-rata reduction in the family’s benefit based on the proportion of hours of participation compared to required hours. Meanwhile, states would be held to a new universal engagement requirement *and* an employment outcomes standard. No state is anywhere near satisfying the former and there is considerable uncertainty surrounding the latter, so the most likely outcome is that states will simply exploit the solely state funded loophole by rearranging how they fund state programs. This is possible because TANF is first and foremost just a form of revenue sharing.

**Weidinger:** “The bill focuses on improving the TANF program’s effectiveness at helping low-income parents go to work by closing loopholes to the current work requirements, adding a new work outcome accountability system, and modestly increasing funding for child care, among other changes.”

**PC Response:** What follows is a brief response to each of the provisions Weidinger chose to highlight, followed by a brief discussion of other elements of the JOBS for Success Act.

***“...improving the TANF program’s effectiveness at helping low-income parents go to work by closing loopholes to the current work requirements...”*** The main goal of welfare-to-work programs should be to promote self-sufficiency, but TANF’s work requirements have mainly been used as a tool of bureaucratic disenfranchisement. They are unreasonable for recipients, unrealistic for states, and are not based on evidence. Their main effect (along with the block grant structure) has been to push needy families off the rolls (or discourage them from coming on), as evidenced by the sharp drop in the take-up rate among eligible families, from about 79 percent in 1996 to just 26 percent in 2015.<sup>5</sup> And, since its inception, TANF has only engaged about 10 to 15 percent of those subject to work requirements in a work activity other than “unsubsidized employment” for enough hours to count in the rate.<sup>6</sup> Instead, states have relied on misguided provisions like the caseload reduction credit and/or a variety of “loopholes.”<sup>7</sup>

Who is responsible for these loopholes? Answer: Weidinger and his colleagues at the Ways and Means Committee who, with the help of Robert Rector, drafted a bill that created them. Writing about the politics of the 1996 legislation, Rector once said, “It isn’t enough to get the technical details of a policy right. Words and symbols matter, too.”<sup>8</sup> Unfortunately, when it comes to the TANF legislation, Congress got virtually every technical detail wrong. One reason – the failure to pay attention to “words” and “technical details.” Ron Haskins, Weidinger’s one-time colleague and considered the “architect” of welfare reform now acknowledges that TANF’s work requirements have “major problems”:

The straightforward approach of using the TANF work requirements as a model for work requirements in other welfare programs because of their perceived “great success,” as many Republicans want to do, is flawed because the TANF work requirements have major problems.

...Examining these problems with the TANF work requirement leaves little doubt that the TANF approach to requiring work has not proven to be an effective way to help welfare recipients prepare for or find unsubsidized work. New attempts to strengthen the work requirement in TANF and other means-tested programs should learn from, but not follow, the TANF example. In fact, if TANF work requirements are any example, we must find and test new ways to help welfare recipients enter employment. This conclusion is especially important because the unprecedented decline in the TANF caseload has meant that there are now many more families living in poverty, and even deep poverty (below half the poverty level), that do not receive a cash benefit.<sup>9</sup>

During TANF’s first decade, the caseload reduction credit and the ability to count “unsubsidized employment” as an activity rather than keeping full-time employment as an exemption allowed most states to satisfy the work requirements without engaging anyone in a real work activity. However, for states that still needed help, there were loopholes: separate state programs, the ability to exclude child-only cases even when there was an able-bodied parent in the household, broad activity definitions (because Congress didn’t actually define the work activities), and (in some states) the ability to continue earlier AFDC waiver policies. (These loopholes are described in detail elsewhere; see: “TANF Work Requirements: An Epic Fail” in *TANF is Broken*, July 2015, available at: <https://petergermanis.com/wp-content/uploads/2020/09/TANF-is-Broken.072515.pdf>.)

Weidinger and his colleagues attempted to close these loopholes in the Deficit Reduction Act of 2005 by adding families in separate state programs to the work rate calculation, recalibrating the base year of the caseload reduction credit calculation (from 1995 to 2005), and directing the U.S. Department of Health and Human Services (HHS) to define work activities and determine who is a “work-eligible individual.” Almost immediately, states discovered new loopholes: solely state funded programs, the “excess MOE” provision of the caseload reduction credit, and “token payments.” Such gimmickry does nothing to help the poor get connected to work opportunities and this result was entirely predictable.

As long as TANF is a block grant with excessive state flexibility, loopholes will remain. Writing for AEI in 2004, Doug Besharov and I explained that “the structure of the TANF block grant would enable states to avoid *all* additional participation requirements...”<sup>10</sup> If Weidinger and other conservatives are serious about ending loopholes, the first step would be to end the block grant structure and the second would be to limit spending to basic assistance and work activities. And, if they are serious about actually helping needy families find employment and lift them out of poverty, they should develop work requirements that are reasonable, reflect operational realities, and are based on credible research findings. Welfare reform should be about giving needy families a hand up, but instead, under TANF, it has abandoned them.

The *initial* version of JOBS for Success Act did do away with the aforementioned loopholes because it eliminated the work participation requirement altogether, substituting an “expectation” for universal engagement. This expectation maintained TANF’s current minimum hourly requirements, but provided states considerably more flexibility by eliminating the distinction between core and noncore work activities and adding a new catch-all category that includes “any other activity that the State determines is necessary...” Unlike the current work requirement, however, states would not be held accountable for meeting this requirement under the current penalty structure. Instead, they would be held accountable for meeting four WIOA-like outcome measures for TANF leavers. (WIOA is the Workforce Innovation and Opportunity Act and is the main federal workforce development program.)

Predictably, conservative ideologues responded with the following criticism:

The Obama welfare waiver was a political issue of substantial salience in the 2012 election. It would be inadvisable to replicate this approach in the Republican Congress as November approaches. Unfortunately, the Ways and Means Committee draft doubles down on the same flawed approach, and as a result should be rejected without significant improvements to ensure that Republicans are not weakening the seminal achievement of a generation of opportunity-focused reforms.<sup>11</sup>

Their main criticisms focused on the lack of accountability related to work participation, eliminating the distinction between core and noncore work activities, and expanding the scope of allowable work activities. As a result, Weidinger’s former colleagues caved to this outside pressure and made significant changes to the legislation.

The *current* version of the JOBS for Success Act “doubles down” on the failed TANF model. It effectively replaces the current work participation requirement with a universal engagement requirement, but continues to hold states accountable through the existing penalty structure. In effect, it replaces TANF’s current 50 percent work rate with a de facto 100 percent requirement. It includes the outcome measures in the *initial* draft, but does not link those to a penalty; however, it does add a new outcome measure that is subject to a penalty as well – the ratio of work-eligible individuals in unsubsidized employment six months after leaving to the average monthly number of families receiving assistance. In short, it makes the participation requirement more stringent and then adds a new and very different outcome standard states must meet.

There are two ways states would respond to these new requirements to avoid a penalty. One is to push families who can’t meet the requirement off the rolls, as Liz Schott and LaDonna Pavetti of the Center on Budget and Policy Priorities explain (particularly with respect to the universal engagement requirement):

This, however, would encourage states to restrict access to benefits and services for the most vulnerable families, either by denying access in the first place or by applying quick and harsh sanctions if the parent couldn’t comply with the requirements – even if the requirements weren’t appropriate given the family’s circumstances. (That’s how many states responded when the Deficit Reduction Act of 2005 made the TANF work participation rate harder to meet.) Rather than helping the parents with the greatest barriers to employment connect to work, universal engagement with rigid participation requirements and state penalties attached would hurt them.<sup>12</sup>

For anyone concerned about a safety net for the “truly needy,” this is a very real concern, as evidenced by the sharp decline in the take-up rate. While other parts of the safety net have expanded, these expansions have primarily benefited those who work and often are not poor.<sup>13</sup>

States will (not may) also take advantage of a loophole the Act does not address – the solely state funded program. For two decades, states have shifted families unlikely to meet TANF’s work rates to either a separate state program (before the Deficit Reduction Act of 2005) or more recently to a solely state funded program. The JOBS for Success Act (particularly as *currently* drafted) would give states strong incentives to do this, because the penalty for failure to meet the new requirements could be as high as 5 percent of the block grant the first year (rising to up to 21 percent for repeated failures). Some states spend less on assistance for families with a work-eligible individual than the potential penalty they would face. Why would a state risk a penalty of this magnitude, relative to what it spends on assistance for those subject to the requirement? Answer: They wouldn’t!

Many states can already take advantage of this loophole to completely avoid the proposed work-related requirements in the JOBS for Success Act with the stroke of a pen, as I describe in:

“The JOBS for Success Act: A Noble but Futile Attempt to Reform ‘Welfare Reform’,” June 16, 2018, available at: <https://petergermanis.com/wp-content/uploads/2021/02/The-JOBS-for-Success-Act.pdf>.

This paper was based on the *initial* draft of the Act; there is nothing “noble” about the *current* draft of the bill. If enacted, states would simply game the JOBS for Success Act as they have TANF’s work requirements, leaving TANF an even bigger slush fund than it already is.

Note: The aforementioned paper describes the ease with which many states can create a solely state funded program without new funding by way of two state examples – Wisconsin and Texas. The examples use actual data for FY 2016 and examine how each state might have used the solely state funded strategy if the bill’s requirements had applied at that time. When states serve families through a solely state funded program, they can adopt whatever participation and outcome rules fit their needs the best, rather than having a particular set of rules forced on them from the federal government.

**“...adding a new work outcome accountability system...”** As noted above, the *initial* draft bill would have replaced the work participation rate requirement with an “expectation” for “universal engagement,” but in terms of accountability it would have required states to achieve certain, negotiated employment-related outcomes.<sup>14</sup> States that failed to meet their employment-related outcome targets would be at risk of financial penalties, which as noted above, start at up to 5 percent of the block grant, rising to a maximum of 21 percent of the block grant for repeated failures.

The administrative burden of modifying data collection requirements to implement the new outcomes approach and the risk of significant penalties would lead many states to move their entire caseload of families with a work-eligible individual to a solely state funded program. Most states can do this at little or no additional cost. The solely state funded loophole would have been a likely alternative in the *initial* version of the JOBS for Success Act; it would be a near certainty under the *current* version, which combines both a participation requirement and an outcomes requirement. Weidinger and other conservatives are naïve in thinking they can mandate unreasonable and unrealistic requirements and that states would respond by suddenly engaging large numbers of work-eligible individuals in work activities rather than just gaming the new requirements.

*The problem with outcomes in the JOBS for Success Act.* Even if states do not game the outcomes in the Act, the approach does not ensure meaningful accountability. The proposal would require states to track the employment-related outcomes of TANF leavers and judge success by comparing the results to negotiated benchmarks. (The *initial* draft had four outcomes; the *current* draft has just one where failure to achieve a target could lead to a penalty.) While the approach in these bills is similar to that used in WIOA, there are important differences that make this more problematic for TANF. WIOA’s performance is measured for those who actually participate in an employment and training activity and the results are adjusted using a statistical model accounting for economic and demographic factors. The WIOA approach builds on decades of experience. In contrast, both versions of the JOBS for Success act would focus on TANF leavers, regardless of whether they actually participate in a real activity.<sup>15</sup> Moreover, state TANF programs differ enormously and reasons for exit often are due to factors other than completing an employment and training activity (e.g., a time limit or a full family sanction), further complicating the establishment of meaningful performance targets. From a practical standpoint, the data infrastructure does not exist to implement a WIOA-like approach and would

have to be developed, including building a new bureaucracy with the skills needed to negotiate benchmarks with states – requiring far more time than allowed for in the bills.

The most important difference between WIOA and TANF is the penalty for failing to achieve the performance standards. In WIOA, failure means a minor financial penalty and the receipt of technical assistance from the Departments of Labor and Education. In TANF, the current penalty structure remains in place and is much more substantial in dollar amounts – up to 5 percent of the block grant for the first failure, rising to up to 21 percent of the block grant for repeated failures. Notably, in some states, penalties of this magnitude would be more than the amount they spend on assistance for families with a work-eligible individual. The likely result, as with the current work rate, is more gaming of the system.<sup>16</sup>

*The need for a credible counterfactual.* It is ironic to hear Weidinger’s concerns about “accountability” and his support for an approach that judges “states on whether former recipients enter, remain, and advance in work.” Outcomes like those in either version of the JOBS for Success Act don’t guarantee real accountability, as they don’t have a credible counterfactual. A statistical model and negotiations with states, as called for in the Act, may provide some control over extraneous confounding factors, but they would never be considered rigorous enough to be included in an evidence-based review of effective programs.

Unfortunately, TANF replaced an evidence-based welfare reform model, which did have strict accountability measures. In 1987, the Reagan Administration began encouraging states to use existing authority to conduct welfare reform experiments – through waivers of AFDC’s rigid rules (and, to a lesser extent, food stamp and Medicaid rules due to more limited waiver authorities for those programs). This approach was continued by President Bush and President Clinton. This process relied on a real counterfactual using the “gold standard” of evaluation – random assignment.<sup>17</sup> The findings from random assignment experiments are considered the most credible, because the experimental and control groups are alike and subject to the same external conditions, with the only difference being the intervention itself. Thus, any difference in outcomes between the groups can be attributed to the intervention – welfare reform – itself. If conservatives are serious about “improving the TANF program’s effectiveness at helping low-income parents go to work,” then this is the model that should be emulated.

**“...and modestly increasing funding for child care, among other changes.”** The JOBS for Success Act would increase funding for child care in the Child Care and Development Block Grant (CCDBG), but it would do so by eliminating TANF’s Contingency Fund, so there is no overall increase in funding. In some states, the effect of this change would be to simply increase the funding that goes into the TANF slush fund, as states may simply transfer fewer dollars to the CCDBG, leaving more dollars in TANF.<sup>18</sup>

*Other changes not mentioned by Weidinger.* The legislation recognizes that TANF has become a form of revenue sharing. It would require states to spend at least 25 percent of their federal JOBS grants and state maintenance-of-effort (MOE) funds on “core” activities, limit aid to families with incomes below 200 percent of poverty, prohibit states from further using federal funds to supplant existing state expenditures, and add other accountability measures. These reforms are a step in the right direction, but are too modest to ensure that TANF would become a

meaningful cash assistance safety net and welfare-to-work program. Even a requirement to spend 100 percent on core activities and limit aid to families with incomes below 100 percent of poverty would not be enough to reverse the damage caused by the 1996 law, but it would at least be a real step in that direction.<sup>19</sup>

**Weidinger:** “Meanwhile, House Democrats’ RISE Out of Poverty Act, reauthorization legislation introduced last October by Rep. Gwen Moore (D-WI), would increase TANF funding by an estimated \$150 billion over 10 years (among other significant spending hikes), open a number of new loopholes in already-porous TANF work requirements, and extend families’ maximum stay on welfare to 5 years or longer. Many of these policies have roots in ‘progressive’ welfare proposals dating back to the earliest days of the TANF program.”

**PC Response:** Weidinger has three general objections to the RISE Out of Poverty Act, noting that it would:

*“...increase TANF funding by an estimated \$150 billion over 10 years (among other significant spending hikes),...”* Weidinger addresses only one issue related to the funding of TANF – the amount. He should take a broader look at all the problems created by the funding structure, as described in section III of *TANF is Broken!*, “Funding and Flexibility: How Congress Shot Itself in the Foot”:

The creation of the block grant with excessive state flexibility set in motion changes that would: (1) initially provide large windfalls of federal funds for states, but also put in place a funding structure that in the longer-term would provide insufficient resources due to inflation and demographic changes (with similar effects for the state funded maintenance of effort provisions); (2) give states excessive flexibility to use federal funds to supplant their own spending (by tens of billions of dollars since TANF was created); (3) give states excessive flexibility to convert TANF (over time) to a giant slush fund with minimal reporting and accountability provisions, which includes but is not limited to supplanted funds); (4) impose a Rube Goldberg-like set of bureaucratic and ineffective funding formulas and requirements; and (5) give states excessive flexibility to avoid or evade virtually all of the federal requirements in the law, most notably work requirements and time limits. The result of this misguided effort is a safety net with massive holes – one that is not effective in providing either basic assistance to needy families or ensuring that low-income parents receive the work-related activities and services they need.

And, each state’s allocation is based on historic funding levels in TANF’s predecessor programs (AFDC, Emergency Assistance, and JOBS). This locked in historical differences in federal funding across states. Gene Falk of the Congressional Research Service notes that the difference in federal grants per poor child in FY 1995 ranged from \$263 in Arkansas to \$2,530 in Connecticut (\$402 to \$3,871 in 2013 dollars, respectively).<sup>20</sup> In 2013, the differences ranged from \$280 in Texas and to \$2,572 in Vermont. As a welfare program, the vast disparity in federal funding per poor child is troubling. But, TANF is really revenue sharing, so why federal taxpayers would fund a revenue sharing program today based on historic spending in TANF’s predecessor programs makes no sense at all.

The main problem with RISE Out of Poverty Act is that it is built on TANF's flawed foundation. Weidinger's cost concern mainly stems from the Act's adjustment for inflation, something most social welfare and social insurance programs account for. Funding should be based on the need for assistance and the amount needed for work activities and work supports. This means replacing the flawed block grant structure.

***“...open a number of new loopholes in already-porous TANF work requirements...”***

Who designed TANF's “already-porous” work requirements? Answer: Weidinger and his colleagues. They all stem from the block grant structure and careless statutory construction. And, even after 23 years they continue to be surprised by the fact that states take advantage of loopholes and believe that they can close them. As noted above, this effort failed miserably in the Deficit Reduction Act of 2005 and the JOBS for Success Act will not end the use of loopholes. With respect to the “new loopholes” in the RISE Out of Poverty Act – they are trivial compared to those states have taken advantage of in the existing law.<sup>21</sup>

**“...extend families' maximum stay on welfare to 5 years or longer.”** When TANF was established, it prohibited states from using federal TANF funds for a family with an adult who has received assistance for more than 60 months. States were free to establish shorter time limits and many have.

There are arguments for and against time limits, but the federal 60-month time limit is filled with loopholes that allow states to largely ignore it, except for the bureaucratic hoops that it imposes. First, the time limit only applies to families with an *adult* receiving *federally funded* assistance. About half of TANF families now have no adult recipients (i.e., they are child-only cases), so the time limit doesn't apply to them. Second, because federal and state MOE funds are largely fungible, if a state wants to exempt families from the federal 60-month time limit or extend their assistance beyond it, then it can simply fund these families using MOE with segregated state funds or separate state programs. Third, TANF specifically allows states to extend assistance for up to 20 percent of the caseload by reason of “hardship,” with hardship defined by the states. And, the 20 percent calculation applies to the entire caseload, including child-only cases that are not even subject to time limit. Fourth, a state could just remove the adult from the assistance payment and provide benefits to just the children (and even increase the payments to the children to offset the reduction from removing the adult). For states that do not want a time limit, this just wastes resources by forcing them to take advantage of loopholes. For states that want a different time limit, they are forced to monitor and enforce two different time limits. A simpler approach would have been to simply require states to have a time limit, but allow each state to develop its own.

While the federal 5-year time limit is largely symbolic, the real mistake was allowing states to establish any kind of time limit without any regard for the impact it may have on needy families and their children. When TANF was enacted, there was no evidence about the impact of time limits on employment, welfare receipt, and other important outcomes. There were many state experiments that were testing variations of time limits, but there was no information about a 5-year limit or shorter time limits that ended a family's entire assistance. The prudent thing to do would have been to test rigorously the impact of time limits before mandating a specific

approach and certainly before giving states a blank check to establish whatever time limit they want without a requirement to evaluate it (as with the prior waiver-based approach). Weidinger's main concern seems to be about funding, but welfare reform should be about designing a safety net that protects the truly needy and helps them become more self-sufficient.

## **Conclusion**

The JOBS for Success Act raises important questions about TANF's effectiveness, but it does not "fix" the problems, it merely treats their symptoms. It is easy to say that states should be held "accountable" and that work requirements should be strengthened, but the devil is in the details. Conservatives have yet to get those right and they have a long way to go to achieve the goals they claim to support. As Ron Haskins now concedes, "States did not uphold their end of the bargain. So, why do something like this again?"<sup>22</sup> He is right – it is long past time to repeal and replace TANF with something that works.

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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: <https://petergermanis.com/wp-content/uploads/2020/09/TANF-is-Broken.072515.pdf>.

<sup>2</sup> Matt Weidinger, "The latest bipartisan welfare extension conceals significant partisan differences on the future of welfare reform," *AEIdeas*, May 31, 2019, available at: <http://www.aei.org/publication/the-latest-bipartisan-welfare-extension-conceals-significant-partisan-differences-on-the-future-of-welfare-reform/>.

<sup>3</sup> Matt Weidinger's "bio" is available at: <http://www.aei.org/scholar/matt-weidinger/>.

<sup>4</sup> This paper has no author or date, but is available on request; contact me at [petergermanis1@gmail.com](mailto:petergermanis1@gmail.com).

<sup>5</sup> For a table and further references, see Table 1 in Peter Germanis, "TANF Deepened Poverty: A Note to the National Academies of Sciences," March 9, 2019, available at: <https://petergermanis.com/wp-content/uploads/2021/02/TANF-Increased-Poverty-Response-to-NAS.pdf>.

<sup>6</sup> Douglas J. Besharov and Peter Germanis, "Toughening TANF: How Much? And How Attainable?," March 23, 2004, available at: [http://www.welfareacademy.org/pubs/welfare/toughening\\_tanf.pdf](http://www.welfareacademy.org/pubs/welfare/toughening_tanf.pdf); and Gene Falk, "Temporary Assistance for Needy Families: Work Requirements," Congressional Research Service, March 27, 2018.

<sup>7</sup> Peter Germanis, "The Failure of TANF Work Requirements: A *Much Needed* Tutorial for the Heritage Foundation and the American Enterprise Institute," August 7, 2016, available at: <https://petergermanis.com/wp-content/uploads/2021/02/The-Failure-of-TANF-Work-Requirements.pdf>.

<sup>8</sup> Robert Rector, "Bill Clinton was Right," *The Washington Post*, August 23, 2006.

<sup>9</sup> Ron Haskins, *Using Government Programs to Encourage Employment, Increase Earnings, and Grow the Economy* (Arlington, VA: Mercatus Center, 2017) p. 25 and p. 32, available at: <https://www.mercatus.org/system/files/haskins-employment-government-mercatus-wp-v1.pdf>.

<sup>10</sup> Douglas J. Besharov and Peter Germanis, "Toughening TANF," American Enterprise Institute, April 21, 2004, available at: <https://www.aei.org/publication/toughening-tanf> and Douglas J. Besharov and Peter Germanis, "Toughening TANF: How Much? And How Attainable?," March 23, 2004, p.3, available at: [http://www.welfareacademy.org/pubs/welfare/toughening\\_tanf.pdf](http://www.welfareacademy.org/pubs/welfare/toughening_tanf.pdf).

<sup>11</sup> See "Bipartisan Efforts to Undermine Work Requirements"; this paper has no author or date, but is available on request; contact me at [petergermanis1@gmail.com](mailto:petergermanis1@gmail.com).

<sup>12</sup> Liz Schott and LaDonna Pavetti, "Potential Changes to House TANF Bill's 'Universal Engagement' Approach Would Discourage States From Helping Those With Greatest Needs," Center on Budget and Policy Priorities, July 10, 2018, available at: <https://www.cbpp.org/research/family-income-support/potential-changes-to-house-tanf-bills-universal-engagement-approach>.

<sup>13</sup> See Hilary W. Hoynes and Diane Whitmore Schanzenbach, "Safety Net Investments in Children," Brookings, March 8, 2018, available at: <https://www.brookings.edu/bpea-articles/safety-net-investments-in-children/>.

<sup>14</sup> The employment outcomes are: the employment rate among those who exit JOBS in the second quarter after exit; the percentage of those who exit who are employed in both the second and fourth quarters after exit; and the median earnings of those who exit and are employed in the second quarter after exit. In addition, a fourth outcome for those under 24 is whether they obtained a high school diploma while receiving assistance or within one year of exit.

<sup>15</sup> The bill does include a state option to more closely align the TANF requirement with WIOA, which could significantly narrow the scope of this provision, particularly if the universal engagement requirement does not actually engage many work-eligible individuals.

<sup>16</sup> In addition to the solely state funded program loophole, states could try to manipulate the outcomes. For example, if a time limit causes a family with a work-eligible individual to leave without employment, this would negatively affect performance. So, a state might simply pay a token benefit to a "leaver" and thus keep them on the rolls. Once the family obtained employment, it could cut them off and get positive credit. Similarly, if a state wanted to inflate its employment or earnings measures, it could provide token payments to SNAP recipients working full-time and then time limit them to a few months of assistance – once the time limit expires, they would be counted as employed leavers. These are just some of the strategies states might employ to avoid penalties, though the fact that performance targets would be negotiated might mean they would be less effective than the current gaming of work rates.

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<sup>17</sup> For an excellent summary of the issues and deliberations during this period, see Judith M. Gueron and Howard Rolston, *Fighting for Reliable Evidence* (New York, NY: Russell Sage Foundation, June 2013).

<sup>18</sup> The JOBS for Success Act would end the ability of states to spend TANF funds directly on child care, requiring them instead to transfer funds to the CCDBG. A state can transfer up to half of its federal funds to three areas: child care development block grant, WIOA (limited to families eligible for TANF assistance), and child welfare (with a maximum of 10 percent of the TANF block grant for child welfare). Transfer authority to the Social Services Block Grant (SSBG) is eliminated.

<sup>19</sup> Even spending 100 percent on core activities represents a reduction in funding of over one-third due to the failure to adjust for inflation, particularly given the fact that the number of poor families with children and families eligible for TANF cash assistance was about the same in 2016 as in 1996.

<sup>20</sup> Gene Falk, “Temporary Assistance for Needy Families (TANF): Financing Issues,” Congressional Research Service, September 8, 2015.

<sup>21</sup> The new exclusions relate to those who are sanctioned, in the process of being sanctioned, or applying for benefits from the Supplemental Security Income (SSI) program. Many states use solely state funded programs to effectively exempt these and other categories of individuals from the work requirements already.

<sup>22</sup> Eduardo Porter, “The Republican Party’s Strategy to Ignore Poverty,” *The New York Times*, October 27, 2015, available at: <http://www.nytimes.com/2015/10/28/business/economy/a-strategy-to-ignore-poverty.html>.