



Statement for the Record to the House  
Committee on Ways and Means, Human  
Resources Subcommittee

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# TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

## An Overview of Spending, Federal Oversight, and Program Incentives

Statement for the Record by Kay E. Brown, Director,  
Education, Workforce, and Income Security Issues

# GAO Highlights

Highlights of [GAO-15-572T](#), a statement for the record to the House Committee on Ways and Means, Human Resources Subcommittee

## Why GAO Did This Study

The TANF block grant provides \$16.5 billion annually in federal funding to states for cash assistance as well as a variety of other benefits and services to meet the needs of low-income families. TANF requires states to maintain a specified level of their own past welfare spending to receive all of their TANF funds. In fiscal year 2013, states spent a total of \$31.6 billion in federal TANF and related state funds on cash assistance and other services for low-income families. GAO was asked to provide information from its recent reports to inform a hearing on next steps for welfare reform.

This statement addresses (1) states' use of TANF funds, (2) TANF's accountability framework, and (3) innovation and evaluation in the TANF program, drawing primarily from GAO reports issued from 2010 to 2014. For these reports, GAO reviewed and analyzed state TANF data reported to HHS from fiscal year 1997 through 2013; reviewed relevant federal laws, regulations, and guidance; interviewed HHS and state TANF administrators; and conducted visits in selected states.

## What GAO Recommends

In its prior work, GAO recommended that HHS take steps to improve TANF expenditure reporting and identify potential changes to address the lack of incentives in the TANF program. HHS has taken some action. GAO has also suggested Congress consider ways to improve performance information when TANF is reauthorized. Consequently, GAO is not making any new recommendations at this time.

View [GAO-15-572T](#). For more information, contact Kay Brown at (202) 512-7215 or [brownke@gao.gov](mailto:brownke@gao.gov)

April 2015

# TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

## An Overview of Spending, Federal Oversight, and Program Incentives

### What GAO Found

While the Temporary Assistance for Needy Families (TANF) block grant serves as the nation's major cash assistance program for low-income families with children, states increasingly use it as a flexible funding stream for supporting a broad range of allowable services. For example, in December 2012 GAO found that nationwide, in fiscal year 1997, states spent about 23 percent of TANF funds on services other than cash assistance, such as child welfare or child care. In contrast, states spent more than 66 percent of TANF funds for these purposes in fiscal year 2013, according to the most recent available data from the Department of Health and Human Services (HHS).

TANF's accountability framework has limitations in both the approach used for measuring work participation and the information that is available on trends in services other than cash assistance. One program performance measure, the work participation rate, measures the extent to which states engage work-eligible TANF cash assistance recipients in work activities as defined by federal law. In May 2010, GAO found that states often relied on several options allowed in law, including credits for caseload reductions, to reduce the percentage of families they needed to engage in work to meet their work participation rate requirements. Thus, GAO concluded that the rate's usefulness as an indicator of TANF performance is limited. There are also no reporting requirements mandating performance information specifically on families receiving services other than cash assistance. To fully assess how funds are being used, GAO suggested Congress should consider ways to improve performance information when TANF is being reauthorized. In response to GAO's 2012 recommendation that HHS develop a detailed plan to revise reporting categories for TANF expenditures to provide a more complete picture on the use of TANF funds, HHS has taken steps such as revising its reporting form and accounting methodology for expenditure data. HHS has also cited a statutory provision as preventing it from reporting an improper payment estimate for the TANF program, but says it will seek statutory modifications to allow for such an estimate when the program is reauthorized.

Incentives are often lacking for state and local TANF agencies to adopt and test promising approaches for moving cash assistance recipients from welfare to work, according to a November 2014 GAO report. State use of federal TANF funds for services that are not necessarily related to welfare-to-work activities may compete with funding for developing promising approaches for TANF cash assistance clients. Also, the federal work participation rate requirements may discourage states from pursuing approaches that incorporate longer-term education and training or treatment services, or from engaging hard-to-employ individuals in work activities as states can meet their work participation rate requirements by using the law's other options. In addition, little incentive exists for states to evaluate their TANF programs, and states are not required to do so, although these evaluations can provide useful information on program effectiveness. GAO recommended that HHS, in consultation with Congress, identify potential changes to address the lack of incentives to adopt and test promising approaches and submit a legislative proposal outlining those changes. HHS agreed with the recommendation but has not yet suggested program changes.

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Chairman Boustany, Ranking Member Doggett, and Members of the Subcommittee,

I am pleased to submit this statement on our recent work covering key aspects of the Temporary Assistance for Needy Families (TANF) block grant. As you know, in 1996 the federal government made sweeping changes to federal welfare policy by replacing the previous cash assistance program with the TANF block grant to states. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA),<sup>1</sup> which created TANF, ended the Aid to Families with Dependent Children (AFDC) program that had entitled eligible low-income families to monthly cash assistance. Instead, TANF provides \$16.5 billion per year in fixed federal funding to states to operate their own welfare programs within federal guidelines. This funding can help cover the costs of cash benefits, administrative expenses, and services primarily targeted to needy families; the amount does not vary according to the number of cash assistance recipients. States are also required to maintain a specified level of their own past welfare spending to receive all of their TANF funds. In fiscal year 2013, states spent a total of \$31.6 billion in federal TANF and related state funds on cash assistance and other services for low-income families, according to the most recent available data from the U.S. Department of Health and Human Services (HHS). At the federal level, HHS is responsible for overseeing TANF programs. We were asked to provide information from our recent reports on TANF to inform a hearing on next steps for welfare reform.

My statement today—based primarily on reports we issued from 2010 to 2014— will address (1) states’ use of TANF funds, (2) TANF’s accountability framework, and (3) innovation and evaluation in the TANF program.<sup>2</sup> We used multiple methodologies to conduct the work for these reports. We reviewed and analyzed state TANF data reported to HHS

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<sup>1</sup>Pub. L. No. 104-193, 110 Stat. 2105.

<sup>2</sup>This statement is also based on updates to TANF expenditures. We obtained these updates in April 2015 by consulting publicly available data. Reports are cited throughout and include : GAO, *Temporary Assistance for Needy Families: Implications of Recent Legislative and Economic Changes for State Programs and Work Participation Rates*, [GAO-10-525](#) (Washington, D.C.: May 28, 2010); *Temporary Assistance for Needy Families: More Accountability Needed to Reflect Breadth of Block Grant Services*, [GAO-13-33](#) (Washington, D.C.: Dec. 6, 2012); and *Temporary Assistance for Needy Families: Action Is Needed to Better Promote Employment-Focused Approaches*, [GAO-15-31](#) (Washington, D.C.: Nov. 19, 2014).

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from fiscal year 1997 through 2013; reviewed relevant federal laws, regulations, and guidance; interviewed HHS officials; reviewed research summaries and syntheses of rigorous research on promising approaches for engaging TANF recipients in employment and increasing their earnings; and collected information from TANF officials using different methods for different studies, including interviewing state TANF administrators and conducting visits in selected states. We assessed the data we received and concluded that the data were sufficiently reliable for the purposes of our reports. (More information on the scope and methodology of our work is contained within our published reports.)

We conducted the work on which this statement is based in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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## TANF Has Evolved from a Cash Assistance Program to a Flexible Funding Stream

Since PRWORA's passage, cash assistance caseloads have declined, freeing up TANF funds for states to use for other allowable purposes. In May 2013, we reported that when states implemented TANF during fiscal year 1997, an average of 3.9 million families a month were receiving cash assistance.<sup>3</sup> This number declined by over half within the first 5 years of TANF. Since that time, the average number of families receiving cash assistance each month has remained well below the initial number of 3.9 million families. An average of about 1.5 million families received cash assistance each month in 2014, according to the most recent available data from HHS.

In December 2012 we noted that several factors have affected the early decline and continued low levels of cash assistance since states implemented TANF.<sup>4</sup> The initial decline occurred during a strong economy in which federal support for work supports such as child care increased and TANF provided new program emphasis on work. Many

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<sup>3</sup>GAO, *Temporary Assistance for Needy Families: Potential Options to Improve Performance and Oversight*, [GAO-13-431](#) (Washington, D.C.: May 15, 2013).

<sup>4</sup>[GAO-13-33](#).

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former welfare recipients increased their income through employment, and employment rates among single parents increased. At the same time, some families worked more and had higher incomes, others had incomes that left them still eligible for cash assistance. However, many of these eligible families were not participating in the program. According to our estimates in a February 2010 report, about 87 percent of the caseload decline through 2005 can be explained by the decline in eligible families participating in the program, in part because of changes to state welfare programs.<sup>5</sup> These changes included mandatory work requirements; changes to application procedures; lower benefits; policies such as lifetime limits on assistance; diversion strategies such as providing one-time, non-recurring benefits instead of monthly cash assistance to families facing temporary hardships; and sanctions for non-compliance, according to a review of the research.

Our December 2012 report found that while the TANF block grant still serves as the nation's major cash assistance program for low-income families with children, states have also increasingly used it as a flexible funding stream for supporting a broad range of allowable services.<sup>6</sup> Under the TANF block grant, states have generally maintained access to their full TANF allocation each year. As the number of families receiving cash assistance declined, states shifted their TANF priorities to other forms of aid, or non-cash services, which can include any other services meeting TANF purposes. We found that states spent significant amounts of TANF funds on services such as child welfare or child care. We reported that nationwide, in fiscal year 1997, states spent about 23 percent of TANF funds on non-cash services. In contrast, states spent more than 66 percent of TANF funds for these purposes in fiscal year 2013, according to the most recent available data from HHS.<sup>7</sup>

TANF's funding structure has given states flexibility in making decisions regarding non-cash services. In December 2012, we also reported states

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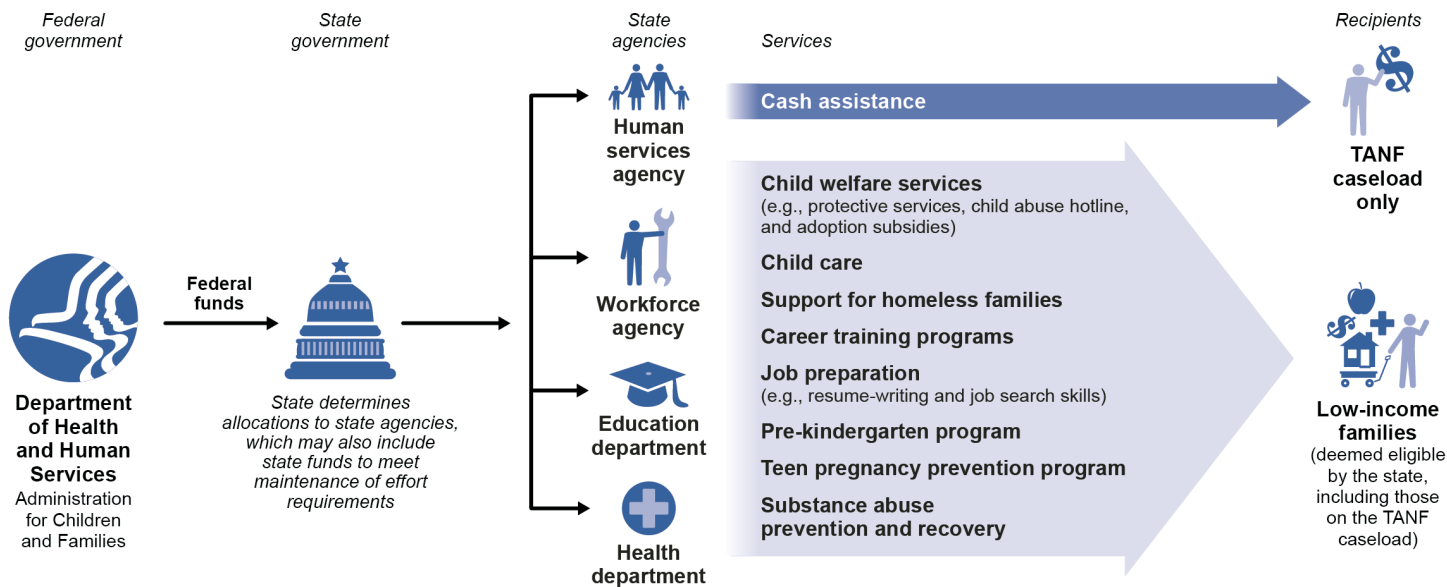
<sup>5</sup>GAO, *Temporary Assistance for Needy Families: Fewer Eligible Families Have Received Cash Assistance Since the 1990s, and the Recession's Impact on Caseloads Varies by State*, [GAO-10-164](#) (Washington, D.C.: Feb. 23, 2010).

<sup>6</sup>[GAO-13-33](#).

<sup>7</sup>These figures include both federal TANF funds and the state "maintenance of effort" funds that states are required to spend to receive their full federal TANF allocation. State maintenance of effort funds are discussed further below.

spent federal TANF funds on existing or new programs according to state legislative priorities and, as a result, funds are often allocated to and administered through multiple state and local agencies (see fig. 1). This is in contrast to TANF's predecessor program, AFDC, which was typically administered through state welfare agencies. Our work showed that the multiple state and local agencies that receive TANF funds may serve low-income families beyond the TANF cash assistance caseload.

**Figure 1: Example of Possible Allocation of TANF Funds by a State**



Source: GAO analysis based on examples of programs and services funded by Temporary Assistance for Needy Families (TANF) in various states. | GAO-15-572T

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## TANF's Accountability Framework Has Limitations

### States Have Generally Met Work Participation Rates by Using Credits Allowed by Law

Because job preparation and employment are key goals of TANF,<sup>8</sup> one of the federal measures of state TANF programs' performance is the proportion of TANF cash assistance recipients engaged in allowable work activities.<sup>9</sup> Generally, states are held accountable for ensuring that at least 50 percent of all families receiving TANF cash assistance and considered work-eligible<sup>10</sup> participate in one or more of 12 specified work activities for an average of 30 hours per week.<sup>11</sup> Our work has shown that over the years, states have engaged about one third of families receiving TANF cash assistance in federally-defined work activities nationwide.<sup>12</sup> For example, according to HHS data, in fiscal year 2011—the most recent year for which data are available—states engaged 29.5 percent of work-eligible cash assistance families nationwide in work activities.

As we reported in May 2010, many states have been able to meet their work participation rate requirements because of various policy and funding options in federal law, and regulations that allow states to reduce their required rate.<sup>13</sup> Specifically, factors that influenced states' work participation rates included not only the number of families receiving TANF cash assistance who participated in work activities, but also

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<sup>8</sup>42 U.S.C. § 601(a)(2).

<sup>9</sup>42 U.S.C. § 607.

<sup>10</sup>Work-eligible individuals are generally adult recipients of cash assistance or certain non-cash recipient parents of children receiving assistance who count toward the work participation rate.

<sup>11</sup>The work participation rate requirement is generally 90 percent for two-parent families.

<sup>12</sup>[GAO-15-31](#). This was the case both before and after the Deficit Reduction Act of 2005 (DRA) that reauthorized TANF and included provisions generally expected to strengthen the work requirements.

<sup>13</sup>[GAO-10-525](#).

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1. decreases in the number of families receiving TANF cash assistance,
  2. state spending on TANF-related services beyond what is required,<sup>14</sup>
  3. state policies that allow working families to continue receiving TANF cash assistance, and
  4. state policies that provide nonworking families cash assistance outside of the TANF program.<sup>15</sup>

Beyond families' participation in the 12 work activities, the factor that states have commonly relied on to help them meet their required work participation rates is the caseload reduction credit.<sup>16</sup> Specifically, decreases in the numbers of families receiving TANF cash assistance over a specified time period are accounted for in each state's caseload reduction credit, which then essentially lowers the states' required work participation rate from 50 percent.<sup>17</sup> For example, if a state's caseload decreases by 20 percent during the relevant time period, the state receives a caseload reduction credit equal to 20 percentage points, which results in the state work participation rate requirement being adjusted from 50 to 30 percent. While state caseload declines have generally been smaller after a 2006 law changed the base year for the comparison from fiscal year 1995 to fiscal year 2005, many states are still able to use caseload declines to help them lower their required work participation rates. In fiscal year 2011, the most recent year for which data are available, 49 of 50 states received a caseload reduction credit, including 22 that reduced their state's work participation rate requirement to 0 percent, according to HHS data.

In addition, states' spending of their own funds on TANF-related services has also been a factor in some states' credits. As stated previously, states are required to spend a certain amount of their funds every year—their maintenance of effort (MOE) funds—in order to receive all of their federal TANF block grants. However, if states spend in excess of the required amount ("excess MOE"), they are allowed to functionally

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<sup>14</sup>To receive all of its annual federal TANF block grant, each state is generally required to spend 75 or 80 percent of what it was spending in fiscal year 1994 on welfare-related programs. 42 U.S.C. § 609(a)(7).

<sup>15</sup>For a more detailed discussion of these factors, see [GAO-10-525](#).

<sup>16</sup>[GAO-10-525](#).

<sup>17</sup>42 U.S.C. § 607(b)(3).



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increase their caseload reduction credits.<sup>18</sup> We reported in May 2012 that MOE, including expenditures by third parties, is playing an expanded role in TANF programs due, in part, to some states' reliance on excess MOE to help meet their work participation rates.<sup>19</sup> We also noted that if states' MOE claims do not actually reflect maintaining or increasing service levels, low-income families and children may not be getting the assistance they need and federal funds may not be used in the most efficient manner.

In addition to the caseload reduction credits and excess MOE discussed above, we also reported in May 2010 that some states have made changes to their TANF programs that may affect which families are counted in their work participation rates, such as providing assistance to non-working families outside of the TANF program, as providing TANF assistance to such families would lower states' work participation rates. Given these various factors, we noted that the work participation rate does not allow for clear comparisons across state TANF programs or comparisons of individual state programs over time. Thus, we concluded that because of the various factors that affect the calculation of states' work participation rates, the rate's usefulness as a national performance measure for TANF is limited.<sup>20</sup>

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## Performance Information for Non-Cash Services is Incomplete

As stated above, we reported in December 2012 that the TANF block grant has evolved into a flexible funding stream that states use to support a broad range of allowable services. In that report, we also reported that the accountability framework in place in federal law and regulations had not kept pace with this evolution.<sup>21</sup> While funding for non-cash services

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<sup>18</sup>45 C.F.R. § 261.43. When calculating the caseload reduction credit, federal regulations allow a state that spent in excess of its required amount in the year preceding the current one to include only the pro rata share of the total number of families receiving state-funded cash assistance required to meet the state's basic requirement.

<sup>19</sup>GAO, *Temporary Assistance for Needy Families: State Maintenance of Effort Requirements and Trends*, [GAO-12-713T](#) (Washington, D.C.: May 17, 2012). In addition to its own spending, a state may count toward its MOE certain in-kind or cash expenditures by third parties—such as nongovernmental organizations—as long as the expenditures meet other MOE requirements, including those related to eligible families and allowable activities. 45 C.F.R. § 263.2(e).

<sup>20</sup>[GAO-10-525](#).

<sup>21</sup>[GAO-13-33](#).

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represents the majority of TANF spending, there were no reporting requirements mandating performance information specifically on families receiving non-cash services or their outcomes. There was also little information related to TANF's role in filling needs in other areas such as child welfare, even though this has become a more prominent spending area for TANF funds in many states. We reported that while states prepared state plans and expenditure reports that individually provided some information on non-cash services, when considered together, these did not provide a complete picture on state goals and strategies for uses of TANF funds.

Thus, in our December 2012 report, we recommended that HHS develop a detailed plan with specific timelines to assist it in monitoring its progress on revising its financial reporting categories for expenditures of federal TANF and state maintenance of effort funds. In response to our recommendation, HHS has taken some steps to improve expenditure reports from states. Specifically, HHS revised its reporting form and accounting methodology to collect more detailed and accurate expenditure data for the TANF program. The agency told us it also plans to provide technical assistance to states to help make the transition to this new reporting form and methodology easier.

Despite these efforts by HHS, without more information that encompasses the breadth of states' uses of TANF funds, Congress will not be able to fully assess how funds are being used, including who is receiving services or what is being achieved. We suggested that Congress should consider ways to improve reporting and performance information in our December 2012 report. Changes to the program could be considered as part of a full reauthorization of TANF in the future.

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## HHS Has Not Reported an Improper Payment Estimate for the TANF Program

In March 2015, we reported that HHS did not report an improper payment estimate for the TANF program in fiscal year 2014, even though the program is considered susceptible to the risk of improper payments.<sup>22</sup> In general, federal executive branch agencies are required to report improper payment estimates<sup>23</sup> that include payments that should not have been made or were made in the incorrect amount.<sup>24</sup> We concluded that the lack of an improper payment estimate for TANF and other risk-susceptible programs constrains the federal government's ability to determine the full extent to which improper payments occur and reasonably assure that appropriate actions are taken to reduce them. HHS cited a statutory provision as prohibiting it from requiring states to estimate improper payments for TANF<sup>25</sup> and stated that when legislation is considered to reauthorize TANF, the agency plans to encourage Congress to consider statutory modifications that would allow for a reliable error rate measurement. In the meantime, the agency reported that it has taken actions to assist states in reducing improper payments, such as working with states to analyze noncompliance findings from audits related to TANF and requiring more accurate information about the ways states used TANF block grants.

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<sup>22</sup>GAO, *Improper Payments: Government-Wide Estimates and Use of Death Data to Help Prevent Payments to Deceased Individuals*, GAO-15-482T (Washington, D.C.: March 16, 2015).

<sup>23</sup>The Improper Payments Information Act of 2002, as amended by the Improper Payments Elimination and Recovery Act of 2010 and the Improper Payments Elimination and Recovery Improvement Act of 2012, requires federal executive branch agencies to (1) review all programs and activities, (2) identify those that may be susceptible to significant improper payments, (3) estimate the annual amount of improper payments for those programs and activities, (4) implement actions to reduce improper payments and set reduction targets, and (5) report on the results of addressing the foregoing requirements.

<sup>24</sup>An improper payment is defined by statute as any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements. It includes any payment to an ineligible recipient, any payment for an ineligible good or service, any duplicate payment, any payment for a good or service not received (except for such payments where authorized by law), and any payment that does not account for credit for applicable discounts. Pub. L. No. 107-300, § 2(g)(2), as amended, codified at 31 U.S.C. § 3321 note. Office of Management and Budget guidance also instructs agencies to report as improper payments any payments for which insufficient or no documentation was found.

<sup>25</sup>See 42 U.S.C. § 617, which generally states that no employee of the federal government may regulate the conduct of the states under the laws governing TANF except to the extent expressly provided in such laws.

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## Several Factors Limit Incentives for Innovation and Evaluation in the TANF Program

In a November 2014 report, we concluded that while selected state and local programs are making use of some promising approaches for moving TANF recipients into employment and increasing their earnings, incentives are lacking for large numbers of state and local TANF agencies to adopt and test such approaches under the structure of the TANF program.<sup>26</sup> We pointed to some of the factors outlined above—TANF’s funding structure and accountability measures—as factors that may limit incentives for states to experiment. Specifically, we found:

- States face competing priorities for use of TANF funds. TANF allows states to spend funds on a wide range of programs and services that are not necessarily related to welfare-to-work activities as long as these services support one of TANF’s four statutory purposes.<sup>27</sup> Our December 2012 report found that states spent significant amounts of TANF funds on services such as child welfare or child care, and we noted that state use of federal TANF funds for these and other services can create tensions and trade-offs in state funding decisions.<sup>28</sup> In our November 2014 report, we found that any additional resources needed for implementing more costly promising approaches for TANF cash assistance clients may compete with other allowable uses of TANF funds. Officials we interviewed for that report whose three programs exclusively used TANF funds to implement elements of promising approaches said that their programs had been continuously funded for many years and that it would be difficult to find funding for the programs were they beginning at that time.
- The federal work participation rate requirements do not necessarily serve as an incentive for states to implement certain promising approaches, according to our interviews and prior work. Work participation rate requirements can play an important role in encouraging states to move TANF recipients into work. However, our November 2014 review indicated some ways that current policies may be discouraging states from engaging some TANF recipients with

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<sup>26</sup>GAO-15-31.

<sup>27</sup>42 U.S.C. §§ 601(a), 604(a). The four purposes for the TANF block grant are: (1) provide assistance to needy families so that children may be cared for in their own homes or homes of relatives; (2) end dependence of needy parents on government benefits by promoting job preparation, work, and marriage; (3) prevent and reduce out-of-wedlock pregnancies; and (4) encourage two-parent families. .

<sup>28</sup>GAO-13-33.

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complex needs and from providing an appropriate mix of activities. Some experts and HHS officials we interviewed suggested that limits on the amount of time that certain job readiness and training activities may be counted toward a state's work participation rate<sup>29</sup> may discourage states from pursuing approaches that involve longer-term treatment or education.<sup>30</sup> In addition, our November 2014 report included factors discussed above, such as the caseload reduction credit, that have allowed states to reduce the percentage of families they needed to engage in work to meet their work participation rate requirements. We found that states may have less incentive to use promising approaches to engage hard-to-employ individuals in work activities as they can meet their work participation rate requirements without them.

Additionally, we reported in November 2014 that state and local TANF agencies have little incentive to test the effectiveness of new approaches.<sup>31</sup> States are not required under federal TANF law to conduct impact evaluations of their TANF programs, although these evaluations can provide useful information on program effectiveness. We have previously found that although HHS has a strong tradition of leading and supporting rigorous welfare research, there are fewer incentives for states to evaluate their programs under TANF than existed under the previous welfare program with its evaluation and funding provisions.<sup>32</sup> Indeed, although HHS maintains an active research agenda, TANF agency participation in some recent and ongoing HHS evaluations has been limited. An HHS official we interviewed reported that engaging TANF programs in evaluations of promising approaches is difficult because of the administrative burden on the state or locality. Officials added that HHS has no authority to require state agency participation in research and evaluation and no dedicated funding to provide states or localities incentives to participate. We concluded that limited participation by TANF agencies in HHS evaluations may slow the development and adoption of new promising approaches, leaving TANF without a continuous improvement process.

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<sup>29</sup>See 42 U.S.C. § 607(c).

<sup>30</sup>[GAO-15-31](#).

<sup>31</sup>[GAO-15-31](#).

<sup>32</sup>GAO, *Welfare Reform: More Information Needed to Assess Promising Strategies to Increase Parents' Incomes*, [GAO-06-108](#) (Washington, D.C.: Dec. 2, 2005).

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Consequently, to encourage broader adoption and evaluation of promising approaches, we recommended that HHS, in consultation with Congress, identify potential changes that would address the lack of incentives for states and localities to adopt promising approaches and then develop and submit a legislative proposal outlining those changes. HHS agreed with our recommendation and noted that in the Administration's Fiscal Year 2015 Budget Request, it stated, "when Congress takes up reauthorization, the Administration will be prepared to work with lawmakers to strengthen the program's effectiveness in accomplishing its goals. This effort should include using performance indicators to drive program improvement and ensuring that states have the flexibility to engage recipients in the most effective activities to promote success in the workforce, including families with serious barriers to employment." HHS made this same statement in its Fiscal Year 2016 Budget Request. We maintain that HHS should develop more concrete proposals to address the lack of incentives within the TANF program itself, and noted that the agency need not wait for Congress to take up reauthorization to do so.

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Chairman Boustany, Ranking Member Doggett, and Members of the Subcommittee, this concludes my statement for the record.

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## GAO Contact and Staff Acknowledgments

If you or your staff have any questions about this statement, please contact Kay E. Brown, Director, Education, Workforce, and Income Security, at 202-512-7215 or [brownke@gao.gov](mailto:brownke@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. GAO staff who made key contributions to this statement include Alexander Galuten, Gale Harris, Kristen Jones, Michael Pahr, and Walter Vance.

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