

Senate Finance Committee Hearing
Welfare Reform: A New Conversation on Women and Poverty
Opening Statement by Senator Chuck Grassley, Ranking Member
September 21, 2010

Mr. Chairman, thank you for holding this important hearing on the current state of the Temporary Assistance for Needy Families program. I want to also welcome our distinguished panel here today. Thank you for your willingness to appear before the committee.

As you know, the Temporary Assistance for Needy Families program otherwise known as “TANF” or “welfare” expires at the end of this month. Congress will need to pass a reauthorization bill in the coming weeks to prevent the program from sunseting entirely. The TANF program is in need of review and this hearing is part of that process. As with any program of this magnitude, Congress has a responsibility to review a program that is up for reauthorization to determine what changes might be needed. That might require making necessary improvements and course corrections in cases where a program is not meeting its intended goals. It might also require changes if the program is wasteful, inefficient, or where spending is exceeding what is appropriate.

Given the importance of the TANF program, I had hoped that the Committee would have made more progress this year to review, reform and reauthorize it, but that has not happened. At this point, my hope is that we can pass a simple extension of the program with no changes so that a more complete reauthorization process can take place in the next Congress.

In the years leading up to the reauthorization of the TANF program in 2005, there were 13 short-term extensions of TANF. This series of extensions created confusion in the states and undermined the program’s effectiveness. I am disappointed that we are once again facing a simple extension of the TANF program. I am hopeful, however, that Congress will address the reauthorization of the program next year.

Welfare reform is sometimes characterized as one of the greatest domestic social policy accomplishments in a generation. Certainly very few believe that going back to welfare as an entitlement and a lifestyle that often persisted generation after generation is a viable option.

However, in the fifteen years since welfare reform was at the top of the national agenda, the results of welfare reform are decidedly mixed. While the welfare caseload has been cut in half, the jury is out on whether the program has succeeded in lifting people out of poverty. Last week we learned that the poverty rate has climbed to over 14%.

Disturbingly, in light of those numbers, many of the best anti-poverty programs, the so-called innovative welfare-to-work programs that were robust and widespread in the 1990s, are virtually non-existent today. These were programs where employers worked in partnership with state welfare agencies to provide good entry-level jobs for TANF recipients to help them get their start in the workforce.

Even more disturbing: according to the latest data from the Department of Health and Human Services, 56% of work-eligible adults receiving welfare are reported as engaged in zero hours of work, education, job search, domestic violence counseling, substance abuse treatment or work related activities. That's a really appalling statistic. Over half of the adults getting a welfare check are reportedly doing nothing. This means that more than half of TANF recipients today who are otherwise able to work are just collecting a check. They aren't reported as engaged in any of the activities designed to help them transition from welfare to work.

Now, in the current economic climate, you might be tempted to think that it's okay. But the current economic climate makes it even more important that TANF recipients have access to and are taking advantage of the education and work readiness activities available to them. And the landmark welfare reform bill was intended to end this very type of welfare-dependent situation. If we asked the average American how many adults on welfare should be doing something to qualify for welfare, I think the answer from the American people would be, "All of them." If we asked the American people, how many people on welfare should the states be engaging in productive work-related activities, I think the answer from the American people would be, "All of them."

During today's hearing, we will learn from the Government Accountability Office about the states' reaction to the modest refinements of the work requirements included in the Deficit Reduction Act of 2005. Their report, done at my request, reveals that states have done practically everything they could think of to meet the DRA requirement except actually engaging work-eligible adults in meaningful activities to help them enter the workforce. So, it seems to me that we have two threshold questions going into next year's debate on TANF. Do we want to continue to try and motivate states, either through vigorous accountability or increased flexibility? Or do we want to acknowledge that the TANF program, as conceived over a decade ago, is no longer relevant and modify the program accordingly?

The makeup of the TANF caseload has changed dramatically. Take for example the increase in TANF child-only cases. Child-only cases are those where the adult is not receiving cash welfare and the assistance is aimed solely for the assistance of the child. These types of cases are increasingly becoming a larger and larger percentage of the welfare caseload. The reason that this is important is that it's not clear whether these children are best served under the current system. For example, we worked on a bipartisan bill two years ago that allowed states to establish a "kinship" care option for youth in foster care. It might be that some of these children in child-only welfare cases could be better served in a permanent kinship care arrangement.

Another issue is the fact that a significant amount of TANF spending is unaccounted for. In 2009, states spent \$6 billion on uncharacterized activities. As a result, it is not known what these funds were spent on. This is obviously unacceptable. We need to have a better accounting of how states are spending their TANF monies. We hear from states that much of the TANF block grant goes to support child protection and child welfare programs. If that is the case, Congress should exercise its due diligence and provide appropriate oversight on the use of those funds.

Due to the fact that the demographics of the TANF caseload has changed and the fact that a major use of the TANF block grant is going toward services not directly associated with basic cash assistance, it might make sense to recalibrate TANF to meet the changing population served by this program.

So, TANF is facing big challenges. And Congress needs to take a hard look at the program and determine what needs to be done. It's going to be a big job that will have to be undertaken next year. I look forward to continuing to work with the members of the committee on this important work. Thank you again to our distinguished panel of witnesses. I look forward to what I think will be an informative hearing.