

Hearing on Better Coordinating Welfare Programs to Serve Families in Need

HEARING
BEFORE THE
SUBCOMMITTEE ON HUMAN RESOURCES
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BETTER COORDINATING WELFARE PROGRAMS

TO SERVE FAMILIES IN NEED

Tuesday, November 3, 2015

House of Representatives,

Subcommittee on Human Resources,

Committee on Ways and Means,

Washington, D.C.

The subcommittee met, pursuant to notice, at 10:06 a.m., in Room 1100, Longworth House Office Building, Hon. Charles W. Boustany, Jr., [chairman of the subcommittee] presiding.

*Chairman Boustany. The subcommittee will come to order.

Good morning to everyone. This hearing is the latest in our series on moving America's low income individuals and families forward. In prior hearings we reviewed how families are faring, what actually works to help them, some ways to address fraud and abuse, how current programs discourage work and higher earnings, and more.

We have drafted possible reforms to the TANF program and are reviewing how best to move those forward, and all along the way we have actually listened to real people, trying to navigate these programs and find the work and earnings they need to escape poverty for good.

Today's hearing takes a step back and reviews the dizzying array of programs designed to help low income families and how that patchwork of programs complicates the challenges for those most in need.

This Federal welfare system is large, fragmented, and growing in cost. The nonpartisan Congressional Research Service estimates that we currently operate over 80 programs that provide food, housing, health care, job training, education, energy assistance, and cash to low income Americans.

I have a chart I want to show here, if we could put the chart up on the screen. Here you see a graphic depiction of that array of benefit programs designed to help low income individuals and families. This chart was an adaptation from a nonpartisan CRS report, and in short, it shows a mess.

This system may have started out with very good intentions, but it has become over the years a confusing maze of programs that are overlapping, duplicative, poorly coordinated, and difficult to administer.

I defy anyone to say that this is the best way to address the human tragedy so many of our fellow citizens experience. We spend roughly \$750 billion at the Federal level on these programs and hundreds of billions more at the State level. All told, taxpayers provide \$1 trillion per year in help for low income American. Yet today there are 9.4 million more Americans living below the poverty line than there were in 2007, before the last recession.

In sum, we are spending more and getting worse results when it comes to promoting the work and earnings that keep families out of poverty.

A number of these programs like TANF, SSI and Child Welfare are under the jurisdiction of this Subcommittee. Others come under the jurisdiction of the full committee, such as various low income tax credits, and many others involve other committees, complicating our efforts at better coordination.

But we have to start somewhere. This hearing will give us a chance to review this array of programs, understand the challenges created by their sheer number, and review some of the State efforts to rationalize the services they provide and to navigate this complexity. That understanding will lay the groundwork for future efforts to modernize and streamline or, at the very least, better coordinate these programs to help more Americans achieve opportunity and upward mobility.

So we certainly welcome our guests today and look forward to their testimony.

I now am pleased to yield to my friend and the ranking member of the subcommittee, Mr. Doggett, for the purposes of making an opening statement.

*Mr. Doggett. Thank you, Mr. Chairman.

And welcome to all of our witnesses. Especially welcome the former chair of the committee, Mr. Davis with whom I worked on the data issues in a bipartisan way, and I think those issues are important, as well as coordination.

I was encouraged to hear Speaker Ryan reiterate this weekend his interest in seeing reform in all of our programs that relate to poverty. I hope that can be a bipartisan effort. I have certainly attempted to make it such an effort, but it is far from certain that it can be.

Making a bipartisan effort begins with recognizing what the history is on the programs within the jurisdiction of our committee, and it involves avoiding some of the old canards that reflected in the notice for this hearing that there are 80 welfare programs gobbling up at a greater and greater pace over a trillion dollars of our taxpayer resources.

The 80 programs referred to include things like the breast and cervical cancer early detection program, and Federal work-study. The analysis of those programs by the Congressional Research Service indicates that the vast majority of them are directed toward helping the elderly and disabled, and that of all of the 80 programs that are referenced there, Temporary Assistance for Needy Families, which is the principal program that this Subcommittee and committee are concerned about, takes up a whole one percent of the amount devoted to what has been mislabeled as "welfare."

I voted for the Welfare-to-Work Program in 1996, and if we are to evaluate it based on how many people it has gotten thrown off the welfare rolls, it is a tremendous success. If we are to evaluate it by the words that were spoken at the time by the Republican members of this Committee who considered its approval and signature by President Clinton to be a great victory, if we are to evaluate it by their words as to what the objectives were for this program, it has been a failure. It has not gotten people out of poverty at the rate it should have and into sustainable living wage jobs, and there is a good reason why that has not happened.

It is not because of the laziness of poor people, but because we have not focused the resources necessary to accomplish the objectives of that Act, of the dollars that were being allocated in 1996 in real dollars for the purpose of Temporary Assistance for Needy Families or Aid to Families with Dependent Children, whatever at that time. The purchasing power of those dollars today is about a third less. We have not added more. We have reduced as our population has grown the amount of resources that are there.

But an even more important factor than the total amount of resources, is how those resources have been used by the States. The suggestion that Speaker Ryan, in the days I served with him on the Budget Committee and in this Committee, is that if we block grant more monies to the States we will get better results, and we will end that confusing polka dot graphic that we just saw, and the States can figure it all out, and everything will be better.

Well, the Temporary Assistant for Needy Families Program does not offer hopeful evidence that that will be the case. In 2014, the States were using eight percent of their Temporary Assistance for Needy family funds on work related activities. The purpose of the legislation, according to the legislation itself, was to end the dependence on government benefits by promoting job preparation and work.

Our colleagues here emphasized the goal was to train people, to provide them child care, to get them into the workforce. That has not been what has occurred here. In fact, we have had a great welfare program that the Temporary Assistance for Needy families

has promoted, but it has been welfare for States that did not want to use this money for the core purposes for which this Congress intended on a bipartisan basis to do, but to use it for other purposes, mainly to fill State budget gaps for anything that pertained to social services.

Some of those dollars may have been spent on appropriate and worthy programs, but they do not relate to the core purposes of TANF, which is to get people from poverty into the workforce. When you look at the dollars allocated for child care by the States, when you look at the limitations that are in the Act but what the States have done as far as education, it is just not satisfactory.

Nearly half of the States have no work participation standard because of the case load reduction credit. I hope when we look at this Act we consider that and that we cannot solve the problems particularly of child poverty in this country by simply throwing words at it. We do not want to throw dollars at it. We want to see them better coordinated, but we have to have State partners that are focused on the core purposes of this Act, which is to get people out of poverty into the workforce, setting an example for their children and providing a better future.

And I yield back.

*Chairman Boustany. I thank the gentleman for his statement.

Without objection, each member will have the opportunity to submit a written statement and have it included in the record at this point.

I want to remind our witnesses who are here today to limit their oral testimony to five minutes. We have your written testimony and without objection your full witness testimony will be made part of the permanent record.

This morning our panel is a very distinguished panel. We will be hearing from:

Geoff Davis, former Member of Congress, a colleague of ours and now with Republic consulting, LLC.

Maura Corrigan, Visiting Fellow, American Enterprise Institute.

Nick Lyon, Director, Michigan Department of Health and Human Services.

Robert Greenstein, President, Center on budget and Policy Priorities.

And Scott Sanders, Executive Director, National Association of State Workforce Agencies.

So at this time, it is my pleasure to welcome back our former colleague, the distinguished former chairman of this Subcommittee, Geoff Davis, my friend.

Geoff, we really appreciate you being here to offer your unique perspective on these issues, and you may proceed with your testimony.

STATEMENT OF GEOFF DAVIS, A MEMBER OF CONGRESS (RETIRED),
REPUBLIC CONSULTING, LLC

*Mr. Davis. Thank you, Mr. Chairman.

Chairman Boustany, Ranking Member Doggett, and all my friends on both sides of the dais, thank you for the invitation to join you today to discuss ways in which we can better coordinate the current web of the more than 80 welfare programs.

As someone who grew up in a challenging environment and managed to climb out of it by the grace of God, I commend your ongoing efforts to improve the quality and processes in these programs because, done correctly, they can have a great, positive influence on the lives of those in need.

I was first introduced to improving complex processes and systems of systems during my time in the Army. After my active service, I worked in business operations and eventually led professional services teams that focused on process improvement and implementing large enterprise resource planning and customer relationship management systems, as well as their associated analytics and performance monitoring tools.

While we worked for companies ranging from the Fortune 500 down to small, single site facilities, the way to improve an operation was always the same: minimize complexity to maximize effectiveness.

Process improvement is a continual effort, indeed, a way of thinking. Each small step, each constraint removed allows better use of time and resources. The outcomes are always increased capacity to deliver products and service, greater customer satisfaction, earlier detection of problems, and money saved.

When I became chairman of the subcommittee in 2011, I endeavored to apply my real world experience in processes and systems to the programs within the subcommittee's jurisdiction, and I am happy to see that current members are continuing these efforts.

Today all major companies across all industries use integrated, real time data and analytics to provide better customer service, save money, and improve their products. Large companies typically use what is called a data warehouse, which can be physical or cloud-based. Well run systems maintain only one record on a person or a product throughout that system. All users of that record draw from and update that single source to avoid errors and duplication.

This standardized record system is called a logical data model and forms the foundation for accurate and precise decision information. Admittedly, the private sector companies often are not faced with some of the constraints that we find when we are

viewing the 80-plus welfare programs that are in existence today, but I believe there are many lessons that we can learn from private sector efficiencies.

When I had the honor of being part of this Human Resources team, I was proud of our achievements in the space of data standardization for some of these programs. Ranking Member Doggett and I made a conscious effort to review and improve H.R. programs from a process perspective, not from an ideological perspective.

Everyone on the subcommittee genuinely wanted to make these programs work better for those in need. There were many places where we could have started, but getting better and more streamlined data seemed to be the biggest need and the best first step.

After multiple hearings and meetings with input from all sides, Ranking Member Doggett and I introduced the Standard DATA Act, a bill to require the development of common standards for data and information sharing program by program. Together we incorporated this concept into the Child and Family Services Improvement and Innovation Act, which was signed by President Obama in September of 2011. The idea was also later applied to the unemployment insurance program, TANF, and SNAP, among others.

I always refer to the Standard DATA Act as the most important law you have never heard of. After those achievements in 2011 and 2012, another bill known as the DATA Act was signed into law in 2014. This moved the ball even further toward an open or shared data environment for the whole of government.

Before I close, I want to commend the Departments of Health and Human Services and Labor for their ongoing efforts to implement these statutes. Their success in this area will lead to more transparent and effective processes, which will serve more clients, reduce response times, increase agency capacity, and ultimately assist those in need on their climb out of poverty.

Thank you for the privilege of joining you this morning. I yield back.

*Chairman Boustany. Thank you, Geoff, and thank you for your profound contribution on this Subcommittee and the work you did working with Ranking Member Doggett. It really advanced things, and we are deeply appreciative, and we hope to build on what you have accomplished.

Next we are happy to have Ms. Corrigan here.

You may proceed with your testimony. Please turn on your mike.

STATEMENT OF MAURA CORRIGAN, VISITING FELLOW,
AMERICAN ENTERPRISE INSTITUTION

*Ms. Corrigan. Good morning, and thanks so much for the chance to testify before you this morning.

I am Maura Corrigan, a Visiting Fellow at AEI in Poverty Studies, formerly head of Human Services in Michigan under Governor Rick Snyder, and prior to that 19 years as an appellate judge in the State of Michigan. I left the Supreme Court in order to run Human Services.

My message this morning is simple, two things that need to happen in this Congress: one, simplify the maze of programs. I once told my children that I want on my tombstone "Tear down this silo." The programs that we have are too siloed. We are stuck in the prescriptions of those programs instead of getting at the bottom line. Your welfare state chart shows this.

We need to consolidate and coordinate these programs in service of one goal: that every American has a chance at the American dream, that everyone can move out of poverty. The current maze of programs we have poses barriers to this for all.

The second thing I think is crucial is that we coordinate the messaging in all of these programs. First of all, the people must believe they can move up, that they have hope. The second is a three-word mantra that I have stolen from Great Britain when they reformed their disability system, three little words: "better off working." That ought to be at the heart of every safety net program.

All of the committee, I believe, thinks this, but in the programs I administered only two out of nearly 80 had any sort of a work expectation written into the law.

People conform their expectations to the law, and this was not present in the law I administered. Clients want to work and things get in the way of them being able to do that.

The second thing we need to tell the truth about is family formation. We should not impose our values on others. That is so, but on the left and on the right, we understand that children do best when they're raised by two married, involved parents. That is true in all the studies, and I am not aware of any social safety net program that conveys this message, despite our knowledge of these statistics.

These are central or root causes underlying intergeneration poverty, we need to get at these: better off working; two is better than one; and, yes, you can move up.

The complexity of the program I outline in my testimony, you know about benefit cliffs. You know about tax consequences that affect people that are attempting to work. I wanted to lay out for you my job at AEI entails being a liaison with State

secretaries, and several of them have said to me that we need to change the nature of our workforces in human services because of the significant mental health issues that are affecting the clients that we see who are in poverty. There is depression; there is despair, and social workers are not adequately trained to deal with what they are seeing and the problems of intergenerational poverty.

It is not the clients who are to blame. It is the policies themselves that need to be reformed. In my testimony I gave you examples of three Michigan programs that I think were important in effecting change in our State. I wanted to move social workers out of offices and to go where the problems were, and we took social workers mobile. We moved them into schools so schools could be the community hubs. We sent social workers to workplaces, to support poor people who were going to work every day, and these are laid out in my testimony, and I invite any comments on those.

I firmly believe in the Opportunity Grant proposal conveyed by then Chair Ryan last year because what it would do would collapse 11 programs into one, integrate programs together, and permit States the opportunity to have holistic solutions, local solutions.

Our States in this great American dream are a laboratory for experimentation. We understand that. We have the ability to innovate. States can do it.

I believe the war on poverty is capable of being won, and that if we simplify what we are doing in these programs, like I learned about public speaking, K.I.S.S.: keep it simple, stupid. If we can simplify what we are doing with the maze of programs and if we coordinate the message, better off working, two is better than one, then we have hope.

Thank you very much for your attention this morning.

*Chairman Boustany. We thank you for your testimony.

Mr. Lyon, you may proceed.

STATEMENT OF NICK LYON, DIRECTOR, MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES

*Mr. Lyon. Thank you, Chairman Boustany, Ranking Member Doggett, and other members of the committee. I appreciate the opportunity to testify in front of you here today, and I appreciate your interest in this issue.

I come to share with you the success of what we are trying to do under Governor Snyder in Michigan. On January 1st, 2015, he addressed this problem by creating the concept of the "River of Opportunity." The goal in this was to address multiple programs, cross-purpose, terribly complex, difficult to navigate, and certainly at times hindered the success of those we were trying to serve.

What we found is that when people suffer a temporary setback, they would fall off the River of Opportunity, and the purpose of our programs is to bring them back onto the river so that they could be successful.

Our reorganization focused on several key issues. It focused first on people, not program; root causes, not symptoms; results, not process; community. Government cannot do this alone. It has to be local solutions and local effort, and outcomes.

The governor operationalized this by consolidating the Departments of Human Services, former Director Corrigan's department and my department, the Department of Community Health, so that we have several Federal programs around Health and Human Services. It is a \$25 billion budget, 14,000 employees with a presence in every county.

We built much of what we have done on the successes of what you will see both in Director Corrigan's testimony and my testimony, the Pathways to Potential Employer Resource Networks. It was really about serving the people directly.

Our vision is improved health, safety, and self-sufficiency, and we focus this on people in three different groups: first, children. Obviously children need to be in the situation where they can best learn, and to do that they have to be safe and they have to be healthy.

Individuals with intellectual or developmental disabilities, we want them to be able to live and work in their most independent setting possible as they so choose, and adults. We want to lead them back toward the path to self-sufficiency and increase their employment options moving forward.

Obviously within my testimony we have a list of the federally funded programs. The United States Department of Health and Human Services has 150 distinct funding sources that come through our department; the United States Department of Agriculture, 14; Housing and Urban Development, 13; those are just to name a few State departments.

There are 223 distinct Federal funding sources, all with their different program requirements, all with their different stakeholders, all with potentially different definitions of income. This makes it difficult for us to navigate as leaders, as managers of these programs. It makes it difficult for our case workers to navigate. Think about how difficult it is for that person who walks in the door for the first time potentially in their greatest time of need and how difficult it is for them to navigate.

So our solution is moving towards an integrated service delivery system. It is going to be person centered, goal based. We are going to move case workers from the concept of checking off boxes and working all day in the IT system to really go out and be social workers again and really be success coaches. We want them working with people directly and working with families directly rather than checking a box.

That is a first real significant opportunity. The second piece I see in this, and this is probably because I come from the health side, is I really believe in the concept of preventive services. We need to do what we can to move ahead of these situations that happen.

Our system is reactive in a way. We react once something bad happens, many times in the most expensive and intrusive fashion possible, and we really need to start moving towards a way that is preventive in nature. This applies in health, but also applies with families. Think about how much better off we could be if we identified a potential family at risk of abuse and neglect and help that parent or parents succeed with their children rather than reacting to a situation that might have occurred to avoid potentially foster care involvement, court involvement, prosecutors, et cetera, and not only is the family better off; the child is better off as well.

So as you are thinking through this, and we have done a lot of the thinking here on anything that we can do to be helpful, the things that really come into play is increased Federal flexibility. We have to reduce the complexity. It is just too complex for our system to navigate as a whole.

Outcome based payment models that include incentives for States to reach outcomes. Ranking Member Doggett certainly mentioned that sometimes we focus on process rather than metrics, and I believe that we have to fund preventive services and focus on goals.

Thank you.

*Chairman Boustany. We thank you for your testimony.

Mr. Greenstein, you may proceed with your testimony.

STATEMENT OF ROBERT GREENSTEIN, PRESIDENT, CENTER ON BUDGET AND POLICY PRIORITIES

*Mr. Greenstein. Thank you very much.

My testimony today basically makes three points. The first, safety net programs that assist people with low or moderate incomes can and should be improved, but they are far more effective than is often understood. If we use the data that measure poverty in the way most analysts believe we should, that is, counting assistance like SNAP and the earned income credit rather than ignoring them, the census data show that the safety net -- could I have my first slide please -- that the safety net cuts poverty nearly in half, the census data showing that it lifted 38 million Americans out of poverty last year.

And these figures which you see in the slide from the Census Bureau's supplemental poverty measure actually understate the safety net's effectiveness because they rely on

census data that substantially undercount the number of households getting benefits like SNAP.

The Urban Institute has developed a highly regarded, widely used model to adjust for the underreporting of benefits and -- second slide please -- once the corrections are done, we see that the safety net cuts poverty a little more than in half.

Of particular note, in recent years advances in poverty research have enabled researchers to track children over several decades as they grow into adulthood, and what we have learned is that basic income support for poor families, including things like income credit, rental vouchers, things of the sort, can have significant long-term, positive effects on children. The research has now linked more adequate income support for poor children in early childhood to increased test scores and educational attainment in school, and then in turn to increased employment and earnings in adulthood.

My second point involves cost. The costs of these programs have grown, but it is overwhelmingly due to the Great Recession and the sluggish recovery, and the rise of health care costs throughout the U.S. health care system, also pushed up by the aging of the population, and of course efforts to cover more of the uninsured.

So sometimes people assume that the universe of low income programs, low income programs in general are exploding in cost. The hard budget data show that is not the case.

Next slide, please.

Once we look at the cost of this universe of programs outside health care, we see that while the cost went up in the recession, it is now declining. Within a few years, it will be below its average cost as a share of GDP over the 40 years from 1975 through 2014, and by early in the next decade, we will be below the prior 40-year average.

The same is true if you look at spending on low income programs as a share of the Federal budget, up in the recession, now dropping. Projection: within a few years it will be below its average over the previous four decades.

Final point on coordination, which should certainly be improved. Various States have been making important improvements in this area in recent years, including through the work support strategies demonstration that is using innovative ways to make programs like SNAP, Medicaid, and child care more integrated and easier to navigate.

And Congress took an important step last year when it passed the Workforce Innovation and Opportunity Act, which has promise of increasing coordination between job training and TANF. Certain reforms in TANF could further that coordination.

But there is an obstacle here, and part of the obstacle is that the ability to have closer coordination is constrained by the limited TANF resources that are used for work

activities. The latest data for 2014 show that States, in general, were spending only eight percent of TANF and State maintenance of effort funds on work activities in 2014, 16 percent in child care, and 26 percent on basic assistance, but half of the funds were not going for any of those purposes.

Now, in the coordination area, the one thing I would recommend against is eliminating key safety net programs like SNAP or rental vouchers and merging their funding into mega block grants. That would likely result in increased poverty and hardship over time for three reasons.

First, it would entail converting programs like SNAP that respond automatically in recessions when need increases into fixed amounts that do not respond to the changes in the economy and poverty.

Secondly, history shows that when policy makers consolidate programs into very broad block grants with very broad purposes, States substitute some of the Federal block grant dollars for State dollars previously being spent on that purpose. The GAO has documented that that occurred to some degree under TANF.

Finally, when funds are merged into very broad block grants with very diffuse purposes, the outcomes get hard to measure, and this may contribute to funding decreases over time, the proof being in the pudding.

We just completed an analysis of the 13 major health, human services and social services block grants created in recent decades. We found that in 11 of the 13 funding has been reduced, often a lot, since their creation, and if you just take 2000 to 2015, overall funding for the 13 block grants is down 28 percent in real terms, and these are for health and human and social services.

Thank you.

*Chairman Boustany. We thank you for your testimony.

Mr. Sanders, you may now proceed.

**STATEMENT OF SCOTT SANDERS, EXECUTIVE DIRECTOR,
NATIONAL ASSOCIATION OF STATE WORKFORCE AGENCIES**

*Mr. Sanders. Thank you.

Good morning, Chairman Boustany, Ranking Member Doggett, and members of the subcommittee. My name is Scott Sanders, and I have served as the Executive Director of the National Association of State Workforce Agencies, otherwise known as NASWA, for the past year.

NASWA members are the publicly funded workforce agencies from 50 States, Washington, D.C., and two territories, and one of NASWA's strategic goals is to drive the national workforce agenda. NASWA members administer various combinations of critical programs, including the Workforce Innovation and Opportunity Act, or WIOA, employment services, training programs, unemployment insurance, vocational rehabilitation, local market data, and social service programs.

Before joining the association, I served as Commissioner of the Indiana Department of Workforce Development, or DWD, which operated the workforce training programs under WIOA, UI, labor market data, and adult education programs. I greatly appreciate the opportunity to share some approaches States have initiated to better integrate programs that serve those in need and the challenges facing the States and the public workforce system.

The enactment of WIOA presents a unique opportunity for the workforce system to partner with adult education and vocational rehabilitation, as well as many of the human service programs, such as SNAP and TANF. Hopefully this coordination and alignment of workforce programs yields better outcomes.

I commend this Subcommittee in the draft TANF legislation for continuing the spirit, but do not underestimate the heavy lift this entails.

Could I have my first slide, please?

Over the past year NASWA has compiled information on the programs administered by each of our State members. As shown on the map here in kind of a teal-bluish green or the California color, 23 of the NASWA members administer programs funded by WIOA, UI, Wagner-Peyser, Trade Adjustment Act, labor market data, and reemployment of veterans. There are 14 agencies managing voc. rehabilitation, eight agencies coordinating adult education, and six workforce agencies having some role administering TANF.

While Commissioner, I learned firsthand of the challenges at State level to coordinate our services. We constantly sought to improve our agency's relationship with economic development groups and educational providers. We were continually working within groups that had different geographic boundaries.

If I could have my next slide, please.

On this chart, although busy, the monitor reflects the State boundaries for eight different entities in Indiana and underscores the challenge that Indiana and many States face in trying to coordinate programs. The map in the upper left reflects the boundaries of the workforce system, which uses economic growth regions, but the boundaries for the social service agency that administers SNAP and TANF just below use different boundaries.

In addition to the multiple jurisdictional boundaries, other issues, such as siloed legislative sources, regulatory guidelines, and funding streams further complicate the seamless delivery and coordination of services. Indiana has worked to overcome some of these boundaries and in 2011 moved adult education into DWD and recently began coordinating services with the social services agency.

Other States have been moving in this direction. Louisiana combined rehabilitation services into their Workforce Commission and is preparing to launch a software platform that will handle multiple programs through one integrated system.

Texas operates the TANF Program and will soon also administer the State's Vocational Rehabilitation Program.

Ohio has one agency that administers its TANF and workforce programs, and Utah has created a plan to align and coordinate services to address intergenerational poverty. Some suggestions to take into consideration are increasing the flexibility in a TANF grant to include reemployment services; review Federal jurisdictions to determine whether that structure and oversight arrangement makes the most sense; align Federal reporting metrics for social service and workforce programs; and help States integrated disparate computer systems to provide accurate data; allow States to tailor programs and services to specific needs; create common data definitions; and reduce the funding uncertainty of programs which creates havoc for States trying to serve those in need.

I also encourage the Federal departments that administer programs like SNAP and TANF to work in coordination with the Department of Labor and not to create separate training programs. For example, the Department of Agriculture announced last week a Center of Excellence for SNAP recipients to obtain employment and training skills. This is an important initiative that needs to be coordinated with the existing infrastructure of the workforce system so there is not just another siloed effort.

In summary, we owe it to take steps towards a more coordinated workforce system. While there will be challenges in implementing, we always envisioned, this Committee has the opportunity in TANF and other reauthorizations to greatly increase the alignment of workforce programs under its jurisdiction to improve services for both job seekers and employers.

Thank you for the opportunity to be with you today and for your interest in initiatives that help employ American workers, improve coordination amongst various programs, and help Americans achieve financial independence.

*Chairman Boustany. We thank you for your testimony.

I want to thank all of our witnesses for their testimony. This has been very helpful and very enlightening.

We now enter a period of questions and answers. Each member has five minutes, and I will begin with mine.

Geoff, again, welcome. It is good to see you. And before you came to Congress, you were engaged in work where you were helping businesses improve efficiency so that they provided goods and services to their customers in a more efficient, cost effective manner.

If we could put the chart back up there that I mentioned earlier, so if a customer came to you with this kind of organizational chart, I know it is kind of putting you on the spot here because we are now revealing this really for the first time, but I think it achieves a purpose of demonstrating the complexity of this.

How would you approach reforms? How would you tell that customer, "All right. Look. We have got to organize this thing better, coordinate these programs better because there are inherent ways"?

The individual who is trying to, you know, benefit from this is getting lost in the shuffle.

*Mr. Davis. Probably the first thing I would do is say remain calm looking at this.

[Laughter.]

*Mr. Davis. But I can say candidly, having worked with some larger organizations, that chart is not that uncommon from the beginning place of some major American corporations in the late 1980s and early 1990s.

Moreover, our military after Goldwater-Nichols began a massive integration process improvement that ironically looked much like that.

I think the first question is, and I put this in my written testimony, when you look at a process is not to react to symptoms, and many of the programs that are well intended by their sponsors, in fact, are reacting to symptoms without necessarily getting down to the root cause.

So there are three things to do. First is as planning out what I think the process is, which is where oftentimes legislation goes. More importantly is to map a process so that you can find out what it actually is, and once you know what it is, then you can organize your effort to change it.

I think in general, following the mantra I shared earlier about to maximize effectiveness you have to minimize complexity, usually the first way to address this in a large organization in a way we would approach it is getting into common groupings, and especially if they were like the regional problem that we have shown in Indiana, is put all organizations under one region (a), but the second piece would be to have groupings based on families of common activities or common customers.

For example, you could look at children, parents, unemployment, education. Again, I am just shooting from the hip having just seen this for the first time.

But the other thing that I would say is that you want to move towards an idea of integrating the processes that are, in fact, helping oftentimes the same customer on multiple programs to make sure nobody falls through the cracks, and what I would do in this case is start everybody off on a common single data model with the idea that eventually these families can be merged into one what is called a logical data model or a single customer record.

And for cutting edge businesses that have gone through this transition, that is the common model where now with 99.99 percent accuracy they can manage and also provide predictive analytics in modeling on billions of stock keeping units and hundreds of millions of customers, as well as their employees, and that would be the beginning point to take it step by step through a pilot process.

*Chairman Boustany. I really appreciate that.

Mr. Lyon, you were nodding your head earlier affirmatively, and I think in your testimony you mentioned moving certain services in house into the public school system, for instance, to try to streamline and better serve those who these programs are intended to benefit.

Do you want to comment further on this and the complexity of this chart?

*Mr. Lyon. I think the complexity of the chart, even when we look at subcomponents of what we do at the department, we will find charts that are similar to this, and my comment would be much of what we do is based upon the Federal guidelines and Federal requirements. So it will be difficult for us to simplify until we simplify at the Federal level.

I was nodding quite a bit in agreement because his focus went right back to people. You focus on children. You focus on, you know, common needs, and that is exactly what we looked at when we did our reorganization. I think that is really what we need to look at going forward.

And it is complex, but we have a great opportunity, and if we take a step back, we certainly have a chance to do this.

On the data, the one thing I would add is information technology is extremely complex, and we have a data warehouse for health systems. We have a data warehouse for our human services, and we are bringing those together, and we are at the forefront of really being able to do something cool with data analytics, to really start assessing and seeing what needs are and doing some predictive analysis that would help us implement much better systems.

But until we have a commonality that defines the backbone of all of these programs, it is going to be very difficult for States to get there.

*Chairman Boustany. I thank you.

In comparing both Ms. Corrigan and your testimony and some brief aphorisms or statements you made, you know, better off working, two better than one, people, not programs, local solutions, I was struck by the juxtaposition of this chart, and then at the point of implementation in States, you know, these types of goals.

So what are we losing by operating this type of Federal system and, of course, the interaction with States? Could the two of you comment on that?

What are we losing in all of this?

*Ms. Corrigan. I believe that what we are losing on this is human potential, that we waste human potential of our impoverished clients when we do not ask the bottom line questions. Are you getting to self-sufficiency? Is this program really working? What are the metrics?

If you take the questions that TANF asks, for example, I know when I was State director, my boss, Governor Snyder, was asking, "Well, how many people are really getting a job? And how many people are holding down that job?" and that was not a question that we were being asked in the questions that we answered for TANF.

We need to figure out what the bottom line questions are that will take advantage of the wonderful gifts of every precious person in our country.

*Chairman Boustany. That takes it right back to people.

And, Geoff, do you want to comment?

*Mr. Davis. Just to put this at a practical level, I think if we step back from the numbers for a moment and look at what the recipient has to do to go through compliance with the various programs and the importance of this integration, if I go back to the model, I grew up in with a single mom who has to work or is trying to get an education in order to work, oftentimes coordinating something as simple as a medical appointment for a child if they do not have a car involves a great deal of complexity, where you have agencies that are not necessarily communicating with each other, and a ping pong effect can take place.

I saw this just last week with a friend from church that my wife was helping, and if there had not been an outside person to assist with this person going through her needs, in fact, she would have had significant problems and would not have been able to get what she wanted to achieve done.

In this case by integrating the records, the different service providers would have a common set of information and could simply be triggered to be alerted of a need with an individual to respond more promptly. It makes it more efficient in the long run in meeting those needs.

*Chairman Boustany. Thank you, Geoff.

Mr. Lyon, did you want to make a brief comment?

*Mr. Lyon. Yes. I think the one thing we really lose, I think there are two things: connectivity with the individuals and the families. With the complex system, we are not spending the amount of time we should with families. We are worried more about process.

And then the overarching goals, as Director Corrigan said, what are we measuring? What are we really shooting for? What is the end game? How are we really defining success?

And if it is a check box on a screen and not employment, the check box on a screen and not a child who can truly learn in school, we are really foregoing a great opportunity.

*Chairman Boustany. Thank you.

I now yield to the ranking member, Mr. Doggett.

*Mr. Doggett. Thank you very much, Mr. Chairman, and to each of our witnesses for your testimony.

I find the polka dot chart to be very interesting. I think it includes many programs which have little to do with one another, from the lower right-hand corner on Pell Grants, a key to educational opportunity in this country, to one near the middle, the Ryan-White Act and the opportunities in housing for people with AIDS, which addresses another really serious problem in the country, to the breast and cervical cancer program.

Until you get to the one dot and only one dot out of the entire chart that deals with the program that is within the jurisdiction of this Subcommittee, which will expire again, having gone from one little stop to the next, next month. And it seems to me that that one percent is where we need to be focusing because I am not in favor, as the Republican budget did, of cutting back Pell Grant opportunities and educational opportunities in this country, nor in some of these other vital health programs, which would not be on the chart but for the failure of the States to address these very dire needs on their own part. And it has been that failure that produced these programs.

Having said that, I agree there needs to be better coordination, and when I hear Ms. Corrigan talk about two siloed programs, I agree. When I hear about coordination and the need for better coordination that Mr. Lyon voices, I agree.

What I do not agree with is the suggestion that the solution is to collapse programs into one, either to collapse all of this chart into one or, as Ms. Corrigan suggested, let us collapse 11 into one.

The use of the term "collapse" is exactly what I am concerned about, that it will collapse opportunity for those people who depend on the program.

And I think actually, and Texas may be an even better example of this, but Michigan provides an example of what I am concerned about as it relates to the one dot up there that we are concerned with most immediately, and that is TANF. Because in 2007, according to the data I have seen, in Michigan, a third of the Federal dollars that flowed to Michigan under the Temporary Assistance for Needy Families Program were being used by the State for the core purposes of TANF to get people to work.

By the time that we got to 2011, Ms. Corrigan, in your service there it was down to ten percent, and now under Mr. Lyon, it is down to 6.7 percent.

You may have used that money with flexibility for other purposes that are very worthwhile, but my concern is that the Federal dollars we allocated for getting people from poverty to work are not being used for that purpose, whether it is through a workforce commission or something else. Then we are not fulfilling the goals of this program, particularly when the overall dollars fall in real purchasing power.

Let me ask you, Mr. Greenstein: is the reason that we continue to have so many poor people in this country with children who are not into gainful, long-term employment related to the fact that we have got 80 dots up there, 80 different uncoordinated programs?

Is it lack of coordination that is causing this problem?

*Mr. Greenstein. Well, I think we can do better with better coordination, and we really should move in that direction, but I do not think that is the sole problem or probably even the main problem.

We have this growing research showing how important adequate support for poor young children is; that when families are in deep poverty, there tends to be a higher rate of toxic stress, which research is now suggesting affects brain development, and we see differences in brain development even by age two and more by age five, and we find that when the support is more adequate, and we are talking about basic support, cash assistance, SNAP, food stamps, purchasing power, rental assistance so the family is not on the verge of homelessness; that these really produce surprisingly large results.

So I think we have to do more adequately on that front. On the coordination front, I just think it is important to think about the fact that coordination can be significantly improved without collapsing all of the programs, without losing the mechanism of SNAP that responds to need.

This is what this work support strategies demonstration has done. It is a mix of red and blue States. They found they had more flexibility to integrate programs than they thought because the Federal rules are complicated. You have to have cross-program expertise.

They have come up with recommendations for further flexibility the Federal agencies should provide, and they should, but we can make progress there without in a sense throwing the baby out with the bath water and losing some of the fundamental parts of the safety net that are most important for poor children's development.

*Mr. Doggett. Thank you.

*Chairman Boustany. The gentleman's time has expired.

I just want to make clear that nobody is suggesting we just collapse all of this. This is just depicting the complexity, and I think everybody would agree that this complexity does not help the situation going forward. We need to clean it up and coordinate these programs better in order to serve the individuals most in need.

With that I now yield to Mr. Meehan.

*Mr. Meehan. Thank you, Mr. Chairman.

I thank this distinguished panel for all of your efforts. Congressman, great to see you back here.

I am struck in a positive way because I think you are all talking as if you see something here, and we are closer to making progress. If we start with the very premise Mr. Greenstein discussed that there is a definable benefit in the safety net program, so we know we are at a place.

What seems to be is that from this point forward we have some disconnects for a variety of reasons, not the least of which are for various reasons this bureaucracy fails to reach out and work effectively.

Ms. Corrigan and Mr. Lyon, how have your efforts to work with the individual actually produced successes that have made a difference, that cut across this territorial maze, the silos, so to speak, that seem to be an impediment?

And, frankly, we have resources out there. A lot of it suggests we are not trying to consolidate. We are trying to align them in a more effective fashion.

This following the individual, how do you do it? How do you take those resources and make it work, Ms. Corrigan and Mr. Lyon?

*Mr. Lyon. Okay. So I think collaboration and alignment are very important. I am not going to sit and suggest what the final solution would be or what sort of collapsing should or should not occur.

I think a couple of things we could point to, and I am going to defer one to Director Corrigan because it actually happened under her watch is Pathways to Potential. So I will let her talk about that.

But one great example that we have is children who come into our foster care system. Generally, if you think about that situation, something traumatic has occurred. It is potentially the abuse and neglect situation, potentially moving out of the household, and what can we do to work with them through our behavioral health system, which is funded under Health and Human Services under SAMHSA? And what can we do under those qualifications?

And then we work on our managed care organizations, and they are under CMS for managed care, and by being aligned and by focusing on what the person is, we start looking at outcomes. You know, how are they responding to care, not how quickly are we just seeing them, for example. And I think that is a huge success.

*Ms. Corrigan. The Pathways to Potential Program that Michigan started in its public schools began in 2012 in 21 pilot schools. The problem that we had was school attendance for children. We had a huge issue across the State of chronic absenteeism.

In the Pathway to schools, when we sent social workers from the Department of Human Services into the schools, they worked on barrier reduction to get children to school, to try to figure out why is this child not coming to school, not to create a child protection case, but to figure out how to solve the problem.

And in the three years the program has been in operation now in more than 200 impoverished areas, there has been a 33 percent reduction in chronic absenteeism in the Pathways schools.

Part of the issues is that the system is so complicated that the school's bureaucracy does not understand the Human Services bureaucracy. So a school principal or a teacher does not understand what needs to happen.

Having the social worker on site can translate what needs to occur and help the problem to get solved. The same thing is true in the employer setting. In the Employer Resource Networks, a huge number of people in poverty are working, attempting to work, but employers lose a lot of single moms because they have various issues affecting them, like transportation or child care.

So you send the social worker into the employer and help to solve the problems, again, translating for the employer. The HR community does not understand how social services works either. They do not know transportation resources. They do not know

child care resources. You send that social worker from employer to employer to employer, and there is a huge benefit to employers in worker retention. They do not have staff turnover because they can stabilize the individual, frequently a single mother with issues. They can stabilize so that that person can get to work.

And, again, in my testimony it shows huge effects, so much so that now in Michigan, employers are paying for social workers for this function out of private money.

*Mr. Meehan. Can you address just one other issue in my remaining time? You discussed something about people who are coming suffering from depression and other kinds of issues. How do we catch those people on the cusp who have the potential?

This is a prevention model, I suspect, Mr. Lyon, that you have been discussing. How do we effectively make sure we do not lose them in that context, to get them back into a place where they can contribute?

*Ms. Corrigan. I believe that the law has to have expectations in it of performance on the part of the individuals; that when you give an individual merely a check and that is all that is expected of them in various programs, that that gives them a certain self-image, the client a certain self-image that I have small dreams. I have puny dreams, and I settle for this, and this is all, and that crosses generations.

And to me if we change the expectations in our laws, we would see a change in behavior, but right now we have generational poverty and generational despair and depression, which is what my colleagues are seeing.

*Mr. Lyon. And the one thing I would say from a system standpoint is, you know, the colocation, the ability of the CMH, community mental health system or behavioral health system or substitute system to be able to interact more effectively with our case workers and our social workers, absolutely integral in catching people before they go off any sort of personal cliff, whether it is substance use or behavioral.

*Mr. Meehan. Thank you, Mr. Chairman. I yield back. Thank you.

*Chairman Boustany. Mr. Holding, you are recognized.

*Mr. Holding. Congressman Davis, it is always a pleasure to see you. I wanted to follow up on one thing that you said in your testimony. You stated that the Child and Family Services Improvement and Innovation Act and the DATA Act were signed into law, ensured taxpayer dollars being well spent, and welfare programs are actually serving those in need, and I wanted to get your input as to whether these laws are actually achieving the goal that we intended.

*Mr. Davis. I think any implementation in a large Federal organization is a time consuming process. I would defer to current data. I understand there are some technical

fixes, in particular, in the Department of Health and Human Services, that probably need to be done to expedite this further.

On a wider standpoint, the reason that I think that it is a good first step and certainly needs to be carried on, going back to the other commentary, is that you have false jurisdictions, if you will, among different agencies, and I think that thus led to the complexity of the map, where, in fact, an individual is dealing with oftentimes a housing issue, secondary effects with an education issue for themselves or a child, health, job or UI, you know, children support issues, maybe even finding a deadbeat dad, for that matter, and in this cash my wish is that two things could happen.

One, we could move to a more expedited implementation of this, but second of all, ultimately get to a single record and maybe even a single payment for the individual akin to what is being done in the private sector right now in very large organizations to improve the ability to serve and really to customize the need to that individual client because every family is different.

The best thing that I found in my mind is where you can empower local control of that front line service provider with that client and you have a system that's clearly accountable back to that record from Federal oversight would be very efficient.

*Mr. Holding. Right. If we could put this chart back up, which is just phenomenal, Ms. Corrigan, I think you've got the quote of the day, that "tear down this silo," but you know, as Mr. Gorbachev, "tear down this wall," who do we address the "tear down this silo" to?

When you look at this myriad of programs, you recognize what the issues are and you can come up with kind of a generality of tear down this silo or go to a single record system, but where do you start?

I mean, this looks like that game -- what is the game with all the sticks where you put the sticks up? Jenga, something like that. So which one do you pull out or where do you start? Where do you inject the antidote here which will start to change the whole system?

I will let Ms. Corrigan address that first.

*Ms. Corrigan. I do not begin to know the answer to that question in terms of simplifying the maze, but I would suggest that perhaps it is possible to do something akin to what happened pre-TANF, in other words, to give States the authority to experiment, to figure out how do we do it.

As in the Farm Bill pilots on work that went through the Department of Agriculture last year, could we not ask States how would you simplify and see what is the most effective program in getting at these issues?

*Mr. Holding. Mr. Davis, do you want to take a stab at this?

*Mr. Davis. I think you start and you identify what the symptoms are and move from there. I think from an information perspective, you have common factors that are affecting every individual, and front line pilots become very important in this.

And as long as we are capturing, and the reason I mentioned the logical data model versus the conventional systems, you know, in many cases what is governing our programs right now was developed in the 1960s on technology that is, frankly, in the Stone Age compared to today.

And where I would take this is into a model where you could merge these records, but base it on empowering people on the front line to gather that information because the slightest amount of integration, particularly on a local level, could create a tremendous amount of improvement and change.

For example, I got with a group of social workers that became the impetus to when Ranking Member Doggett and I introduced the Standard DATA Act and asked them this question in a kind of brainstorming session: how would it improve your client's life if we could look at an integrated system and find out that the deadbeat dad has signed up for a hunting license a la what Michigan has done or was registering a new BMW car in Ohio but neglecting to pay their financial obligation to their family?

And their response was it would be revolutionary because it would do two things. It would reduce the pressure on the individual by more immediately getting the cash, but more importantly for the social worker, it would take steps out of that process.

Imagine if you had to do your job and, well, look at it this way. You have to walk a quarter of a mile every time you go to vote. How efficient would your day be if you could vote at your desk?

And I am not suggesting amending the Constitution, but removing those steps from the process buys more time for capacity to perform, and I think looking at these integrations the right way helps these folks on the front line do their job and, in fact, improves the lives of the person they are trying to help.

*Mr. Holding. Thank you.

Thank you, Mr. Chairman.

*Chairman Boustany. I thank the gentlemen.

Mr. Davis, you are recognized for five minutes.

*Mr. Davis of Illinois. Thank you, Mr. Chairman. I want to thank you for calling this hearing, and I certainly want to appreciate all of our witnesses, and it is, indeed, good to see the former chairman of this Committee, my namesake. It was a pleasure working with you then and it is good to see you now.

Mr. Chairman, I must confess that what we are calling "welfare programs" gives me a bit of consternation, and I want to appreciate Mr. Greenstein during his opening where he used the terminology "safety net" and "low income." I appreciate that kind of terminology.

It is my feeling that being prepared and having the opportunity to work, to get a job with adequate wages, that these are excellent approaches to moving people out of poverty.

I also agree that family structure where there are two certainly has more impact and more positive impact than oftentimes where there is one.

Mr. Greenstein, let me ask you. Is TANF providing more or less Federal help to prepare people for work and support working parents than it was when we first seriously began to deal with the concept of implementing welfare reform?

And in 2014, the States spent eight percent of their Federal and State TANF funds to work activities. Could States do a better job of coordinating work promotion and work supports for working, struggling families if they invested more of their TANF funds to this core purpose?

And I noted that in his opening, Chairman Boustany mentioned the fact that there were 9.4 million more people in poverty in 2014 than in 2007. Could I get your reaction to that?

*Mr. Greenstein. Certainly. Let me do the last one first. So if you look at the official poverty measure, there are 9.4 million more people counted as being below the poverty line in 2014 than in 2007, but most analysts across the political spectrum do not favor using the official poverty measure to compare different years because it does not count the earned income credit or SNAP or anything.

And when you look at the programs that have expanded since 2007, it is primarily things that do not count, like the earned income credit and the child credit. So when you use the broader census measure that analysts favor that count those things, you find that the increase in poverty from 2007 to 2014 is only one percentage point and is pretty much entirely explained by the economy. 2007 was the peak year of the prior recovery. In 2014 median income was \$1,100 lower in real terms than it was in 2007. Long-term employment was twice as high.

So when we compare apples to apples with the broader measure of poverty, we do find higher poverty in 2014, but entirely, I think, as a result of the economy.

On the TANF question, I think what is unfortunate is if you track the period since TANF's creation, the share of TANF dollars, TANF and State Maintenance of Effort dollars, going into work related activities has fallen significantly over the period. State spending on work from both TANF and State MOE funds on work related activities

adjusted for inflation is lower now than it was when TANF was first implemented. It has fallen in most years, and it is actually lower even in nominal dollars when you do not adjust for inflation.

So I think if we had more adequate State investment in those activities coupled with some changes in the TANF rules to deal with, for example, some of the differences in how we have measures, the kind of outcome measures it uses versus the process participation measures TANF uses, we could get better coordination with both more resources and a closer alignment in which activities count and how we measure them.

*Mr. Davis of Illinois. Thank you very much. My time has expired so I will yield back, Mr. Chairman.

*Chairman Boustany. I thank the gentleman.

Just a quick comment. I mean, I think we all agree the goal here is to get people back to work, and we can quibble about definitions of poverty and play with statistics, but I think there is broad agreement that the focus is to get people back to work, and that is meaningful work.

We will now go to Mr. Dold next.

*Mr. Dold. Thank you, Mr. Chairman.

Congressman, always great to see you, and I want to thank you all for taking your time to come and join us, and frankly, I want to build off of, Mr. Greenstein, your initial comments, in which you said that the social safety net can and must be improved.

And if we can just pull up that chart one more time, I mean, I think when I go back and talk to constituents, and certainly I know many of them are sitting around their kitchen tables and they are aware they are falling behind. We know poverty rates are up, but when we look at this chart, I mean, Mr. Holding talked about it being a Jenga game. I look at it like a game of Twister, and you are going to get tied up into a ball pretty quickly trying to deal with what we have got here.

I think really what we are all looking to try to do is how do we improve this system, right? We want a social safety net, and it can and must be improved. So I guess my first question, Mr. Greenstein, is: how do we improve this system so that it does not look like a chart like this, so that it actually is trying to focus more resources to actually helping people get out of the social safety net because nobody wants to be there?

We need to have it. It needs to be strong, but we need to get them, you know, back to work.

*Mr. Greenstein. A great question. So on the one hand, a number of the individual programs have particular merit, and there are reasons for some of the eligibility criteria or

other aspects they have, but then the tension is, as the whole panel has been talking about, when it makes coordination really difficult.

I think that we have really important opportunities. I think Mr. Davis has been referring to this, really important opportunities through advances in information technology, with better data sharing.

So only a few years ago most of these programs had paper bound systems. Someone would go to an office. They would provide documents for SNAP. They would go to another office a month later for Medicaid. Things were not coordinated. People fell on and off of programs.

With advances in information technology, a number of States are making really major progress in integrating the data system so you can collect, for example, the income and verification and household circumstance data once periodically and use it for the multiple programs. You can adjust for the differences in the rules, and then that frees up more case worker time, instead of, you know, being the bean counter clerks, to be able to help people get jobs and give them counseling and things like this.

I would really urge the subcommittee to look at what is called the Work Support Strategies Demonstration that has made major strides on this. It is a mix of red and blue States. There is no ideology or politics there, and with further advances in information technology and some further flexibility from Federal agencies, I think a lot more can be done on that front.

But I think we really have the potential with advances in information technology to make major advances here to reduce administrative cost, to make the system easier to navigate, and to do better coordination.

We also have to look at differing rules across programs, as I mentioned earlier. When a family is enrolled in a workforce program but then it does not count towards the TANF work participation requirement, that discourages agencies to work together and to put the family into a service that might be useful for them.

I think some of the changes the committee had in the discussion draft earlier this year would really make progress in some of those areas.

*Mr. Dold. Thank you.

Ms. Corrigan, there are a couple of things I wanted to go over with you. In page 2 of your testimony you highlight that when you arrived in Michigan at the Human Services Agency in 2011, you felt that the organizational culture was off, was too focused on signing eligible people up for programs quickly, and you think it suffered from a lack of real outcome measures.

So I guess my question is: what would you consider to be the real outcome measures? What are the success points going forward that we should be looking at?

And then I do want to talk to you real quickly also about Community Ventures Program and how it is helping employers.

*Ms. Corrigan. Very well. We were attempting to sign people up as quickly as possible. I think an example of that would be SNAP, the pressure to have people receive food assistance as quickly as possible without asking is this individual getting a job. You know, has the need for the social services safety net programs ended? Are they working? Have they found work?

So that to me is a critical question that ought to be asked across our programs. That is the outcome metric. Are people getting to self-sufficiency? So that is one thing I would counsel.

The second thing I want to mention is on the family formation issue because we know the data on single parenthood versus married parents, and I think that Ron Haskins and Isabel Sawhill from Brookings have done valuable work in talking about the success sequence and getting that word out.

That is not happening, but we know that if you finish high school, if you get a job, get married, and then have children, in that order, your odds of being in poverty are reduced so much, but I am not aware that that family formation program has been publicized adequately, and I urge the success of that. We know what works, but it needs to be implemented across our Nation. So I think that would be critical.

I am not sure if I answered your question yet.

*Mr. Dold. I appreciate it, Ms. Corrigan. Thank you so much.

Mr. Chairman, my time has expired.

*Chairman Boustany. I thank the gentleman.

Mr. Smith, you are recognized.

*Mr. Smith. Thank you, Mr. Chairman.

Mr. Chairman, I am pleased to be part of the subcommittee's work of examining the welfare system. The current maze of Federal programs creates far too many opportunities for taxpayer dollars to be wasted due to fraud and abuse.

Some people need help. Others do not. I am extremely concerned that without changing our approach to lifting people out of poverty, some people who need help will

not be able to navigate the maze of all the Federal programs to get the services they qualify for.

It is a major problem when these programs offer benefits to people who do not need any because those benefits should go on to those who need it.

A number of welfare programs automatically pay benefits for a full year before reviewing whether the recipients' needs have changed.

Mr. Chairman, without objection I would like to submit a news article titled "Michigan Woman Who Won \$1 Million Lottery Ticket But Kept Using Food Stamps Loses Benefits" from 2012 into the record.

*Chairman Boustany. Without objection.

*Mr. Smith. Thank you.

The report states that a Michigan woman won \$1 million in the lottery, continued to receive \$200 a month in State food assistance for six months. That is wasteful and ridiculous. She may have needed benefits before winning the lottery, but single people who earn a million dollars in any calendar year should not get food stamps.

Cases like this take away limited resources from people who really need a hand up. When our programs lack proper eligibility reviews, we waste precious taxpayer dollars.

It is this simple. If you are not eligible for benefits, you should not get benefits. There are more reports that detail how prisoners and even dead people collect millions of dollars in welfare benefits.

Mr. Chairman, I would also like to introduce into the record a news article that says "Massachusetts Audit Finds Dead Welfare Recipients Collecting Millions of Dollars."

*Chairman Boustany. Without objection.

*Mr. Smith. Thank you, Mr. Chairman.

Here I have a 2013 news article that detailed a State audit from Massachusetts where 18 million was distributed in questionable public assistance benefits. To quote this article, quote, "in 1,164 cases, deceased recipients continued to receive a total of 2.39 million in benefits up to 27 months after they had been reported dead," not a month but 27 months.

Dead people should not get benefits, especially more than two years after they have been dead. When they do, taxpayers are defrauded, and the people who need it most suffer.

Mr. Chairman, without objection, I would like to submit one more article into the record. It is titled "New Jersey Sent Welfare Checks to Prisoners."

*Chairman Boustany. Without objection it will be included.

[The information follows: [The Honorable Jason Smith Submission](#)]

*Mr. Smith. Thank you, Mr. Chairman.

In May of 2013, the New York Times reported in this article that \$24 million in benefits had been paid to ineligible prisoners. New Jersey has State laws requiring unemployment, welfare, and pension benefits only go to people available for work. If you are not available to work and ineligible for benefits, you should not get benefits.

Again, I am concerned that we are not using our limited resources efficiently and upset that our programs are not making it to the people who need it the most.

I could continue to list several examples of waste, fraud and abuse. It goes on and on. That is why we are here.

Ms. Corrigan, I have a couple questions. In 2011, a GAO testified that simpler policies, better technology, and more innovation in evaluation could reduce inefficiencies. Has this happened?

*Ms. Corrigan. I do not think it has to the extent that it should, Congressman. In our State of Michigan, I think we made great improvements.

I wanted to point out State law was amended around lottery winnings after the million dollar lottery winner, and last year's farm bill included provisions on lottery winnings as well. We worked to get that in.

I totally agree with your point, and we took action to change it.

*Mr. Smith. Good. So we often also discuss, Ms. Corrigan, that we need to cut down on bureaucracy and tear down silos at the State and local levels when it comes to administrating programs, but what can and should happen at the Federal level?

*Ms. Corrigan. I believe the same proposition applies here as well and that across committees there needs to be a look-see at safety net programs across committees that would tear down silos.

For example, in Michigan, the biggest barrier our workers found was transportation. Getting people in rural States to the worksite is really difficult, and yet that is something that is not touched on well enough.

So could it be that you would reach out across the committee silos to look at safety net programs across committees to see how would it affect a client, you know, what these various needs are, and how could they be solved?

*Mr. Smith. I agree. On quick question. Do you know of any States that have model legislation where they are proactively identifying people who abuse the system?

*Ms. Corrigan. The State of Maine, Mary Mayhew, the Commissioner in Maine. I would invite her to be a witness. They are doing tremendous work on waste, fraud and abuse in Maine.

*Mr. Smith. Thank you so much.

I yield back.

*Chairman Boustany. I thank the gentleman.

Mr. Crowley, you are recognized.

*Mr. Crowley. Thank you, Mr. Chairman.

My colleagues on the other side of the aisle must have misread their calendar because Halloween, I believe, was on Saturday. It has come and gone. So if they were trying to scare people into thinking that there is some epidemic of spending too much in helping people, I think they missed their mark.

What is really scary is what my colleagues plan to do going forward, what they propose to do in their budget, and every time we have had this discussion. Let us start with the premise of this hearing: that there are supposedly, and I quote, 80-plus programs to help Americans. They say that as if helping Americans is something bad.

I am looking at some of the data on the programs that they are calling into question, and the top ten programs that help low income Americans: Medicaid, Supplemental Nutrition Assistance Program, Supplemental Security Income, the earned income tax credit, Pell Grants -- I am surprised that is on a welfare list -- assistance to seniors on the Medicare Part D Prescription Drug Program, the additional child tax credit -- that is another one that kind of strikes me as interesting being considered a welfare program -- Section 8 Housing Choice Vouchers, the Temporary Assistance for Needy Families Program, and grants to support education for the disadvantaged.

Far from being duplicative as we have been hearing, I would say that those seem to cover a pretty wide range of critical needs, everything from health care to hunger to education and to housing. It seems my colleagues are not just comparing apples to oranges. They are comparing apples to the entire produce department.

But that is a page out of their favorite play book: toss around scary numbers that are based on misleading data and then claim we need to cut those programs down. Criticize, consolidate, and cut, that is what they want to do. We have seen it time and again.

Words get tossed around like "coordination," "flexibility," "consolidation." It all sounds great, but the effect is always the same. Let us have less of everything, funding, services, and people served.

I would suggest that this does look complex. It looks complicated. Life is complicated, quite frankly, but having said that, this is an over exaggeration. I have circled about a dozen things that are not even duplicative, some of which are not even considered welfare by any reasonable standard.

Mr. Greenstein, what have we seen historically when my colleagues on the other side of the aisle propose consolidating programs into block grants?

*Mr. Greenstein. Well, I mentioned this earlier and talked about it in my testimony. I would make a distinction between situations where maybe one or two very similar programs are put together and it is called a block grant, like low income energy assistance, and areas where we have very broad block grants.

So there have been 13 broad health-human services or social services block grants created over recent decades. In 11 of the 13 the funding levels have fallen, in four cases by more than 60 percent. We have actually just completed a new analysis. It will be out soon where we looked at the funding levels for all of these broad block grants since their inception, and basically as I said, 11 of the 13 fell, and if you take all 13 as a group, the funding level in 2015 for the combined funding level is 28 percent below the 2000 level after adjusting for --

*Mr. Crowley. That is striking, and I am struck in particular by the example of social service block grant. That was a bipartisan program that both side of the aisle agree with to give flexibility to the States to make sure that that money is being spent properly.

Funding was sharply cut over the years, and in 2012, Republicans on this Committee tried to eliminate the entire program saying it was too flexible. It seems step one is blocking grants. Step two is eliminating them altogether. So I guess step three will be throwing up our hands and wondering why States have so much trouble providing necessary social services to their constituency.

Mr. Greenstein, in your experience is that attack on the social services block grant typical of block grant programs?

*Mr. Greenstein. Well, the social services block grant, in one sense it is a little bit different in that it is actually a mandatory funding stream rather than a discretionary appropriation, but nevertheless, the funding experience has pretty much been the same. It has gone down very substantially in real terms.

One of the issues with the very broad block grants is that the uses of them are so diffuse that it is often unclear what exactly the crystallized purpose is. How do you measure impact and how do you document it because it is so diffuse over so many areas?

And that is probably one of the factors that has contributed to the funding erosion.

*Mr. Crowley. Mr. Greenstein, I thank you.

Mr. Chairman, I just note my colleague had mentioned checks going to prisoners in the State of New Jersey. I just wanted to point out I believe the study was of 2009 to 2011. I believe that Governor Christie, Republican governor, is the governor of the State of New Jersey.

And I yield back the balance of my time.

*Chairman Boustany. I thank the gentleman.

Just to clarify, this chart that we have is actually a graphic depiction based on a CRS article. We just put it in graphic form to demonstrate the complexity because I do not think anybody can deny the level of complexity creates problems and some waste in the system, and I think there is a way that this Committee can work to try to take the programs under its jurisdiction to make them more effective to help the people who are truly in need.

*Mr. Crowley. Mr. Chairman, would you yield for one moment?

*Chairman Boustany. I will yield.

*Mr. Crowley. Would you consider Pell Grants welfare?

*Chairman Boustany. I consider Pell Grants to be a program to help low income individuals. This is based on the CRS article.

*Mr. Crowley. Do you believe that middle class families actually receive Pell Grants?

*Chairman Boustany. Middle class families do, but again, you have got to look at the circumstances.

With that we are going to move on. I now go to Mrs. Noem.

*Mrs. Noem. Thank you, Mr. Chairman.

I represent the State of South Dakota. So I appreciate all of you being here. Out of the top 11 counties in the Nation that are struck with poverty, I have five of them in my State. Many of them are on tribal lands and hit my Native American tribes and it is generational poverty.

I believe that a lot of the people in South Dakota face and utilize programs, but yet it is not necessarily lifting them out of the programs and getting the results that we truly do need.

We have a very low unemployment rate in our State, but in some areas we have 80, 85 percent unemployment just because of where they are located, lack of economic development, but also because we have not had the ability to have programs that truly gave the work force training that we needed and the infrastructure that we needed to really change their lives.

So I am very interested in reforming these programs so that we see more results, and I guess, Mr. Davis, I would like to ask you in particular because of your experience on this Committee in the past: how many of these program that we see displayed throughout the committee hearing on the chart have been evaluated for their effectiveness that you are aware of?

*Mr. Davis. Well, I think the question is there are evaluations that take place internally and reports that are submitted by agencies, but the one problem that I found early on where Ranking Member Doggett and I chose to take the issue of data standardization is there were no common systems of measurement.

And I think one of the areas where the parties can talk past each other is to say any time the issue of cost control is raised that we are advocating cutting or elimination of the programs. When we look at populations in need, there are processes or gaps that are created that create excessive cost because of excessive time or the problems that a person has simply to access those benefits, and this can be heightened in rural areas simply because of the distance and lack of proximity to any type of primary care services.

What we found, I think, conclusively, and it really follows a pattern of any organization that begins to move in this direction to optimize performance, yes, technically the commercial term might be "cutting cost," but I think realistically you are creating capacity and opportunity for those additional dollars that may be spent for overhead that can be redirected into other areas.

*Mrs. Noem. I think we all certainly want to make sure that the taxpayers' dollars are being well spent and that they are actually beneficial and not being wasted or abused in some manner like we heard discussed earlier. But I am more interested in making sure that they actually work, that we do not continue to spend money that does not work.

So there is not a standardized evaluation system at all that we see rise to the top in most of these programs. Is there one that you would recommend or at least three or four different triggers we should be watching in these programs that would show this program is effective?

*Mr. Davis. I would say that each customer area, if you will, is different and different types of businesses, for example, that use data warehousing as we discussed earlier and

build these logical data models, they will take, say, each individual customer who will have 15 to 17,000 attributes in one file about them, and it is in order to serve them better.

A retail outlet might have a completely different objective in selling a person clothes than, say, a bank. In a banking system or in detecting credit card fraud or ways to serve or sell more services to that customer, data scientists working with business operations professionals simply develop algorithms or analytic tools to identify what those needs are and every time that there is an input in the system, it updates that central data record.

So I might be an educator and Ms. Corrigan might be a housing person and an unrelated TANF or SNAP situation happens. Something is input in that system, and I suddenly realize my person has lost their job, and I have a child now possibly moving out of a school district. Is there a way to preempt that?

She might have there is an issue with housing that has to be addressed immediately, and rather than, say, making your person on the tribal land have to drive 50 miles if they have a car or find that, the time can be overwhelming, and it can create a situation that causes hopelessness where folks just give up.

*Mrs. Noem. Yes.

*Mr. Davis. And I think if we look in our own lives at that, we have all felt those kinds of pressures in different areas, and what we are talking about is simply simplifying that process so that we can serve more effectively.

And I think the rhetoric of eliminate a cut or somehow the motive is someone on benefits is bad or, you know, the desire of one side is simply to pour more money is not really the case. I think we are looking at a very clinical process problem that once fixed can model much of the best of the commercial sector.

*Mrs. Noem. So perhaps that first step would be making sure that we have an area where data can be collected, that all programs can utilize and look at the same family entity that is accessing these programs so that we are starting with the same data point. Is that what you are suggesting?

*Mr. Davis. Exactly, and then from that place, each agency could draw the data or the analytics that they needed to serve more effectively, but it is all populated in one area.

And what would come with that, frankly, is predictive modeling where you would, in effect, be able to begin to see trends in advance of the likelihood of, say, a child going into crisis, potential domestic abusive situations that are going on, you know, addressing what is done, for example, from a jail database management process that can not only effect in real time a do not pay stop on benefits, but if there is a child involved, it could trigger someone else to make sure that that child's needs are met effective so that they do not fall through the system.

And I think creating additional work-arounds is not the answer. The idea is simplifying this data to get a realistic picture of what is happening so that the front line workers can help in real time.

*Mrs. Noem. Well, Mr. Chairman, I know I am out of time, but I do want to talk about the importance of having a sense of urgency on these programs. Some of my tribes right now are dealing with a suicide epidemic of their youth because they feel hopeless, and they have seen these programs continue to be utilized among their people and not get them out of poverty and not give them a hope for a future, and that is why I think it is critical that we do not just have this hearing and talk about this. It is critical that we take the ideas and suggestions that we have heard today from our witnesses and utilize them to reform these programs so that they work and get people off programs and providing for their families.

With that I yield back.

*Chairman Boustany. I can assure my colleague that is the intent, and that is to move forward with policy that will help Americans in need.

With that, I will now yield to Mr. Young.

*Mr. Young. Thank you, Mr. Chairman.

I want to thank all of our panelists for being here today. A special shout-out to Scott Sanders. I really appreciate your service as Indiana's State Commissioner for the Department of Workforce Development. You are now doing us proud nationally, learning best practices and promulgating those.

You know, our Federal welfare system illustrated by this chart of various benefits and services to low income individuals, clearly too convoluted. We need to tear down the walls. We need to connect the dots and focus more on outcomes as opposed to inputs. I think that is a bipartisan sentiment.

There are implications not just on our Federal FISC, and those are very important, but real human impacts that having suboptimal constellation of programs results in.

So on the fiscal end I will not belabor this point too much because I am, frankly, more focused on improving people's lives beyond just the fiscal implications, but I think it is important to note that our Federal Government devotes roughly one-sixth of its spending to ten major means tested programs and tax credits.

And in the four decades since I have been on this earth, spending on those ten programs has risen tenfold. I do not think any of us would say that lives have improved tenfold. We know that spending is expected to continue to grow another 80 percent in the next decade.

So before we spend all of this money and as we continue to try and improve lives through our Federal social safety net program, we of course need to improve the whole constellation of various programs here.

Since 1990, as I understand it, there have only been ten entire Federal social programs that have been tested using the so-called gold standard for testing such programs, randomized controlled trial, multi-site evaluations, and out of those ten programs, I have been briefed that only one has really had any sort of even modest effects, positive effects. Nine have shown weak or no effects.

So this results in capability deprivation, as a Nobel Prize winning economist once characterized poverty. We need to harness everyone's capabilities throughout our economy. It will benefit all of us. It is the right thing to do.

So as we focus on measuring outcomes, not inputs, I am very interested in the comments of Mr. Lyon and also Judge Corrigan. It is something both of you in your written testimony made note of.

How do we incentivize States to experiment with new approaches, Mr. Lyon, so that we can arrive at better outcomes?

You cited the Michigan example. I wonder whether there might be some financial incentives that we offer States so that they can experiment more and we can figure out exactly what does work, perhaps social impact bonds or performance based contracting prizes. What are your thoughts on that?

*Mr. Lyon. I think definitely anything you can do to incentivize programs that work is integral in this. There are different funding streams that could do that, you know, a higher Federal match, for example, for a program that works, that is preventive, that is evidence based. That is definitely the way to go, especially if it improves people's lives and saves money long term.

And when I say "improved people's lives" I also mean works from generation to generation so that we begin to end the cycle of hopelessness that so negatively impacts our culture. That is very important.

The first and most important part though is we really have to agree on what the metrics are. What is the outcome that we are looking for? Is it employment? Is it health? Is it self-sufficiency? Is it a customer satisfaction survey? I would comment it should not be. There should be more solid outcomes, and that is very important.

*Ms. Corrigan. I wanted to commend to you, Congressman Young, a program at the University of Notre Dame conducted by Professor James Sullivan, the Laboratory for Economic Opportunity.

Part of the problem that States have in testing to find out what really works is the expense, and I believe that Professor Sullivan's program at Notre Dame is creating a model for the country, in effect, because what they are doing is attempting to marry up less expensive testing with programs so that we can find out, yes, you know, with the best means that exist out there, does this really work or not, and I know you are familiar with Professor Sullivan.

*Mr. Young. I am.

*Ms. Corrigan. But I want to commend that as a model that would be helpful to incentivize States to find out what is working in this area.

*Mr. Young. So if the chairman will indulge me, I am familiar with LEO up at the University of Notre Dame and Professor Sullivan's good work, and perhaps he would be a witness in the future that we might bring before this Subcommittee for testimony.

Thank you, and I yield back.

*Chairman Boustany. I thank the gentleman. We will certainly take that under consideration.

In closing, a lot has been said about this chart depicting the complexity of our safety net programs. I just want to emphasize again that this is simply a graphic that was taken from a very extensive CRS report entitled "Federal Benefits and Services for People with Low Income Programs and Spending."

And the intent was to look at the size and composition of Federal spending directed toward low income people as a focus of public policy, and my friend from New York raised a question about the Federal Pell Grant Program. Well, in this report it simply says, "The Federal Pell Grant Program is the largest education program for people with limited incomes accounting for 58 percent of targeted Federal education spending in fiscal year 2013 and ranking as the fifth largest program in this report."

And so it is for needy students. I mean, these are people who have need, and the point of all of this is we have to understand the complexity of this. We have to understand the inherent problems of coordinating these programs if we are going to create a safety net system that works for all Americans because we have far too many Americans in need today.

That is the intent of this hearing. That is the intent of this Subcommittee in moving forward.

So with that, in closing I want to thank our witnesses for their tremendous testimony. This has been terrific and has been very, very helpful to all of us as we try to understand these important issues. You have shed light on some very important and complicated issues.

If members have additional questions for the witnesses, they will submit them to you in writing, and we would appreciate receiving your responses for the record within two weeks so we can complete the record.

And with that the subcommittee stands adjourned.

[Whereupon, at 11:44 a.m., the subcommittee was adjourned.]

[Public Submission For The Record](#)