



CWDA
Advancing Human Services
for the Welfare of All Californians

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To: County Welfare Directors Association

From: Tom Joseph, Director, CWDA Washington, D.C. Office

RE: FEDERAL UPDATE

The House Ways and Means Committee announced yesterday that they will mark up six bills related to the Temporary Assistance for Needy Families (TANF) program tomorrow. And, the House Agriculture Committee plans on holding yet another hearing on the future of the Supplemental Nutrition Assistance Program (SNAP) later this week, with a focus on food retailers. While there will not be any policy changes to SNAP this year, Republicans are using the hearings for possible legislation in 2017. And, Congress will focus on working on as many FY 2017 spending bills as possible before they recess in mid-July for the party conventions and the summer recess.

Temporary Assistance for Needy Families Markup

The House Ways and Means Committee will consider at least six bills which would change the TANF program, short of a comprehensive overhaul. The bills tomorrow target work activities and do not contain a number of provisions in last year's discussion draft which provided counties and state and TANF recipients with additional flexibility in providing services to move individuals into self-sufficiency. A short description of each bill follows:

Improving Employment Outcomes of TANF Recipients Act ((H.R. 2952; Boustany (R-LA)):
The bill would place a new penalty structure on states if they did not meet three new negotiated employment targets for individuals leaving TANF. Agreement on the performance levels would be negotiated between each state and the U.S. Department of Health and Human Services (HHS). The bill would require tracking data on former TANF recipients capturing the percentage of individuals in unsubsidized employment after the second quarter after exiting TANF; the percentage of those still in unsubsidized employment after one year; and, the percentage change in median earnings between the second and fourth quarters of employment.

If the state fails to meet the negotiated targets, HHS is directed to withhold four percent of funds from next year's TANF block grant. That penalty would increase to ten percent after the first year of implementation of the bill.

CWDA has indicated to the Committee that while TANF should indeed focus more on outcomes rather than process, there is not the capacity or structure currently to track and measure the three indicators outlined in the bill. Moreover, CWDA strongly opposes the prospective financial penalty for failure to meet the targets. Such penalties at best will make it difficult for state and counties to plan future budgets for TANF activities.

TANF Accountability and Integrity Improvement Act ((H.R. 2959; Noem (R-SD)): This measure would exclude any third-party contributions (i.e., non-state or local government) and public spending on medical services from the calculations of state TANF maintenance of effort (MOE).

CWDA has expressed concerns that such a strict third-party exclusion may discourage partnerships with non-profit organizations. Additionally, prohibiting medical spending does not acknowledge that a number of states are funding behavioral health services which some TANF participants access in order to become employed.

Reducing Poverty through Employment Act ((H.R. 2966; Smith (R-MO)): This bill would include a fifth purpose for TANF. “Reduce poverty by increasing employment entry, retention, and advancement.”

Accelerating Individuals into the Workforce Act ((H.R. 2990; Dold (R-IL)): This legislation would authorize states to apply for grants to implement and evaluate strategies that provide wage subsidies to enable low-income individuals to enter into and retain employment. The subsidized employment program would last no more than one year for a recipient and the federal funds towards the wages could not exceed 50 percent of the wage amount. An eligible recipient’s income could not exceed 200 percent of the federal poverty line. A non-custodial parent, an adult with children and an individual 16-26 years of age are among those defined as eligible. HHS is directed to reserve \$100 million annually for the initiative.

CWDA supports this measure. California’s counties implemented aggressively and successfully a similar program authorized under the *American Recovery and Reinvestment Act of 2009* (P.L. 111-5).

What Works to Move Welfare Recipients into Jobs Act ((H.R. 5169; Buchanan (R-FL)): The measure would direct HHS to conduct research on the effect of the state TANF programs on ‘employment, self-sufficiency, child well-being, unmarried births, marriage, poverty, economic mobility, and other factors as determined by the Secretary.’ States could request HHS’s assistance on developing and evaluating policies to meet the purposes of TANF and initiate state-initiated evaluations funded by a 75 percent federal match.

The bill outlines the development of a clearinghouse of best practices which would contain criteria and degrees of evidence that the approach is effective.

Social Impact Partnerships to Pay for Results Act ((H.R. 5170; Young (R-IN)): This measure would authorize federal social impact demonstration projects. State and local governments would be eligible to apply. The bill lists 20 projects that would be eligible for such grants, including reducing the number of youth in foster care; increasing employment and earnings; reducing homelessness; and, reducing juvenile recidivism. Among its many provisions, the 41-page bill outlines the details necessary in an application, the evaluation design, estimated costs and saving and the payment terms for success in implementing the partnership. HHS would be directed to reserve \$100 million in fiscal year 2017 for the Act.

CWDA has not taken a position on the bill. Quantifying the costs and benefits of human services interventions and aligning them with the various levels of federal, state and county financial and administrative contributions is complicated at best.

Other Issues

Budget & Appropriations Update: The House has essentially given up on moving the budget resolution (H Con Res 125) and the Senate ceased moving on its bill. This means that there are no policy assumptions that the Supplemental Nutrition Assistance Program and Medicaid programs will be turned into block grants. House and Senate appropriators have begun marking up the actual FY 2017 spending measures. The Labor-HHS spending bill, however, will not be considered until much later in the year.

Older Americans Act Signed into Law: Last month, President Obama signed into law a three-year reauthorization of the Older Americans Act (OAA) (P.L. 114-144). The OAA reauthorization had been pending reauthorization since FY 2011. Among its provisions, the bill directs the Administration on Aging to conduct training of service providers on screening and preventing elder abuse. The underlying programs did not receive any increase in the authorized spending levels. The OAA is separate from the Elder Justice Act which received and \$8 million appropriation last year.