To: U.S. Senate Finance Committee
From: National Association of Counties (NACo)
About: TANF Extension Discussion Draft
Date: November 21, 2018

Dear U.S. Senate Finance Committee,

The National Association of Counties (NACo) appreciates the opportunity to comment on the U.S. Senate Finance Committee's discussion draft on the Temporary Assistance for Needy Families (TANF) reauthorization bill. We commend the committee on its outreach on the proposal since its publication, and encourage the committee to fully involve state and local governmental partners throughout the decision-making process. While we are encouraged by this step, we would like to see a five-year reauthorization of TANF, which will help to ensure program continuity and budget certainty at the local level.

Counties share the committee's goals of ensuring critical welfare services reach those families most in need and helping those involved in the program obtain and maintain employment. While we are supportive of many provisions included in the bill, we also have concerns over several proposals that may have unintended consequences on counties, which you can find below.

NACo appreciates the opportunity to respond to the discussion draft and hopes to work with the committee to examine the existing programs and processes, and to improve the effectiveness of these programs at the local level.

Title I. Improving Participation in Activities Leading to Employment

Section 101. Strengthening Partnerships to Improve Results for Families

Concern: While the committee's discussion draft takes positive steps towards helping our shared constituents find and maintain employment, we are concerned the implementation of this provision may have unintended consequences. Counties administer TANF in nearly a dozen states across the country, providing services to 51 percent of all TANF recipients. In these states, counties contribute significant local funds to administrative and supplemental costs of running TANF.

Counties are concerned that the expansion of initial assessment reporting requirements may create an additional financial burden on county agencies in time spent developing Individual Opportunity Plans (IOPs). Under the proposal, counties will be required to research and include additional information in an IOP, which may be both time consuming and costly. With many counties already facing strict budget constraints when administering federal human services programs, counties would face substantial financial barriers complying with any new requirements.

Additionally, counties may also have to increase their administrative capacity to ensure compliance with the new IOP requirements, while receiving no new enhanced resources from the federal level to offset increased costs. The proposal may require counties to invest significant new funds to develop these new IOPs and track program recipients, which would include a new consideration of resources that may assist a TANF recipients including resources from parents, children, siblings and others. While this proposal will impact all counties, we are particularly concerned about the impacts on rural counties, who face limited flexibility and resources to comply with new mandates or reporting requirements.

Finally, some states are already undergoing the process of identifying approaches to facilitate improvement of their state TANF programs, including strengthening recipient IOPs. For example, in 2017, California began the intensive process of creating a new accountability system called the CalWORKs Outcomes and Accountability Review (Cal-OAR). Cal-OAR intends to establish a county accountability system that facilitates continuous improvement of county TANF programs, by collecting and disseminating data and best practices. Cal-OAR planning will conclude in June 2019 and outline new performance indicators, a self-assessment process, system improvement plan and other items to strengthen and ensure the effectiveness of the state's IOP. Counties are concerned the committee's proposal could undermine current efforts to strengthen state TANF program and IOPs if the language does not acknowledge these processes are already underway.

Section 102. Increasing State Incentives to Help Individuals Secure Employment

Support: NACo supports this provision.

Section 103. Strengthening Measurement of Recipient Participation

Support: NACo supports this provision.

Section 104. Supporting Treatment and Rehabilitation to Prepare Recipients for Employment and Support Employment

Support: NACo supports greater flexibility in the TANF work requirements in order to allow counties and states to meet the individual needs of caseloads – specifically, allowing individuals who are participating in substance abuse or mental health treatment, and rehabilitation services for up to six weeks in order to prepare for or support them in work.

Section 105. Improving Engagement and Employment Outcomes

Support: NACo supports the provision providing states with the option to apply for a demonstration grant, but also has concerns over the data collection requirements included in the proposal.

Concern: Counties support better collection of data to evaluate the impacts of federal, state and local programs on long-term employment and earnings. However, the data elements beginning on page 31 of the discussion draft are numerous and would likely create a large workload for county eligibility staff to track the income, length of employment and continued participation in other federal programs. NACo is prepared to work with the Committee to address these data collection and reporting concerns.

Title II. Strengthening Families

Section 201. Uniform Work Requirement for Single-Parent and Married Families

Support: NACo supports the uniform work requirements and the thirty hours of work a week for two-parent and single parent families.

Section 202. Supporting Families by Ending TANF Marriage Penalty

Support: NACo supports this provision and opposes penalties associated with marriage promotion outcomes.

Title III. Restoring the Integrity of TANF

Section 301. Strengthening State Requirements to Engage Recipients in Employment and Employment Preparation Activities

Support: NACo supports this provision.

Section 302. Measuring TANF Spending on Families Receiving Assistance and on Low-Income Families

Support: NACo supports this provision.

Title IV. Reauthorizing TANF Program

Section 401. 3-Year Reauthorization

Concern: The discussion draft does not include any new funding for TANF – keeping the program's almost $17 billion annual funding flat for another three years. Adjusted for inflation, the block grant's purchasing power has been reduced by over 30 percent since it was established. Ultimately, reduced federal support for the critical services funded by TANF will leave states and localities with the challenge of addressing ongoing community needs with fewer resources.

Additionally, as mentioned earlier, the proposal may require counties to increase their administrative capacity to comply with the new requirements, while receiving no new funding from the federal level to address increased costs. Counties support additional funding to offset increased administrative requirements. To meet these potential cost increases, we strongly recommend that TANF funding be increased annually. If such a change were made, we would be supportive of reauthorizing TANF for five years.