

**Hearing on Moving America's Families Forward: Setting Priorities for Reducing  
Poverty and Expanding Opportunity**

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HEARING  
BEFORE THE  
COMMITTEE ON WAYS AND MEANS  
U.S. HOUSE OF REPRESENTATIVES  
ONE HUNDRED FOURTEENTH CONGRESS  
SECOND SESSION

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## CONTENTS

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[Advisory of May 24, 2016 announcing the hearing](#)

### **WITNESSES**

#### **Tarren Bragdon**

President and Chief Executive Officer, Foundation for Government Accountability  
Witness Statement [[PDF](#)]

#### **John Engler**

President, Business Round Table  
Witness Statement [[PDF](#)]

#### **Olivia Golden**

Executive Director, CLASP  
Witness Statement [[PDF](#)]

#### **Karin VanZant**

Executive Director, Life Services, CareSource  
Witness Statement [[PDF](#)]

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**Hearing on Moving America's Families Forward: Setting Priorities for Reducing Poverty and Expanding Opportunity**

U.S. House of Representatives,  
Committee on Ways and Means,  
Washington, D.C.

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The Committee met, pursuant to notice, at 10:07 a.m., in Room 1100, Longworth House Office Building, Hon. Kevin Brady [Chairman of the Committee] presiding.

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\*Chairman Brady. Good morning. The committee will come to order.

Welcome to the Ways and Means Committee hearing on Moving America's Families Forward.

Today, we are holding our first full committee hearing on America's welfare system in 10 years. We are doing this because the current system is failing to deliver results for those that need it most, and it is our responsibility to be part of that solution.

Today's hearing is about people, and right now there are more than 46 million people in our nation who are living in poverty. Decades of experience tells us the most effective antipoverty program is a job. And of those who are working age and in poverty, nearly two in three are not working, many of them not by choice, but in large part because of the welfare system.

The current system is a disjointed maze of more than 80 different programs that have been layered on top of one another, with little result for coordination, duplication or purpose. For decades, money has been thrown blindly at the system, without a genuine

regard for effectiveness in actually delivering real results. This approach lacks compassion and respect for American families trapped in poverty.

We need a system that provides more Americans with personalized solutions, real paths out of poverty, and better opportunities to realize their potential. A critical step in achieving that is to define a clear set of principles to guide our work. And we believe we have four that do just that.

First, we will expect work-capable adults to work, or prepare for work, in exchange for receiving benefits, because it helps to set individuals on a path to long-term employment. Secondly, we will strive to get programs' incentives right. We can do that. Recipients, taxpayers, employers, states, and nonprofits will all be better off when someone moves from welfare to work. Third, we will focus on results of welfare programs and do everything possible to ensure they are actually helping individuals and families. And fourth, we will seek to improve integrity of programs to decrease fraud and preserve welfare benefits for those most in need.

Streamlining and better coordinating the disjointed maze of antipoverty programs will not be an easy task. These programs span the welfare system, as well as the jurisdiction of several congressional committees, including ours. I believe our committee needs to do all it can to advance targeted solutions. I know our members have bold, innovative ideas based on solutions being used in their own back yards.

And most importantly, we all believe everyone should have the opportunity to achieve the American dream, Americans like Ms. VanZant, who is here to testify today. She escaped the maze of the welfare system and now spends her days helping others do the same. She joins us as executive director of Life Services at CareSource, a national nonprofit health management organization serving more than 1.4 million Americans. Her work is dedicated to helping others navigate barriers to self-sufficiency so they can move out of poverty and up the economic ladder.

We have a lot we can learn from Ms. VanZant and all the witnesses here today. And I am grateful to all of you for being here to share your knowledge and help our committee identify solutions to help more Americans move out of poverty and up the economic ladder.

I thank all of our witnesses for joining us today. I look forward to your testimony.

I now yield to the distinguished ranking member from Michigan, Mr. Levin, for the purposes of an opening statement.

\*Mr. Levin. Thank you, Mr. Chairman. If I might, a special hello to Governor Engler. Nice to see you again.

Mr. Chairman, reducing poverty is so vital a pursuit that the true test is action, not words, especially when the actions unmask rhetoric. There is a dramatic disconnect between the worthy goals of poverty reduction and the agenda Republicans have continually pursued in this and recent Congresses. Eliminating food assistance for 13 million Americans, as suggested by the latest Republican budget, will not reduce poverty and hardship, it will increase it. Cutting child care and other services funded by the Social Services Block Grant, which Republicans voted earlier this year to eliminate, will not increase opportunity, it will deny it up to 30 million Americans who now depend on the program.

Jeopardizing health care coverage for over 20 million Americans by constantly attempting to repeal health reform will not help struggling families, it will hurt them. Raising taxes on one and a half million working families by eliminating their refundable tax credit, as marked up by the committee, will not lift families up, it will push them down.

Cutting state funding for job training and placement will not help workers get good jobs, it will make it harder for them to stay competitive. And slashing support for higher education, including Pell grants, as required under the Republican budget, will not help people climb the economic ladder, it will rip that ladder away.

Our Republican colleagues seem to mistake cutting poverty programs with cutting poverty. They woefully ignore analyses that show our income security programs reduce poverty by over 40 percent.

Indeed, the Republicans can accept some immediate steps proposed by Democrats, which Republicans have previously blocked, to support work, promote opportunity, and reduce poverty. Expand access to quality child care so that parents can go to work without worrying about the well-being of their children, improve pathways to education and training so that Americans can gain the skills needed to climb into the middle class. Reform the parts of our tax code that continue to tax some working Americans deeper into poverty, childless workers with low wages. Strengthen the TANF program so it does a better job of supporting families and rewarding work, instead of being unduly used for other unrelated purposes. Ensure equal pay for women, who now earn an average of 78 cents on the dollar compared to men doing the same job. And increase the minimum wage, which study after study has shown will reduce poverty.

The American people are yearning for real action on the challenges facing our nation, rather than glossy reports. And no one is more deserving of such a debate than the 47 million Americans who now struggle in poverty.

Thank you, and I yield back.

\*Chairman Brady. Without objection, the members' opening statements will be made part of the record.

\*Chairman Brady. Today's witness panel includes four experts. First, we welcome distinguished Governor John Engler, president of the Business Roundtable; Ms. Karin VanZant joins us as the executive director of Life Services at CareSouce; Ms. Olivia Golden is the executive director of the Center for Law and Social Policy; finally, we are joined by Mr. Tarren Bragdon, who is the president and CEO of the Foundation for Government Accountability. And we have reserved five minutes for opening statements.

We will begin with Governor Engler. You may begin when you are ready, sir.

Can you hit that microphone, Governor?

STATEMENT OF GOVERNOR JOHN ENGLER, PRESIDENT,  
BUSINESS ROUNDTABLE

\*Mr. Engler. Good morning Chairman Brady, Ranking Member Levin, members of the committee. Thank you for the opportunity to be here today.

My name is John Engler. I serve as president of the Business Roundtable, an association of CEOs of leading American companies operating in every sector of the U.S. economy. Thank you very much for the opportunity to bring this employers' perspective today on how America can build on the historic achievement of the bipartisan welfare reform of 1996.

When I last testified to Congress on these issues, it was 2002, I was governor of Michigan and chairman of the National Governors Association. I stressed that effective welfare reform depended on Washington setting overarching goals and leaving specifics to the states. This remains as true today as in 1996, when we eliminated the old and failed AFDC program. Back then, education and job training were critical. Today, our high-tech economy has raised the stakes.



We face serious challenges. The NAEP score, our nation's report card, shows that just 37 percent of high school graduates scored at the college-ready level for reading and mathematics. This means too many young people are graduating who are not ready for their first job or college without remediation. This lack of preparedness can be a leading disadvantage and a lasting disadvantage in college and in the job market.

Consider this. A recent Gallup survey asked, are graduates prepared for work? Ninety-six percent of chief academic officers said, yes. In contrast, only 11 percent of business leaders said these graduates are prepared for work.

So what can the public sector do to reverse these results and close this preparedness gap? Reform should focus on putting people on pathways to work. The chairman just said this in his opening statement, but a job is better than no job. And then, when someone goes to work, we need to prepare them for careers. Everyone needs competencies that are valued in the workplace.

Next, we need to create a more efficient system for delivering government assistance that is flexible and encourages people to find and keep employment. The forthcoming reauthorizations of TANF, Perkins Act and the Higher Education Act offer an unprecedented opportunity for a more effective, better-managed strategies at the state and regional level. At the same time, Congress should insist on metrics and data transparency to evaluate which programs should be continued, consolidated or eliminated. Realtime labor market data is also essential to help individuals know where the opportunities are and what skills will be required.

Congress should also continue, we believe, to offer incentives to aid workers when seeking necessary education and training that can lead to employment. This can, as has been mentioned, include assistance with child care, transportation, counseling. Business leaders are quite passionate about better connecting the worlds of learning and work, and we believe that starts early with rigorous education standards and the first

milestone, ensuring that all students are reading at grade level by the end of the third grade. That is when we know our investments in pre-K are paying off.

We have no choice. If a student can't read, how will he or she be able to master the STEM fields? Our CEOs know first hand that their companies need many more employees knowledgeable in science, technology, engineering and mathematics. As for STEM careers themselves, Business Roundtable leads a national network of business and industry associations. We bring together business and industry groups to help educators better understand what competencies employers are looking for in today's world.

Today, credentials are often used to represent competency. There is an urgent need to bring full transparency to the world of credentialing so that individuals of any age can be assured that what they are purchasing, regardless of out of their own pocket or if they are borrowing or even if they are getting a grant from the government, is an investment that will help them get a good job.

Done right, transparency can also help job seekers identify the program best suited for them. Today, employers are also actively partnering with institutions of higher education, helping them develop curricula to teach competencies essential to the twenty-first century work force.

The public and private sectors must continue to work together to ensure a variety of models exist that can provide individuals the competencies that can put them first into a job and ultimately on to a career pathway where they can support themselves and their family.

And finally, I think that it is important that I state for the record, not everyone needs to go to college to be successful. At the same time, this is America. Everyone can aspire to go to college if they wish, but they should choose with the knowledge that it is increasingly likely that the job market of the twenty-first century will be shifting to focus more on competencies than degrees. Credentials will reflect what you have mastered, rather than where or what you have studied.

Thank you very much for the opportunity.

[The statement of Mr. Engler follows:]

\*Chairman Brady. Thank you, Governor.

Ms. VanZant, you may begin.

STATEMENT OF KARIN VANZANT, EXECUTIVE DIRECTOR, LIFE SERVICES,  
CARESOURCE

\*Ms. VanZant. Chairman Brady, Ranking Member Levin and members of the committee, thank you for the opportunity to testify and to help you explore this extremely important topic of how to assist low-income Americans as they transition off of government subsidies into a higher quality of life, health and well-being.

My name is Karin VanZant. I am the executive director of Life Services at CareSource, a managed care organization based in Dayton, Ohio. CareSource provides health coverage and assistance to 1.5 million Americans in Ohio, Kentucky, Indiana, and West Virginia, offering services through Medicaid, the health care exchange, and Medicare Advantage.

My responsibility is to help CareSource transform how it approaches health care. For 27 years, we have worked with our members to coordinate their care and have come to deeply understand their complex social needs. We have a new strategic focus to help people move from poverty to self-sufficiency. Life Services is our new model that brings together health, economic stability and social well-being for our members, something that they tell us has never happened before. And I can attest to that from first-hand experience.

While a junior in college, I found myself pregnant unexpectedly. I signed up for Medicaid and was soon was on full-blown welfare. I quickly learned that people treated

me differently when I asked for help, and I could have easily fallen into the trap of poverty if I had listened to the advice of many of my case managers, and if I didn't have incredible support from my family.

In my four-year journey to come off of government assistance, I completed my degree in social work and began working to fix the disconnected, broken system that I experienced. The system is well intentioned but misaligned, with government programs that are failing to move Americans out of a life of subsidy dependence. I think we all know intuitively what isn't working for almost 46 million Americans, low-income Americans.

We know that they have created a system that does a fairly good job of administering programs. But these programs do not move people to a life of independence. We pay for following the rules. And, quite frankly, we pay for one maintaining poverty status as long as possible.

The CareSource Life Services program is a unique approach that couples the largest low income safety net, Medicaid, with a holistic method to addressing economic and social well-being. Many of our members have told us that a job will change their lives and improve their health. We listened, and focus our efforts on the retention of work, the advancement of an individual's skills, and the ability to connect people to appropriate resources in the places that they live.

Life Services staff help our members to stabilize, identify their strengths and prioritize their goals. As members' lives stabilize, they are connected with education or employment opportunities. Once employed, our members meet with a life coach that helps them navigate the world of work as well as numerous subsidy cliffs.

In the past 15 months, CareSource Life Services has worked with approximately 850 members in an eight-county region in southwest Ohio. To date, 150 members have started education programs; 190 members are actively working with employers to obtain one of the 2,000 open positions by our 37 employer partners; 124 members have started

full-time employment, with 85 percent of them eligible for employer-sponsored insurance; and we have a 95 percent retention rate at 90 days, with 10 percent of our members actually being promoted in the first year of employment.

The experiences have been life changing for the individuals, as well as my team. Not to mention the significant state and federal cost savings.

Now let me tell you how this actually works for a member. In June of last year, we held a public job fair that introduced Life Services to our members. One member, Josh, arrived intoxicated. We offered him coffee and simply began to talk to him about his life. The next day, Josh received a phone call from CareSource care management team. Josh agreed that he needed help and began working with a care manager. Within six months, he had seen a primary care physician, a dentist, started AA and was in counseling. Throughout this period of time, he continued to work with the life coach and started to set employment goals. At six months of sobriety, Josh was ready for work. It took only one interview and Josh was offered a \$13 an hour position at a local manufacturer, ending a four-year period of unemployment for him.

Yes, Josh could have accomplished any of these things on his own, but he had not. He tells us that he didn't know what to tackle first.

In closing, I would like to emphasize, many of those who are in the Medicaid population are eager to work, but they need guidance and support. And by addressing physical health, economic stability and social well-being, amazing transformations can happen quickly, and the CareSource Life Services model is a demonstration of what is working for our members.

I thank you for the opportunity to speak with you today and I am happy to answer any questions.

[The statement of Ms. VanZant follows:]

\*Chairman Brady. Thank you.

Ms. Golden, please proceed.

#### STATEMENT OF OLIVIA GOLDEN, EXECUTIVE DIRECTOR, CLASP

\*Ms. Golden. Chairman Brady, Ranking Member Levin and members of the committee, thank you so much for the opportunity to testify.

I am the executive director of the Center for Law and Social Policy, an antipoverty organization that promotes effective federal and state policies, and I have administered human services programs in New York state, Massachusetts, the District of Columbia and the federal level, as well as studied their effectiveness as a researcher.

My written testimony makes three major points. First, the nation's core economic security programs are highly effective. They cut poverty almost in half, improve nutrition and health care for millions of people and promote work.

Moreover, a growing body of rigorous research shows that these supports have positive effects on children's health, work trajectory and income many years later. So a two-generational effect. For example, expanding health insurance coverage for low-income children has large effects on high school completion, college attendance and college completion. And having access to SNAP in early childhood improves adult outcomes, including health and economic self-sufficiency.

Research also indicates overwhelmingly that these programs support work, particularly for low-income parents. What typically holds people back from working is not too much support, but too little, such as the absence of help with child care.

In my written testimony, I cite evidence from rigorous studies by many researchers using different methods, and all showing that child care subsidies, the earned income tax credit and the full package of benefits, including health and food assistance, support more work and steadier work over time.

I also cite recent steps to improve support for work, including the choice made by 31 states, including Ohio, to expand Medicaid under the Affordable Care Act, which means that parents and other low-income individuals in these states no longer have to fear that taking a job will eliminate their access to health coverage.

The second major point is that changes in the economy which have fostered low-wage and unstable jobs mean that high employment rates do not translate into low poverty rates. These changes have affected a wide range of working Americans, but their greatest impact has been on low-wage workers. In addition, remaining gaps in the safety net also lead to economic distress and lost opportunities for workers to succeed and children to thrive.

Third, to reduce poverty and expand opportunity, Congress should avoid bad ideas, those that are demonstrably harmful, and should seize opportunities that build on research and experience.

Starting with the bad ideas, all the available experience with block grants suggests they don't work for core safety net programs. Their appropriations shrink drastically over time, fully one-third in the case of the TANF block grant, and they cannot respond to economic downturns. During the recent great recession, SNAP and Medicaid, which are not block grants, provided greater support to states, communities and families as need rose. On the other hand, the capped TANF block grant left families and states without resources just when they needed help most.

Flexibility doesn't solve this problem. For example, the Child Care and Development Block Grant is highly flexible. But because of capped federal funding, the number of children served has hit the lowest number in more than a decade. Too much flexibility also risks diverting funds from programs' core mission, as is evident in TANF. And block grants are ill-suited to supporting nationwide goals like ensuring that every American starts life healthy and well nourished, but instead contribute to disparate life chances based on where a child is born.

Another bad idea is so-called work requirements that are counterproductive, do not build on the best available evidence about what works, or that cut off people even though they want to work, as in the SNAP time limits for able-bodied adults without dependents. My testimony summarizes the provisions about what kinds of strategies truly support work and which don't.

In conclusion, to truly reduce poverty and promote opportunity, Congress needs to tackle the economic headwinds facing workers and fill remaining gaps in the safety net. My testimony proposes five next steps. Ensure access to high-quality child care and early education. I think Governor Engler highlighted that as well. Expand access to effective work force development programs and career opportunities. Tear down financial barriers to post-secondary success. Fix gaps in the safety net for the neediest Americans. And establish minimum standards for wages, a stronger minimum wage, and for job quality so jobs support rather than destabilize families.

Thank you so much, and I look forward to your questions.

[The statement of Ms. Golden follows:]

\*Chairman Brady. Thank you.

Mr. Bragdon, please proceed with your testimony.

STATEMENT OF TARRAN BRAGDON, PRESIDENT AND CHIEF EXECUTIVE  
OFFICER, FOUNDATION FOR GOVERNMENT ACCOUNTABILITY

\*Mr. Bragdon. Thank you. Mr. Chairman, Ranking Member Levin and members of the committee, thank you for the opportunity to testify. I am Tarren Bragdon, the founder and CEO of the Foundation for Government Accountability, a nonpartisan, multistate policy organization that works with state leaders across America to free individuals from poverty through proven welfare reforms.



All of us are here because we want the same thing, to help as many families as possible escape poverty as quickly as possible. The best way to do this, and to solve many of the other challenges welfare programs currently face, is through a simple but powerful tool that must be core to any welfare reform conversation. Work.

But here is the fundamental problem with the welfare reform conversation. It is a debate dominated by rhetoric and anecdote. Fifty years ago, Congress and President Johnson tried to answer the question of how do you end poverty. But the sad truth is that strategy has failed. But the tragedy of the failed welfare state is not how much money is being spent, the real tragedy is how many families are being trapped in poverty for far too long, sometimes generations.

So how do you get somebody out of poverty as quickly as possible? In 1996, Congress and the President in a bipartisan way took this problem head on, requiring able-bodied, childless adults to work in order to receive food stamps, working 20 hours a week or volunteering. And if they refused, they would have to cycle off the program after three months. But Republican and Democrat administrations allowed states to waive these requirements. But thankfully, several governors are restoring them. And I will focus my comments on two states, Kansas, which restored them in 2013, and Maine, which followed in 2014.

We launched an effort in Kansas to track the 41,000 people impacted by this policy change with the largest study of its kind, matching those who were on welfare with the state's Department of Labor hiring and earnings database to see what happened after the policy change. Maine replicated this methodology for 10,000.

The results are inspiring and we no longer have to rely on speculation or anecdotes. But we can see how common sense work requirements worked. And the results proved that the bipartisan effort of Congress 20 years ago was on the right track.

Before Kansas restored work requirements, recipients on average received about \$200 a month in food stamps, whether they worked or not, and most did not. But for

those who refused to meet the work requirement and were transitioned off welfare, guess what happened next? They went to work in record numbers, half right away and 60 percent within a year. And not only did they go to work, but average income of workers doubled and the average income is now above the poverty line. Maine saw a similar success, all of this within 12 months of the work requirement being reinstated.

And even those who stayed on welfare were better off. Enrollees were more likely to be working, more likely to be working more hours. Incomes increased, and the average time that somebody spent on welfare was cut in half.

Simply by following the work requirement you established 20 years ago caused enrollment for these adults to drop by up to 90 percent. Because people literally transformed themselves through work, earning hope, higher income and a brighter future.

This paints a clear, inspiring and simple roadmap to federal welfare reform. And it is a road that Congress has already traveled.

If Congress could do just one thing, it should be to add these common sense work requirements and time limits to most of the 80-plus means tested welfare programs for all nondisabled working age adults. And here is another important thing to consider. This reform frees up limited resources to help the truly needy, including the more than 600,000 Americans who have intellectual disabilities or are in frail health, waiting for Medicaid waiver services. And fortunately, these are also incredibly popular bipartisan reforms, with 82 percent of Americans supporting work requirements. This is an American thing.

It turns out that work works. You set the standard 20 years ago, and I am here today to ask you to finish what you started.

Thank you. My written testimony highlights in much more detail, as well as I attached the reports and some of the key takeaways. And I would be pleased to answer any questions that you have.

\*Chairman Brady. Great. Thanks, Mr. Bragdon. Thank you all for your excellent testimony.

So we will now proceed with the question-and-answer session, and I will begin.

And I want to really talk about the difference between alleviating the symptoms of poverty, sort of the old school approach, versus addressing the causes of poverty. Under our current, outdated, old system, a person in need comes in and we provide assistance to meet their immediate needs, be it housing, food, whatever, and then send them on their way. Next month, six months, a year later, the same person comes in, still in need of help. We haven't helped them move up the economic ladder, or even to grab onto the first rung, as Governor Engler pointed out. What I have realized, we often alleviate the symptoms of poverty, we don't really address the underlying reason why they need the help in the first place. That is what we are interested in.

Ms. VanZant, your organization helps low-income individuals and families with more than just their short-term needs. You remind me of my sister, who runs a faith-based homeless program in Humble, Texas, called Family Promise of Lake Houston, that focuses one by one on homeless families, gets them into that job, into that apartment, onto their feet, really focusing, as your organization does, on their needs longer term in addressing them.

So from your standpoint, what are the specific things you do to help people escape poverty? What should be our priority?

\*Ms. VanZant. Mr. Chairman, thank you for the question. Members of the committee, one of the things that I have seen in the 20 years of working with low-income individuals across the country is many times they are not listened to. And so we tend to build programs that are one size fit all type of program, and every one of the 46 million Americans has a different life path and different experiences.

And so what we are trying to do, albeit in an individual way, and to make it scalable, is really listen to what's going on in the lives of our members. And then we have a three-prong approach.

We believe, if you think about a stool, three legs of the stool. You need to have good physical health, you need to have good economic health, and then you have to be connected to the place that you live in some way, whether that is through a church organization or a civic organization, a school or a job. You need to have relationships in your life. And when we can focus on all three of those things, we really can start to customize what are the needed supports to move people forward.

We also know that, as people are moving forward, as they define their goals, as they stabilize in their life circumstances and as they are connected with resources, they are going to approach a subsidy cliff. And we want them to be well informed of that. It is very difficult to know what the eligibility requirements are and when the subsidies are going to decrease. And so we want our members to be well informed of what is coming ahead. How can that social connectedness or community resources be a backfill until we can really restructure some of the policies that can support the transition off of government subsidies and into a fulfilled life of work and purpose.

\*Chairman Brady. So addressing the cliff and really creating a glide path, you know, not just to reach for that first rung but to be able to stay on that first rung as they work their way up is important?

\*Ms. VanZant. It is very important. You know, I think we all know that some of the faces that our families are making as they want to move out of a life of subsidy or out of a life of subsidy into prosperity are they are going to have to start somewhere. We all had to start somewhere. And it is going to take time, once you start in the lower wage jobs, to be able to build your skills, build your longevity and credibility with an employer to get to the higher wage jobs.

The graphic that we provided to you as a part of our testimony packet shows that many of our members have the same type of purchase power at \$12 an hour as they do at \$18 to \$20 an hour. And so we really have to continue to find the right types of incentives, the right levels of incentives so they can move from \$12 an hour to \$18 an hour, and they have enough time and enough education to be able to fill that gap. Because without the same purchase power, any one of us would probably go back to a life that we know, instead of continuing to be on that ladder moving forward.

We're also trying to help our members with the right kinds of creative supports so that they can keep taking those positive steps forward.

\*Chairman Brady. Thank you very much.

Governor, from the business perspective, in your experience as the CEO of a state, how do we get the incentives right for those who really need to get back, to expect work, to get the incentives aligned right? Your top priority for us?

\*Mr. Engler. Getting the incentives right, Ms. VanZant's testimony is really important because these cliffs that people encounter along the way, if we go back to the decision when we eliminated the old AFDC program, we used to have something, I know Chairman Rangel in the old days will remember, income disregards. And those used to be a terrible system. When you basically hit the work force, you started earning money, immediately when you got a dollar, they took a dollar away from the grant.

And we had to change that to create incentives. And these incentives have to be allowing someone to constantly earn more money. Because people are smart. If they can earn more money, they will choose to do so. And so that is important.

The most important thing that I think though we have to do may not even be this Committee's specific responsibility, but it's America's responsibility. And that is, we have got to interrupt the cycle. We are spending \$650 billion on our K through 12 education programs and the nation's report card, as I mentioned, is indicating 36 percent

of American children at the end of the third grade can read proficiently. If America can't teach its kids to read, I am questioning whether or not America can end poverty.

I think we can teach kids to read. We do it in schools where there is 100 percent population free and reduced school lunch. But I think as a national priority, and this is a state and local responsibility, but it is on the national agenda, we have got to teach our kids to read. If kids can't read, I mean, we know where the supply line is then for the future.

\*Chairman Brady. Governor, thank you. Mr. Bragdon, do you believe our current and past work of welfare and tax benefit programs, you know, some 80 plus, provide an effective ladder of opportunity to the middle class for those to try and work off welfare? And does cutting through that and really focusing on important priorities like a work requirement for work capable, is that really the key?

\*Mr. Bragdon. Yes, Mr. Chairman, I really think it is. Because we know that the best way for an individual to get out of poverty is to be working full time year round. Less than 3 percent of those who are working full time year round are in poverty.

But unfortunately, what happens in most welfare programs is we are paying people not to work, rather than pointing them back to work and getting them back in the work force as quickly as possible. And that is why the research from the largest ever tracking studies in Kansas and Maine really show the power of that simple but very direct reform of a work requirement, gets people back to work. And it is not a stopping point. If you look at the research, their income is improving every quarter, they are changing into better and better jobs, and they are earning the success that will ultimately give them the hope of a better life.

\*Chairman Brady. Thank you, sir.

I now recognize the senior ranking member from Michigan, Mr. Levin, for any questions.

\*Mr. Levin. I must confess I find the discussion we just heard appalling, that we are paying people not to work, when we have proposals that would help people who are working opposed, whether it is child care, whether it is education, Pell grants, whether it is Head Start. It is appalling to characterize those programs that way.

Ms. VanZant, your organization very much relies on Medicaid, yes?

Mr. Bragdon, was your organization involved in the effort in Florida to not utilize expanded Medicaid?

\*Mr. Bragdon. Yes, we talked about what happens when you expand the safety net.

\*Mr. Levin. The answer is yes. Your organization on your website brags about opposition to expanding Medicaid in Florida, no?

\*Mr. Bragdon. Yes, we were involved in that fight.

\*Mr. Levin. You were actively involved in that effort, were you not?

\*Mr. Bragdon. Yes.

\*Mr. Levin. You are a 501(c)(3)?

\*Mr. Bragdon. Yes.

\*Mr. Levin. You are a charitable organization?

\*Mr. Bragdon. Yes.

\*Mr. Levin. And you were actively involved in that effort. How many people in Florida, because Florida did not expand Medicaid, do not receive Medicaid today? Do you know how many hundreds of thousands?

\*Mr. Bragdon. Well, there is a whole range of estimates, but it is anywhere from 600,000 to a million. But for us, it is about taking care of the truly needy first.

\*Mr. Levin. I see.

\*Mr. Bragdon. Florida has a waiting list of individuals with intellectual and developmental disabilities. And we really think it is about prioritizing the truly needy first, rather than giving Medicaid coverage to able bodied adults who, if they were

working full time at a minimum wage job, wouldn't qualify for that benefit. And we think those adults, the best path out of poverty is not a Medicaid card but it is a job.

\*Mr. Levin. Ms. Golden.

\*Ms. Golden. I just wanted to correct a few things along the lines you are talking about. First of all, the relationship of Medicaid to work. I think what I would highlight is that the Medicaid expansion in the 31 states has been of extraordinary importance to working poor adults. That is a lot of who has gotten those benefits.

\*Mr. Levin. By the way, Ms. VanZant is shaking her head in agreement.

\*Ms. Golden. Yes. And I think the story in Ms. VanZant's testimony about Josh, what as I understand it you were able to do was, because he had access to that Medicaid safety net, he was able to get to a doctor and a dentist and deal with his health.

So to me, health care is a crucial basis for getting a job. That is what the evidence says. There is a new study just came out from the National Bureau of Economic Research that says expansion states can show more days of work because, not surprisingly, you are able to go to the doctor, you are able to get treatment, you are able to go to work.

In addition, I do want to note the two generational effects. You get Medicaid, you have nutrition for your child. It is not only that it stabilizes your ability to go to work, it is that research is increasingly showing advantages to your child's work later on.

And I think there are lots more to say about the challenges in the studies that Mr. Bragdon cited. But I just want to say one other thing about the research on the safety net and work. Most people who are getting help right now, from SNAP, from Medicaid, everybody getting help from the earned income tax credit, are working. They are working in low-wage jobs or insufficient hours. But in order to make ends meet, they are also getting some help.

The evidence says that that stabilizes their lives and enables them to move up. And I think it is important that the stories about ways in which it might hold people back



usually are based on a picture of the safety net from 20 years ago, before the earned income tax credit, which increases with people's earnings, was as powerful as it is today, before the Affordable Care Act created the Medicaid expansion and then the subsidies. And so the current safety net, in fact, is a crucial stabilizer and support for people as they move up.

\*Mr. Levin. My time is up. I just want to reiterate just the two of you sitting next to each other I think shows this effort to dichotomize is dangerous.

By the way, in terms of TANF, Michigan, we are using so little of the TANF monies in relationship to work, Governor, today it is disgraceful. They are using it for everything but, in most cases.

\*Chairman Brady. Thank you.

Mr. Johnson, you are recognized.

\*Mr. Johnson. Thank you, Mr. Chairman.

You know, I would like to thank all of you all for being here, by the way. And as the program's name reflects, the Temporary Assistance for Needy Families is meant to be a safety net for families that find themselves in need. But the solution is not just to continue providing benefits and hope that it will be a solution. But the solution is to empower these families to be able to enter the work force, not just so they can provide for their family but so they can have a chance for the American dream.

Ms. VanZant, I would like to start with a question to you. Do you believe our welfare and antipoverty programs are working as intended to address the core issues, such as unemployment, that result in these families living in poverty?

\*Ms. VanZant. Mr. Johnson, that is a complex question and part of my answer is based on both my personal experience and the experience that I have had with thousands of low-income Americans across the country.

I believe that many of the safety net programs were put in place to be a temporary solution for people that fell into situational circumstances that needed a little bit of help.

And I also believe that what we have are some families that are four generations into living in these temporary solutions and have created such a dependency that is so hard to break, when you have seen what your parents have done and what your grandparents have done.

And so I believe that, yes, we do need safety net programs because we do know that there are going to be situations that any one of us could fall into where we will need a little bit of help. But I also believe that we need to be able to quickly move people out of the programs and into a life of work and into a higher quality of life that employment can bring.

\*Mr. Johnson. Thank you, ma'am.

Governor Engler, as governor, you oversaw Michigan's implementation of welfare reform and now you have a different view of these programs from the private sector. Can you discuss what you think has been the most successful reform for getting these families out of poverty by promoting work?

\*Mr. Engler. There are two aspects to that. One is you need a good strong economy, which I know is a priority of this Committee. And there are a lot of things that could be done. Right now, our nation is suffering from the worst recovery from a deep recession we have ever had, historically speaking, and we are under performing against both trend and certainly against potential. And so there are a set of things over there.

But regardless of the economy, there are always opportunities. And you are correct, Congressman, in 1996, 1997, 1998, after welfare reform was done in the Congress, and remember that was a labor that this Committee worked very hard on back then, two times it went up and vetoed. On the third time, the Medicaid block grant was removed and then the President signed it, and that was President Clinton. And it was bipartisan throughout the process. It was complicated and it was noisy. But we got it done.

And what happened is the states at that point had tremendous flexibility. And I remember Michigan had quite a competition with Wisconsin going those days and Governor Thompson, who certainly fancied himself a welfare reformer and we thought we could compete pretty well in Michigan.

But our goal was to use the flexibility that we had to be able to develop solutions. And this is where, again, Ms. VanZant's personal testimony is important, about her personal experiences. These solutions are going to be different.

And that is why no committee of Congress can figure out one size that fits all for all of America. It is different in the state of Michigan. It is very different to put somebody to work on the Upper Peninsula of Michigan than it is in the city of Detroit or West Michigan. And so there are lots of different stories and you have got to have a work force in your human services agencies, who can use all of the tools. Because it might be mental health services, it might be a medical need, it might be an education need. It might be personal needs, it might be personal care. It might be transportation. Any of these could be the barrier.

And we felt getting someone connected to the work force, even if it was a volunteer, would lead to the first job, could lead to the second job. But we thought any job was better than no job.

\*Mr. Johnson. Absolutely correct. Thank you, Governor.

Mr. Chairman, I yield back.

\*Chairman Brady. Thank you.

Mr. Rangel, you are recognized.

\*Mr. Rangel. Mr. Chairman, thank you so much for calling this hearing. And I want to thank all of the witnesses for coming forward. And, Governor, it is good to see you again, because no matter what differences one might have with you, we all know that it is a common goal to make America stronger. And all of the witnesses, I understand, especially Ms. VanZant when she says one size doesn't fit all and you can't have just a

blanket policy, Ms. Golden with years of working. I regret that I am not familiar with Mr. Bragdon's work. But I understand you fought hard to keep people from getting on Medicaid. We will talk about that another time.

But, Governor, the most important thing that you said impressed me is that we have to train people who are not working, not productive, for jobs that we are begging for people to have these skills in order to work. So if we get rid of the do-gooders and the charitable organizations and get down to the Business Roundtable, where people have a fiduciary relationship to shareholders to make certain they make a profit, it would seem to me that the employers would do all that they can to make certain they have a work force so that they can effectively compete with all nations and within our own borders. To do this, you don't have to be a social worker to know that poverty just doesn't work in terms of getting a decent education, a family setting, a decent school, or the proper training.

And if American businesses go and they see this situation, you don't have to go to church to find out we have to do something to improve that. The private sector should be telling these schools what they need, besides just a diploma, and providing the incentives and getting into the schools and to making certain that we can shatter the myth that people don't like to work. It is absolutely stupid to say that working gives you self-esteem, it gives you pride, it gives you family unity, it keeps you out of trouble, it gives you health, and it gives you what it is like to be an American.

So let's talk about the Business Roundtable and see whether we can get together before this great President leaves office with some pilot projects that says that diplomas are not nearly good enough as getting a job. And this is what you said. We have people out there that, just because they don't have the skills, it doesn't mean that they are bums. Because if it did, when I got out of the Army, I had more medals than you could get. I was a bum because I had no skills except killing people. And the G.I. Bill made the difference for so many Americans.

I am going to get together with you. It is good to see you back into this. And I don't see where there is any conflict in trying to get people out of poverty, getting them an education and get to where we want for all of our people. It is good to see you again.

And thank you, Mr. Chairman, for calling this meeting. And I hope that this hearing is just not an excuse to cut things and to be negative, but find out how we can better use our resources for a better country. Thank you so much.

\*Mr. Engler. I think there is a question in there. But I would like to comment. There is a minute left.

\*Mr. Rangel. Yes.

\*Mr. Engler. Because I saw that beautiful portrait and those medals up there. So we have the same interest. Because you have the military as a very large employer under the public responsibility of the Congress. Today in America, three of four young people cannot get into the military. Half cannot get there academically, the other half cannot get there physically, so that we are to one in four. So that is the work force for the military. It is the same work force that the Business Roundtable is concerned about.

And so we have exactly the same interests. We would love to work with you. We have got to get all these kids reading. That is something that has to happen. America can teach its kids to read.

We do not need to tell everyone that it is mandatory to go to college, because we have a lot of jobs out there requiring skills. You want to climb a pole to string a wire, you can make \$80,000 to \$100,000 a year today, and we are looking for those people. A company in Iowa, I can connect, if anybody has got constituents, we have an address of that company, we can get you to them.

If you want to weld, the American Welding Society has the highest possible credentials. If you get trained as a welder today, even with the oil industry in a bit of a slump, there are still welding jobs all over America. And those can make you \$65,000 to \$85,000 a year. Do not need college for those, but you have to have the skill, you

actually have to be able to weld. And so, if we get busy on infrastructure, I am over time, but then there also a huge training opportunity we can do along with that. So we have the same, we are simpatico.

\*Chairman Brady. Thank you, Governor.

Mr. Tiberi, you are recognized.

\*Mr. Tiberi. Thank you, Mr. Chairman.

Today's hearing is about how we get families, individuals off of the social safety net into the work force. That should not be a partisan issue. I think we all agree over the last 50 years, it has not worked so well.

I think about my own life. I was on the free and reduced lunch program. There are more kids in the Columbus school on the free and reduced lunch program today than there were when I was a kid. There is a bigger need for affordable housing today than when I was a kid. There are more people who want a job that cannot get a job today than when I was a kid, in my community. And yet we have spent millions and millions and millions of dollars at the federal and state level.

Ms. VanZant, God bless you. You put a face behind reality. And you have shown that it can work, and you have transitioned from your own experience to trying to help others. I have looked at people in the eye, to your point, who have been provided all sorts of opportunity and have this glazed look in your eye because they are trapped in poverty, trapped in poverty.

\*Mr. Rangel. It is misdirected.

\*Mr. Tiberi. And it is not misdirected, Mr. Rangel. We all care about trying to get people out of poverty. But trying to think outside of the box is not mean and disgraceful, it is trying to figure out what works.

You know, one of the things that I just did with Representative Kind on a bipartisan basis is introduce a bill called Investing in Opportunity Act. Mr. Engler, I would like to have you take a look at it. Because what it simply does is it says we have

distressed communities, by the way, both urban and rural, throughout America. And a new report came out yesterday by a bipartisan think tank that said three out of every 10 U.S. counties in America continued to lose jobs after the great recession between 2010 and 2014. That is a third of our counties have continued to lose jobs. And what are they? They are our distressed counties. They are our poorest counties. They are urban and they are rural. What do they lack? They lack private investment. They lack jobs.

So we can continue to throw money. But if a person does not have a job, they are not going to get out of poverty, to your point, Ms. VanZant.

But, Mr. Engler, to go even further, this is unbelievable. The percentage of U.S. counties seeing more businesses close than open has tripled since the 1990s, those same counties. I get a call from a third generation business owner in Columbus, Ohio, last week, after the Vice President visited our county to announce some overtime rules, that said this rule -- and I am not making this up, we could call him to testify -- this rule is actually going to reduce the number of jobs that we have.

So here is a regulation, a well intended one, by the way, that is actually going to affect the very people who we are talking about today.

So Mr. Engler, you were governor. How did you engage the private sector? How do we better engage the private sector in areas that need it most in areas that need it most, those distressed communities in rural and urban America that have the highest unemployment rates, that have the highest number of people on our social safety network? And, in particular, how do we ensure that opportunity reaches those individuals that Ms. VanZant talked about?

\*Mr. Engler. Well, we had, at one point in the 1990s, we got our unemployment rate down to about 3.3 percent in Michigan. But there were a lot of things going on. We had gotten very noncompetitive as a state, so we were changing the tax code, we were trying to improve the education system, we were trying to improve other services. And

we tried to reduce the cost of government. We shrunk non-public safety employees in the government by almost 20 percent during a decade long period.

So you have to have this healthy private sector. And you mentioned it. I mean, you mentioned small business. For the first time in history, we had three consecutive years where we lost, more small businesses closed their doors than opened. That has never been the case. And that was not in 2008 and 2009, that was a couple of years ago. I think last year, it might have turned. We had three years in a row. Never had had that. Small businesses are job engines. Small business is where a lot of people can get started without a lot of experience.

We also engaged the private sector to work with a lot of the volunteer agencies. We found in some cases getting somebody to go to Goodwill, start working there, was a way back into the work force. And then that little bit of training gave them some job experience that could let them go to the hardware store and maybe work there or the drug store. It is all hands on deck when you are trying to deal with this.

\*Chairman Brady. Thank you. Dr. McDermott, you are recognized.

\*Mr. McDermott. Thank you, Mr. Chairman, for calling this Committee. I know we are starting the Paul Ryan for President campaign, conservatives are now very compassionate. But the text for today's committee ought to be from Matthew 7:15. We will know them by the fruits that they produce.

And you bring a witness here today whose website brags, "Across the country, our efforts kept 20 states from expanding a broken Medicaid system under Obamacare."

Now, if you think that is how you are going to take people out of poverty, you have really got a tough sell job. Because Ms. VanZant, I was listening to her and I thought of Lynn Woolsey, who was a Member of Congress, who had the same experience, a little bit different from yours. She was going along, she lost her marriage, she has three kids, she is alone, suddenly she is on the welfare system. And she has



Medicaid. And she managed to get through community college and got elected to Congress.

There are people for whom those programs work. I mean, we are acting like it doesn't work anywhere.

And when you take health care, okay, so you haven't got any, you have Medicaid right now. So you get a job. You get a \$7.25 job. That means you are making 19,000. Let's make 13.25, as Ms. VanZant said with Josh. He is making 35,000.

Does he still qualify for Medicaid? If he doesn't, then he has to go into Obamacare, where he might need a subsidy at \$36,000 to buy a policy. But this Committee takes away, wants to take away the subsidies. They want to take away the subsidy to the employer who subsidizes his employee. Every way you want to cut it away and leave them without health care. Now, Ms. Johnson out there somewhere is 25 years old, she's got two small kids. What are her problems? Feeding her kids, right? Finding decent housing that she can afford.

The Section 8 list in Seattle, and we're the fastest -- we're the fourth fastest growing city in the country. We're almost bigger than Detroit in population, which tells you the city that was once fourth is now way down there with us at 26th or something in size in the United States. That's what happens when you don't deal with the needs of people. The cities disappear, the problems grow and grow and grow, and you've got this Ms. Johnson, you want her to go to work.

Ms. Johnson, quit sitting there and worrying about your kids.

Well, I don't have a GED or I don't have the money to go to community college. Or I do have some skills, but I need childcare.

One of my colleagues from the last campaign said, "I spend more on childcare than I spent to go to Princeton." And that's what it costs to that woman making \$7.25 an hour. And nobody wants to talk about raising the wage around here. They won't want to go up to 10, 12. They don't want to go anywhere.

Ms. Golden, you would like to say?

\*Ms. Golden. Yeah, I was going to suggest an individual that people should have in their minds when they think about poverty and then come back to your point about what that person takes. The woman who was there for my father-in-law in his last illness, the lead homecare worker, was working a lot of hours at a very low wage doing extraordinary work, caring for two kids with very little ability to count on having those hours, right?

And so I don't know exactly what her income was, but she was -- she's the person to have in mind as the face of poverty today. It's not someone who doesn't want to work. Women with young kids are in the labor force at levels of 70 percent of all mothers, 60 percent with a child under age three, single mothers more than that. And so it's somebody who's working, who's not getting enough hours or enough dollars and who needs healthcare to move up, who may need help still feeding her kids and who needs childcare.

And to go to Mr. Rangel's point about the GI bill, what she needs -- and this I think also goes to Mr. Engler's point -- is the ability to get some education and additional skills to be able to move up, but not at the cost of feeding her kids. So she's going to need something that gives her some earnings along the way, some Pell Grant help, and that's what's going to work.

So I think the picture that has been part of this conversation of people who don't want to work is a red herring. Almost everybody is working and the issues are about low wages, not enough hours and what you need to stabilize your life in order to be able to move up.

\*Mr. McDermott. I yield back the balance of my time.

\*Chairman Brady. Thank you.

Mr. Reichert, you're recognized.

\*Mr. Reichert. Thank you, Mr. Chairman. I want to thank all of you for attending today and especially appreciate our witnesses who come and share their personal stories and their success. I think that's always a moment of inspiration that all of us on this panel should share in and recognize and the people in the audience and those at home listening. So thank you for being here.

We've had a number of witnesses come in and share their stories, and I really liked some of the comments that members on both sides are making is that we're here today to -- struggling with -- I'm 65 years old, and I'll be you that there were people sitting on this dais talking about homelessness and poverty and education 65 years ago. And here we are, of course, still struggling with it trying to find the right answers.

And that's what today's hearing is about. We're trying to work with everyone on the dais here and those of you who are here and those in the audience to find the answer to really helping people.

I'm the oldest of seven. I ran away from home when I was 16. My father, I remember, when we first moved here from Minnesota with two babies, looking for work, telling the story of him going to a business down in Renton who wasn't hiring, but every day he would go to work, sitting on the curb, waiting for a job opening. Finally, two to three weeks into sitting on the curb with his lunch bucket, somebody came out and said that there was a person who was hurt or quit and there was an opening for him so he could put food on the table for his family of nine.

When I was the sheriff in King County, one of the things that I did in the morning is that I'd walk through the parks in downtown Seattle and one of the parks right next to the county courthouse was called Muskatel Meadows, and you can imagine what went on there. I sat down on the park bench and talked to the homeless people, and some of those people wanted jobs.

Some of them told me, "Look, I don't want a job, I like it right here where I am because in the morning I can be at this place and get breakfast, in the afternoon I can go a

few blocks down the street and I can get lunch. I can go up here to get healthcare, and I can go down here and get dinner. I don't want to work. I like it right where I am. I don't want to do anything. I want free healthcare and I want free food."

The other people that I spoke to want jobs, and so I called some of our faith-based organizations and the pastors that I know and they came down and they held interviews in my office and took them, put them in the homes, got them jobs and then I did that for about a week and a week later I showed up at my office, I had 15 people lined up in the sheriff's office like I was an employment agency looking for work.

My executive assistant was not happy with me. We were the sheriff's office, not an employment agency. But I wanted to help people. I've been to the poorest of the poorest homes and the most wealthy. People want help. And it's not our job here today to argue about this. It's our job here, ladies and gentlemen, to find an answer together.

And I know I'm on my soapbox here for a moment, but I am so tired of hearing the rhetoric from both sides really on what needs to be here and what needs to be there and that person needs this and that person needs -- look, I agree with Ms. VanZant, and I don't know how anyone can disagree. One size does not fit all. It's our job here today to not get political, but to find answers to changing the system to help more people.

Education is absolutely key, training is absolutely key, the engagement of the private sector is absolutely essential for this to work, OJT, all of that is absolutely necessary. So I know I don't usually do this, I usually ask questions, but I had -- I just had to be passionate about this for a moment and make a plea for this panel to come together for the interest of those who are homeless, for the interest of those who need our help and make a difference.

Ms. VanZant, how do you think -- I know and the governor's been asked this question. How do you think the private sector can be more engaged? How would you reach out to them?

\*Ms. VanZant. So we've been working a lot with our employer partners and I absolutely agree, there has to be economic opportunities on the other side of the equation. And a lot of times we get stuck in this conversation about how we're going to help low-income people get prepared for work, but we don't often talk about preparing employers to receive those that want to work.

\*Mr. Reichert. Yes.

\*Ms. VanZant. And so we've been doing a lot of work with our employer partners in southwest Ohio educating them about what the transition off of government subsidies look like, helping them to understand how they may actually be their own worst enemy when it comes to finding candidates that want to work. We've helped some of our employers restructure their hiring practices and the types of assessments that they put people through in order to find a job. And so I really do believe it has to be on both sides of the coin.

\*Mr. Reichert. Thank you, Mr. Chairman.

\*Chairman Brady. Thank you.

Mr. Lewis, you're recognized.

\*Mr. Lewis. Thank you very much, Mr. Chairman.

I want to take a moment to thank all of the witnesses for being here. Because the gentleman from the state of Washington spoke so passionately and eloquently, I feel like testifying at maybe the end of my comments. Maybe I will testify just a little bit.

Now in my home state, the state where I've been living since I was 23 years old, the state of Georgia with a Republican governor and others before this governor had used TANF block grant's dollar to fill holes in other programs. Georgia has diverted federal dollars to subsidize other program and service. They receive awards for cutting programs, reducing assistance and making it harder to helping the working poor. That is not right, that is not fair, that is not just.

These resources are to help the poor. Now I grew up very, very poor in rural Alabama, born in a shotgun house. But in 1944 when I was four years old -- and I do remember when I was four -- my father had saved \$300 and with the \$300 a man sold him 110 acres of land. So I know what it is to work in cotton fields, picking cotton, gathering peanuts, pulling corn, raising chickens.

And I've seen poverty all across America. It's not just poverty and hunger and people left out and left behind because of one race or one color. African American, yes; whites, Latinos, Asian American and Native American. We're supposed to be about the business of helping people, responding to the basic human needs, and we're not doing that. We spend too much time talking the talk, but not walking the walk.

And I think we must act, we must do something. If we fail to act, history will not be kind to us as a nation and as a people. I've been here now for almost 30 years. The American people are sick and tired and I'm sick and tired of seeing us not doing something in a significant way. And I want you to tell us what we must do and what we must do now, not tomorrow, not after this election, but what can we do now to fill the holes, help people.

You need healthcare, basic healthcare, you need to expand Medicaid in order for people to be able to have able bodies to work. We can't have sick people trying to work, cannot have people who cannot receive enough to eat.

Ms. Golden, what should we be doing?

\*Ms. Golden. So that was very powerful, and I know this agenda may not quite feel grand enough. But here's what I would say. Healthcare, absolutely. Everybody needs to be healthy in order to work. And if you think about the next generation, about that child who's four years old today the way you were four years old, that child needs to have a parent who's healthy and can raise them and can work.

I would say investing in children's earliest years, childcare programs, early childhood. We're now -- we're helping the lowest number of people in more than a

decade with childcare assistance even though it's incredibly expensive, but it's incredibly important both for parents and for children.

I do think that the Congress has done a lot right over the 50 years since those great society programs. So part of it is about not doing anything that would take you backwards, right? We have a nutrition program that we know is helping people eat where they weren't eating before, and so part of it is holding onto that.

I would also say you have to take on the characteristics of work, of low wage work. I think we do have to take on the minimum wage and the hours and the leave. And then I would say -- and this is a piece where I think I share some elements of the agenda with others here -- we have to take on the ability to get training and get education even if it's two years of community college. And we have to understand that today's students are not getting paid for by their parents. They are independent --

\*Chairman Brady. Thank you, Ms. Golden. I'm sorry. Time --

\*Ms. Golden. I'm sorry.

\*Chairman Brady. -- has expired. We're trying to be respectful.

Mr. Roskam, you are recognized.

\*Mr. Roskam. Thank you, Mr. Chairman, and for hosting this today. It's an interesting thing to listen to the nature of the debate actually, and there's sort of an ebb and flow to it.

I want to associate myself with some of the remarks that Mr. Rangel made a minute ago in his interaction with Governor Engler and sort of speaking to that level of restlessness and anxiety that's out there about people that just don't feel like they've got basically a shot at the title. That's an interesting insight, and I think that we can build on that.

I also just want to bring the committee's attention to my friend and our colleague, John Lewis's Twitter feed. He said this: "Fifty-five years ago today I was arrested in a Jacksonville, Mississippi bus station for using a 'whites only' restroom." And the hashtag

is #goodtrouble. And I think good trouble is maybe something for all of us to get into today and to challenge a little bit of the orthodoxies on both sides.

So good trouble may involve something where there's an acknowledgment on the political left that says the war on poverty wasn't really all that successful.

Now Ms. Golden has taken a different view of that and has defended some aspects of the status quo. But I'm not really buying it. I am really concerned about the nature of the war on poverty. Well-intentioned, God bless them, well-intentioned. But trillions of dollars that has basically yielded this isn't working. American public didn't get what they were bargaining for, and, in fact, they got situations that are worse.

John Lewis's journey was a journey out of poverty and it's his own story, compelling by the way, to read his book, "Walk with the Wind." But he is out of that, and he's testament to what can happen when a larger community effort is around it. But what are we describing today? We're describing today kids who are stuck into four generations of that, that are completely beaten down.

And it's not as if a federal check is the remedy. Ms. VanZant, your testimony, part of it that's most compelling was the coaching and the coming alongside and the assistance that you're giving. That is really sort of -- that's where this can become life-giving.

And I'm not here necessarily thinking everybody who -- that there's a bunch of people who don't want to work, but there are some people who don't want to work. There are some people who are abusing the system. So let's separate out those who don't want to work and let's empower those who do.

And I think part of the -- if this is a matter of recalibrating child credits, if this is a matter of recalibrating childcare initiatives and so forth, there's something intuitive to that and it makes a perfect amount of sense to me. I'm not persuaded that block grants are bad things. I'm not persuaded that the Federal Government has the ability to come out with a



one -- a large declaration. If the state of Michigan can't figure out with a one-size-fits-all, we know that the Federal Government cannot figure out a one-size-fits-all.

So I just want to encourage the nature of this discussion today and I think a number of us would be willing to sort of get into some good trouble about this. Because I'll tell you what, the status quo isn't working, the status quo has underperformed, and the status quo in many cases is leaving people trapped from a generational point of view. And some of these kids that are being born today, they don't have a chance right from the get-go. And I think we can do a lot better than that.

I yield back.

\*Chairman Brady. Thank you.

Mr. Neal, you are recognized.

\*Mr. Neal. Thank you, Mr. Chairman.

I think that Sheriff Reichert and Mr. Lewis I think both offered some critical insight. And I've always thought that the safety net was supposed to act also as sort of a trampoline, that you hit it and you bounce back. And I think that we try meticulously to choose our words so as to not offend.

And in the case of, for example, work requirements, Mike Dukakis proposed work requirements in 1974 in his first term as governor of Massachusetts. And I remember that the reaction at the time -- but much of it really worked, but I think that the idea becomes how do you encourage work without being punitive.

And there were so many good things that we proposed in that 1996 Act, which, by the way, has been kind of easily cast aside, including childcare, transportation, tuition assistance. There were a series of things in there that we could use to build upon. And I think that -- I've noted some of the testimony that a former Republican staffer who was much involved in that discussion and debate. He has said over the last three or four years, well, there are some other things you can do.

So he hasn't taken an intransitive position, instead trying to be helpful about what we might do. And I will tell you that I now see, for example, the trade arguments. Unless there's some sort of a supplemental wage, the trade deals are going to, I think, be on the side of the road for a considerable period of time. And I think that until we begin to address now the 47 million Americans who receive food stamps, trying to figure out how to get many of those people back to work because they really do want to work.

And in an economic -- and I'm going to come to you, Ms. Golden. In an economic period when the Federal Reserve is now saying and projecting growth at 2 percent for the next decade, I mean the -- just to revisit the Clinton years when there were some quarters of growth north of 7 percent, 8 percent and 23 million jobs, revenue went through the roof. Formulae expending on poverty programs went through the floor.

And not to miss the point coming out of that recession that we lost track of almost 8 million people who took social security early. Other cases went to social security disability and also I think it's fair to say that one of the problems we have right now is skill set and also not to miss the following point, which I think is critical: 7 to 9 million Americans are working part-time that want to work full-time. The worker participation rate, I mean we need to pay attention to those things as opposed to just the talking points that are so frequently used in this institution.

And, Ms. Golden, would you talk about that whole notion of the 7 to 9 million people who working part-time and some of the things we that we might do?

\*Ms. Golden. Sure. I mean because I think one of the headlines that's really important as you deliberate on where have we been and where are we going is how many people who are poor or near poor and struggling in the United States today are working.

I said before about 70 percent of poor children live with an adult who's working, women are working, and we have, as you've just said, many people who are working yet who are not being able to make ends meet. And that's partly about wages, and then as

you've highlighted, it's partly about part-time work and transient work, work that starts and stops, right?

So one of the ways to deal with that is to think about what people need that will enable them to combine work and training and move up. And that's something that's important to spend money on. But the other piece is to try to directly address those bad jobs. And there are around the country, for example, fair scheduling initiatives.

There's legislations before Congress that would try to really focus on what does it take to make sure that somebody knows what hours they're working, doesn't have their lives messed up by not being able to care for kids, go to school, work enough hours. And then of course there's the minimum wage agenda.

So to me part of what you said about the safety net as a trampoline, when you look at what the researchers say about the safety net itself, what they say is since the beginning of the war on poverty, look back on those years. The safety net is working enormously better than it was. The problem I think -- cutting poverty in half, instead of by 1 or 2 percent. But the problem which you've just highlighted is that there's a big headwind from the nature of jobs.

And so I think we -- I think you're right. They're concentrating on what's involved in partnership with the private sector and through the public sector in enabling people to move up on the job and structuring those jobs themselves so they have basic standards of quality and of wages. That's really I think a powerful direction.

\*Chairman Brady. Thank you.

Dr. Price, you're recognized.

\*Dr. Price. Thank you, Mr. Chairman. And I want to thank -- commend the chairman for calling this hearing. I can't believe that it's been over 10 years since we've discussed this in Congress here at this -- in this Committee. And so I think it's incredibly important work.

Mr. Bragdon, you started your testimony by saying we all want the same thing, and I think at one level we do. The problem is that what we've been doing clearly hasn't worked. So what we're trying ask is: What should we do? What should we do? We are now 50 years into the war on poverty. And as somebody once said, poverty won.

We spend trillions and trillions of dollars -- literally trillions of dollars as a nation, and we haven't moved the needle on the percent of individuals who live in poverty in this country. It was 14.7 percent two years after President Johnson declared the war on poverty, and today it's 14.8 percent. Any sane, sober, reflective, sincere society would step back and say: What did we do? What happened? Why do we still have 14.8 percent of the nation's population in poverty? This is a disgrace.

So what we need to do is to find what works. What works? Sensible, responsible reforms. The chairman put up a chart up there that -- I mean it's not a piece -- it's not an artwork. I guess it is an artwork, but it's not meant to be an artwork. These are the 80-plus programs, income-based programs that are provided by this nation.

And you can't -- if you're trying to figure out your way through this as an individual coming into the system, goodness knows that you can't figure it out. This is part of the problem. There's no doubt about it. If it weren't, we would have decreased that number.

I want to commend the city of Atlanta, metropolitan Atlanta. Some folks have disparaged their communities in certain areas. The city of Atlanta, the business community in the city of Atlanta has done huge work in the area of education. The business community has identified community colleges and technical schools to say these are the talents that we need, let's work together and educate folks and train folks so that they can get a job, so they can have a job. Incredible successes. I would urge us to be thinking a little more about some of those success.

And to that end, Mr. Bragdon, your testimony highlighted some of those successes, and I just can't believe that we've kind of washed over the remarkable success.

The numbers are phenomenal. Would you just take a minute and share with us what you believe were the keys that allowed for those successes in Kansas and in Maine?

\*Mr. Bragdon. Thank you, Congressman, for that opportunity. I think the key really is, as part of the conversation that's been had here today is, individuals want to work, but at the same time, we have to have the policy and the incentives aligned with ensuring that they're taking the steps to get back to work. It's not enough to just want to work. You actually have to take the steps to get back.

And that's what these massive tracking studies from Kansas and Maine -- these aren't samples; these are studies of 50,000 people, person by person, of what happened after the policy change.

And what's interesting is -- and this wasn't in my testimony, but if you drill down to the individual county level, those counties with the higher rates of unemployment actually had higher rates of individuals complying with the work requirement or the job training requirement. And the individual stories are inspiring. There's one gentleman from Kansas City who was on food stamps for five years. Within a quarter of that work requirement going into effect he was at work and within a year he was making 45,000 in the marketing industry.

\*Dr. Price. I want to commend you and we ought to all be looking at this as a highlight and as a model for moving forward.

Governor Engler, you've been involved in this process -- this political process for a long time and governing, which is difficult, which is really hard. But when you look at this chart and you see what we've got, how would you recommend that work to coordinate all of these various boxes and squares, circles and triangles to make a system that actually can work for the American people.

\*Mr. Engler. I might just offer any governor the opportunity to take any program 90 percent of the funding free of federal regulation. You'd save money in the federal budget, and they'd get the flexibility to maybe make it work. That might be one way out.

I can't see Congress ever agreeing on a solution to reorganize this many programs, and probably every one of them is named after somebody, so you probably can't eliminate it either. So there we are.

So give the flexibility there to see if they couldn't come up with a better system. And I think some performance arrangements with the states are what's called for. Let 50 creative governors come in and make some proposals to the Congress or to the agency that you delegate and give them the authority to try and solve the problem. I do think entering the second half-century of the war on poverty we ought to be rethinking how we're approaching our strategy and it may not be that we've been using exactly the right strategy.

And I do commend the committee. One thing I haven't heard anybody call for today are at least public jobs programs. We've kind of gotten that out of our system in the years past. But we do have to have a more vibrant private sector that can hire, that's where Congressman Neal's point on -- you have a 4 percent GDP, you have a lot of jobs.

\*Dr. Price. Thank you, Governor.

Thank you, Chairman.

\*Chairman Brady. Thank you.

Mr. Doggett, you're recognized. And I'll make a point after you're recognized. To balance off the question, we'll go two-to-ones. Mr. Doggett.

\*Mr. Doggett. Thank you, Mr. Chairman. And I believe we have complete agreement with the first principle that you have referred to today, and that is that every able bodied person should be working or preparing to work. Governor Engler has referred to pathway programs. We have a number of successful ones in Texas: Project QUEST, working to get poor people into better jobs with the healthcare industry and with a Capital IDEA in Austin working to get some people into the tech industry to fulfill some of our workforce demands there.

Ms. VanZant has outlined a program that appears to be working very well. We just need more such programs adapted to local conditions to help people get good, long-paying jobs where they can climb into the middle class and support their families.

There's only one problem that I have with all of this and the announcement of these principals, and that is the failure of this Committee to do anything to implement those principals, specifically to rig up a way of considering the extension of temporary assistance for needy families in a way that denies any debate about reforms that could really make a difference to poor people.

And not all the ideas about how to get more able-bodied people into the workforce come from Democrats. In fact, one of them was included in then-Chairman Ryan's poverty rollout last summer. And it was embodied in legislation that was introduced by Mr. Tiberi and Mr. Renacci from this Committee. Mr. Chairman, I -- I mean, Mr. Chairman, I would ask unanimous consent to include Mr. Tiberi's press release about that bill in the record.

\*Chairman Brady. Without objection.

\*Mr. Doggett. And Mr. Tiberi told us that what he had was a commonsense reform. Unfortunately, it wasn't commonsense enough to get considered in this Committee. They have structured a process to deny us an opportunity to consider whether opportunities for more education or training by those who have been receiving temporary assistance for needy families should be made available and I think have substituted basically a press release suggesting from our last set of bills having divided up the question of temporary needy assistance for families into about six or seven different bills to avoid dealing with Mr. Tiberi's idea or any ideas that the rest of us might have about getting more able-bodied people to work, that what was substituted was a press release saying that the committee takes action to help families escape poverty.

I would love a report at the end of the year to show that if every one of these bills is adopted, that one person got out of poverty this year in America because they were adopted. This is about substituting not workfare for welfare, but substituting talkfare.

And then there is the question of the polka dot chart. And if you'd put it back up, I would appreciate it. You've referred to it in every hearing that we've had about poverty. That chart designed to show how expensive the trillion-dollar welfare system is, it's worth looking at the specific provisions on it.

Veterans Pension and Survivors Pension, Breast and Cervical Cancer Provision, the Ryan White HIV/AIDS Program, Adoption Assistance, Child Support Enforcement, the School Lunch Program, Federal Pell Grants, you know the people in my district can find the program out of that that meets their needs, and the person who has a problem with cervical cancer may not be someone who needs a Pell Grant, or they may need both.

To condemn President Johnson's war on poverty as a failure is to ignore the many who never engaged in fighting that war. And all of those who cut and run at the first sign of adversity on the battlefield, it is to ignore the fact that the states today are putting 8 cents of every TANF dollar into the work that we say we support.

We don't lack answers. We don't need intensive investigation of which program to support. We know that. Republicans have even recognized that. They simply don't have the courage to put their dollars where their mouth is. And as a result, we talk about what might help people escape poverty and move into the middle class, and we do next to nothing about it.

And that's what's happening this year. It's disappointing that our states will not fulfill their commitment -- if you want to look at a failed federal program, look at Temporary Assistance for Needy Families, because it shows you when you have a block grant to the states without adequate standards, it is a failure in accomplishing its purpose of moving people from welfare to work. I yield back.



\*Chairman Brady. Thank you. Just to clarify, that chart is based off a congressional research summary and listing of means-tested poverty programs.

\*Mr. Doggett. Mr. Chairman, I failed to include -- to ask your unanimous consent also. Barbara Lee could not be here today. She has the Democratic Task Force. May I ask unanimous consent to insert her statement in the record.

\*Chairman Brady. Without objection.

\*Mr. Doggett. Thank you.

\*Chairman Brady. Mr. Buchanan.

\*Mr. Buchanan. Thank you, Mr. Chairman.

And I also want to thank the panel and especially Governor Engler. I was from Michigan, and he was a great governor, so I appreciate the opportunity to have you here as a witness today.

Everybody brings a little different experience, but let me just tell you a couple of stories that have -- in the last month talking to employers, and I'll just -- just for a second. One guy I met, he dropped out of high school, he's got a GED, and he runs one of the most successful enterprises in Florida today. He's about 38 years old.

Another young African American 20 year-old is making in excess of a hundred thousand dollars, became a manager, he was telling me -- employer was telling me last week.

Another Hispanic young man, maybe 27, 28, making \$150,000 -- my point I'm saying in the real world -- that's the world I've been in for 40 years -- many people, they just need an opportunity. They need a job. And I think the governor mentioned something about growth.

If you can grow your state and create more opportunities, get in the right enterprise, you give me a 20 year-old, and I've created thousands of jobs. I don't care if someone's got a PhD or a master's in whatever. Maybe technically that makes good sense for a lot of that, but many times you can find a young person, whether it's in service, in

sales that can be one of the top performers in terms of a manager running a company someday, running an enterprise. I see that for the last 40 years.

And I guess I'd like to ask you, Governor, I know you work with large sea corporations. But maybe talk about the young people you've met along the way in Michigan for 12 years that got out of high school, maybe went to college for a year, dropped out and are some of the most successful people in the state of Florida.

And I heard a statistic that half of the millionaires, if you want to look at it from that standpoint, one way to measure it, are high school graduates. So I'd be interested in your thoughts on it.

\*Mr. Engler. A couple of thoughts and maybe just to set it up, response this way, if we think about people who need to work, the first person that's going to go back to work is the one who just left the workforce last week, lost their job, they're easy to replace. Somebody who's been working can go back to work easier than somebody who hasn't worked in five years or longer.

And what we're trying to do, I think, is put Americans to work. Americans -- I do believe Americans want to work. And what we're seeing is today an economy underperforming so there aren't as many work opportunities writ large. And that's the function of a 2 percent GDP growth rate versus 4 percent, and there are strategies that can raise that 2 to 4. A number of those are going to be in the jurisdiction of this Committee.

At the same time, somebody who's been disconnected from the workforce, we're trying to remediate their situation. If somebody's been living in poverty much of their lives, it's going to be a big challenge. But one thing we ought to pledge ourselves is not to make the same mistake with the rising generation. Let's not let their children -- because we haven't -- the education investments haven't been cut, they've been rising.

In Detroit where 5 percent of the kids can pass the reading test for NAEP, the nation's report, 5 percent are reading, in Wayne State, a large urban school there where

the graduation rate -- and this is six years of students, all students, is 32 percent, the underrepresented minorities --

\*Mr. Buchanan. Governor, let me ask you another question. I've got five minutes. Let me just mention also just -- because you had touched on the idea of incentives. I think Dr. Price had mentioned something about in the last 10 years in terms of this space, we've done little or nothing. And I think it speaks to both parties that we need to do something. But my attitude has always been continuous improvement. What incentives, from a state's perspective, might we consider or look at to improve what we're trying to do here in Washington?

\*Mr. Engler. You know, let the states try to figure it out. I mean I'm sorry, you just -- I wish I could give you an answer there's one thing this Committee could do that could fix the problem in America. You can't. Let the states try, and let's hold states accountable, let's set some metrics out there and let's have -- to the members who have spoken on both sides, let's bring the top two states back in and what have they done and let's bring the bottom two in, what didn't they do.

And let's evaluate how they spent TANF money. I would welcome that one. I was a governor. I would encourage you to hold current governors accountable. Bring them in and hear from them. But you can't fix it from Washington.

\*Ms. Golden. Could I add on state examples that are out there?

\*Mr. Buchanan. Yes.

\*Ms. Golden. Congress did agree in the Bipartisan Workforce Innovation and Opportunity Act on principles for workforce training, and I think what Mr. Doggett's highlighting is that what that bipartisan agreement said was you need to be -- at least a community college, at least a post-secondary credential is important in today's labor market.

Pathways that of the kind Governor Engler has been talking about where you connect up different work and training experiences, unfortunately right now the rules and

the sharply decreasing dollars in the TANF program make it really hard for states to come together even though they want to. And so figuring out how to have the resources and the incentives --

\*Mr. Buchanan. Thank you, and I yield back.

\*Chairman Brady. Thank you.

Mr. Smith, you're recognized.

\*Mr. Smith of Nebraska. Thank you, Mr. Chairman.

Thank you to our panel here today as well. I think this topic that we are addressing cannot state enough how important I think it is, and I am glad that there are folks across America who are engaging on the frontlines as you have.

I know that America is a big country, and during the economic downturn, not every state, not every region around the country, not even all parts of the same state faced the same challenges. And I'm kind of glad that in Nebraska we had roughly half the unemployment rate when the national unemployment rate was at 10 and we were at 5. I'm not -- I won't take the time to explain why I think that was the case.

But I look at a community just outside my district called Columbus, Nebraska. Columbus I would describe as very industrious, a population less than 25,000. In speaking to some of their leaders a couple of days ago, they're talking about adding 1,500 manufacturing jobs in a community of less than 25,000. That's incredible.

And this actually is not a new situation for this community, but we know that there are pockets of unemployment around the country, and I know that we can't expect the workers to just uproot their lives and their families from region to another, especially I don't want the Federal Government trying to necessarily accomplish that. But how can we kind of address these very diverse needs that there is -- the huge need for workers in one area and a huge need for jobs in another? How can we kind of bring this together so that ultimately individuals can see more opportunity for themselves and their families for the future?

Governor Engler, could you explain perhaps, given your national perspective and your experience?

\*Mr. Engler. Sure. The example you've just given is a perfect one to start with. The community college in the area no doubt has been working with the local leadership, and they're going to set up training programs to specifically train people for the jobs that are going to be in that manufacturing plant. They're going to address that need, and they're going to take some people maybe working in lower wage jobs and retrain them for a new job.

And today when companies are making location decisions, despite all the talk about tax incentives and this and that, the number one barrier to location today is workforce. And the number one deal that most governors are offering is if you put your plant, if you put your facility here, we'll train your workforce. You tell us what you need in the way of training, we'll deliver that. We'll customize that for you.

The disconnect in the poverty debate is that we're taking people who can't even read and suggest that they're going to learn to handle computers or technology or statistically produce a part where there's no errors and a million parts. That is not going to happen. That is a fantasy. And so the idea that we're going to suddenly upgrade someone with no skills -- we can do that with some over time, but whole-scale, not going to happen.

But the children who are school, we're paying \$15,000 a year to the school to teach, perhaps for 150,000 we can get ten kids to read. And then if they can read they can learn some science and they can be prepared. We've got to break the cycle. I mean this is what -- I mean stop treating the failure and deal with the root cause.

And your community college will not be able to train the person who's illiterate, at least very easily and very quickly and probably maybe not in time for that first couple of years' employment at that plant. They can do it over time.

\*Ms. Golden. And one -- I think one strategy is builds on that is that you need some parts of your strategy that are national. So I completely agree that with the Workforce Investment Act and other strategies that need to be funded -- it's not funded enough yet -- but they get resources to the community college locally, that gives you part of your answer. But you also need for every child to have access to health insurance and to food.

Because what we know from the national research is that that booming economic area, the kids that are its future are not just growing up in that state; they're growing up all over the country. So we need to be able to have a national floor that makes sure that all those kids are getting the basics, the nutrition, the healthcare, the early experiences and then you can build on top of that with local.

\*Mr. Engler. Which years ago before Obamacare Congress addressed through SCHIP. Every child in America was given health insurance through the SCHIP program. You were all part of that.

\*Mr. Smith of Nebraska. Well, I appreciate the responses. I think mentioning education and the impact of costs of education and so forth, it would be interesting to study the impacts of student debt and poverty. Thank you very much.

\*Chairman Brady. Thank you.

Mr. Larson, you're recognized.

\*Mr. Larson. Thank you, Mr. Chairman and thank you for this hearing. I never cease to be amazed that sitting through one of these how you come up with constructive ideas.

I especially want to commend Mr. Reichert and Mr. Lewis. It's all so rare that passion takes over for what our usual message is that we're going to ask our witnesses, and I think within that passion, a couple of things that are tied to the testimony that we've heard today.

Number one, I think Mr. Engler's suggestion about looking at states and the laboratories of democracy that we all know that they are and bringing in those that have been successful and those that have not. I would also say the private sector. I say that for two reasons, Mr. Chairman. One, I had a little epiphany while sitting here and listening. I think this Committee -- the operative word in politics and the economy today is disruption, changing or breaking the cycle as a number of people here have said.

One of the cycles we need to break, quite frankly, is the way we get information and the way we do public hearings. We should be going out to the states. I would love to go to Detroit and the Upper Peninsula and see the differences there between what happens in an urban area and what happens in a rural area and how the solutions could differ. Because all the panelists have indicated not one size can fit all in all these cases, and we have so many opportunities.

I would also ask that we bring in people from the private sector. In my home state of Connecticut, the AETNA leads the way in terms of coming out and recognizing what we have to do with wages, saying minimally they have to \$16 in order for people to make it in today's society. And they went on to say and examined their own programs over years and said, you know what, and if we don't boost their healthcare benefits, A, they can't afford to live where they go to work if we don't give them the right minimum wage.

And, number two, they can't afford to buy what we're making, an idea that Henry Ford first came up with and said if we're going to produce Model A's and we're going to have them come off the assembly line and people are going to be able to buy them, they've got to have the money.

These are practical things that sometimes elude us here in Washington, and it is what the people despise about us because they say we're about messaging and not about solutions. And they're right. We're about messaging. We don't come up with solutions. We have taste-great-less-filling arguments all the time and then people say, my God,

nothing gets done there. And everyone dramatically goes home and restates their messaging points, and we don't move the ball any further forward.

We've got to disrupt that and change it. Hal Rogers is leading the way. He's got a great idea with respect to how we address poverty, how we address it in promise zones specifically on a very narrow basis, but incentivizing businesses who will actually locate and hire people in poverty zones that have been designated across this country. What a change if we were to go out there and view those firsthand.

Whether it's Washington state or Georgia, if this Committee if this Committee were proactively going out instead of sitting here in a messaging quandary over these issues and debating the ideology on the left and the right, do what the American people expect of us, solve a problem for them.

The bottom line is this: Do safety supports work? And if they do work, what do we need to enhance and change them? And if the system after 50 years isn't working the way that it has to, do we throw the baby out with the bathwater or what kind of changes do we need?

Ms. Golden, I'll give you the one minute I have left to answer what is a comprehensive question, but --

\*Ms. Golden. Okay. So I think there's a mix of new ideas and successes we've already had, and I think it's very important to recognize the successes, that it really does matter that we have a consistent ability for people not to be hungry and are growing towards an ability for people to be healthy, and we're addressing poverty. But it's also important to recognize the big gaps, which you've highlighted, wages, hours the persistence of people's inability to do better.

New and emerging ideas I would actually highlight a couple that I think have sort of come out, but just to pull them together. I -- one is the idea that one of the ways you make a difference is by influencing two generations at once, parent and child. And



that's -- there's powerful new research that says the core safety net programs do that, SNAP and Medicaid, the earned income tax credit.

But there's also, I think, a lot to be thought about and worked on about how to really focus on what we now know about those early years of life. Do childcare right, do early childhood programs right. And then I'll just toss out one other, which is that I do think that Congress in their bipartisan work on the Workforce Investment and Opportunity Act really took seriously how college -- community college credentials and workforce development can fit together and there's lots to say there.

\*Chairman Brady. Thank you, Ms. Golden.

Mr. Paulsen --

\*Mr. Larson. Mr. Chairman, would you entertain my -- me submitting to you a proposal that we have the committee -- I know it's not going to happen tomorrow. But I do think taking this Committee on the road and going to people's districts where we -- that actually depict the problems that are going on would put Congress in a better light as an institution of working towards the solution, and I think you could have the same kind of witnesses, but we'd be doing it, we'd be reaching out to America, we'd be getting out beyond the Beltway.

\*Chairman Brady. I'd be interested in anything that would put Congress in a better light, anybody, anywhere.

\*Mr. Larson. Thank you.

\*Chairman Brady. Mr. Paulsen, you're recognized.

\*Mr. Paulsen. Thank you, Mr. Chairman, also for holding this hearing. And this is actually the first committee hearing on poverty or welfare reform that's happened in a long time, and I can only imagine -- I was not here in the 1990s when this debate was happening, but I was in the state level, and these debates can be very passionate and engage a lot of different challenges.

The sad reality is today that there are too many Americans that are still living in poverty and lack the right job opportunities and tools just to keep moving up the economic ladder, and the status quo should absolutely be looked at being revised, and that's because we owe it. We owe it to those folks that are most in need that get help from these programs to making sure that we're actually seeing results.

And I just really appreciate the testimony we've had here this morning. I'm not going to make a long statement, because I do want to have a chance to ask a few questions. And maybe I'll just start with Mr. Bragdon real quick.

From results we've seen around the country, what do we know about how individuals respond to financial incentives when they're put out there -- individuals respond to those incentives? How specifically do welfare benefits potentially discourage work on -- when you look at that?

\*Mr. Bragdon. Thank you for the question. I think that's what's so instructive about these largest-ever tracking studies in Maine and Kansas is that we have the answer to that by looking at what happened to individual behavior before the work requirement and then what happened after. And I think the spirit of your question is spot on that people respond to incentives.

It's not just enough to want to work; you also need to be nudged. And what the lesson from the work requirements and looking at individuals is, that nudge in getting people either back to work or in training -- it's not just about work; it's about training or even volunteering -- was transformative. For those individuals who weren't willing to meet that standard and cycle off welfare, they went back to work in record numbers.

They went into 650 different industries. Only 20 percent of them went into food service. Many started out in temp agencies and then moved into full-time employment. So the response was very dynamic to one policy change. You had this really significant response where people took what they desired, but then the incentives were in line for them to actually go back to work and increase their earnings over time.

\*Ms. Golden. May I correct -- oh, I'm sorry.

\*Mr. Paulsen. In just a second. Maybe Ms. VanZant, because I appreciated your testimony earlier, too. Following up a little bit on that, given your experience with work and your personal past experience, is the problem that recipients don't get to keep all of the money they earn from work because their benefits get reduced?

Or is it also the component that some people are actually made financially worse in many respects by working because they lose some of the benefits that they have as a part of those earnings. And that's a challenge that they have to face, right? They make sort of a decision.

\*Ms. VanZant. Absolutely. Absolutely. Thank you for the question. Yes, as a person goes to work, especially in the lower-wage jobs, what they'll experience is that many times their subsidies are decreasing at a much faster rate than the income that they're bringing in. And so what we typically see in our members is that same kind of knee-jerk reaction we might all have of this is just not working out for me. The math is not working out for me.

If I'm making 8.10 an hour, which is minimum wage in Ohio, and I'm working 32 hours a week and I'm losing 50 or 60 percent of my food stamps or all of them before I even receive my first paycheck, how in the world am I supposed to piece that together. And so one of the things that we're suggesting is that we take a look at the spectrum of the safety net programs and look at how we can put some of them in place after work starts to really allow the slope of -- instead of the cliff and allow it to be a much slighter slope and that the incentives are directly aligned with the types of supports that Americans need when they go back to work.

If we pull mom and dad out of the house 40, 50 hours a week because they want to work and they're in an opportunity to have a full-time job and we don't give them any supports for the two and a half children that they have back at home, that's not going to bode well long-term for the family relationships that are happening.

But if we can give mom and dad the types of supports that they need when they are pulled out the house 40 to 50 hours a week in jobs that allow them to know that their kids are in a safe place, that they have after-school activities, that some of the large dollar items in their budget such as housing and childcare and utility assistance are in place that allow that slope to be much more gradual, what I think is we're going to find troves of people going back to work, because I really do believe that they want to.

And one point about the work requirements, from my own personal experience and from the thousands of members that I've worked with across the country that are low income, I don't necessarily think that mandating anything to anyone is the way to go. I believe any time that we're told that we have to do something we have an automatic human resistance to doing that even if we know it's the absolute best thing that we can do. But giving people options of things that they can do I think is very important.

\*Mr. Paulsen. Thank you.

\*Chairman Brady. Mr. Marchant, you're -- Ms. Black, you're recognized.

\*Mrs. Black. Thank you, Mr. Chairman. And I so appreciate the conversation that we're having in here because 47 million Americans being in poverty is unconscionable. In a country where we have the kinds of resources that we do, there is no reason to have 47 million people be in poverty.

I'm going to associate myself with my colleague from Connecticut that talked about us messaging and not having solutions. We must take a look at what the solutions are, and we must put them in place and stop just talking about them.

I will also associate with what was said about one size not fitting all, because as we look at programs around this country and different programs that are working, we're ignoring really talking about those in a way that will help us to solve this problem, and we keep turning back to the same old stuff over and over again thinking that it's going to work when it hasn't worked for all of these years.

I will tell you that I have a personal relationship with the situation where I started out and my family started out in public housing. And I know what hard work could do to put me to where I am today from living in the halls of public housing to serving in the halls of Congress.

So I've given back and not in as great a way as I'd like to since I've been here in Congress, but I can tell you that I worked with a young lady getting her the opportunity to get an education, being able to get a job with that education as an LPN.

And you know what she told me after three months of working and she was no longer getting her check in the mail? She was frozen and couldn't go back to work because she was scared to death of not getting a paycheck, that she might lose her job and not have a paycheck to feed her four children because she was trapped in poverty. She told me her mom was on welfare, her grandmother was on welfare, it was the only thing she ever knew.

People do get trapped. And we, government, are trapping them. And so I want to thank each one of the members today, Governor Engler for talking about the necessity to have education, not just post-secondary education, but to make sure kids are getting good education in high school and to even give them an opportunity when they leave high school maybe not to go to college but to get a skill.

Look, I pay my guy that comes in to fix my refrigerator a lot of money. And those are good jobs, and we haven't done a good job in saying these are good jobs.

I want to thank you also, Ms. VanZant, for what you're doing to help with this drop-off that we know happens, this cliff and what kinds of paralyzation takes place when someone knows that they're going to hit that cliff.

And then also, Mr. Bragdon, I have this article from Forbes that did talk about -- and I read this before you actually came here today in the successes in both Maine and also in Kansas about the programs.

I want to go back to you, Ms. VanZant. How is your program funded? Because you're having tremendous success. So what is the funding mechanism?

\*Ms. VanZant. Actually, thank you for the question. We are self-funding. So the CareSource Foundation is actually funding the program. Because many of the things that we are doing under the umbrella of a managed -- a Medicaid managed care plan are things that cannot be funded out of Medicaid. There are really strict rules around where those dollars go.

And so through the research that we have done and really looking at how overall health and wellness was not happening for the 1.5 million Americans that we have on our plan, we decided to take our own dollars and start to test this concept, that if we actually coupled looking at economic stability with the types of supports that we have been offering through Medicaid and the Medicaid exchange, that we could actually be able to move people forward at a faster pace, but in a supported faster pace. So right now we are using private dollars.

\*Mrs. Black. These are private sector dollars.

Mr. Bragdon, would you talk a little bit about how Maine's governor came to this thought and conclusion that he needed to do something a little different to get people back to work in this particular category?

\*Mr. Bragdon. Sure. Thank you for the question.

The governor of Maine, much like yourself, grew up in very tough circumstances. He is one of 18 children and his family was homeless at age 11, and saw first hand what poverty and what welfare did to his siblings and to his family. And grew up in a very, very tough family environment.

And so I think, while there is a lot of rhetoric around this for a lot of individuals, it really is about their own personal life story and then how can we align policy incentives to ensure that as few of people as possible have that same life story going forward.

And, as I said in my testimony, that is where I feel like the real tragedy of the failed welfare state is, that so many families are trapped in poverty for far too long.

\*Mrs. Black. And so what we see here is a private sector and a public sector solution, both of them coming together from different states and different mechanisms. But being able to find a solution.

Thank you. I yield back the balance of my time.

\*Chairman Brady. Thank you.

Mr. Pascrell, you are recognized.

\*Mr. Pascrell. Mr. Chairman, this is a very sad day. A good friend of ours died yesterday, played for the Baltimore Colts, Bubba Smith. Now, how did Bubba Smith die? Bubba Smith died by getting hundreds of whacks to his head, he was a lineman, and had CTE. He has become the ninetieth NFL football player to die from CTE.

How many times does a child in poverty, who doesn't get enough to eat, doesn't get the proper health care when he doesn't get enough to eat, and how that child is damaged physically, psychologically and spiritually through the years?

Our problem is, and I agree with the young lady who just spoke and the gentleman from Connecticut, that we deal in absolutes. And the world does not work that way. I believe if the Chairman could use his own talents and the talents of each person, every person on this Committee -- I have a lot of faith in this Committee -- and forget about where leadership is going in either party, that we could make some resolution here, if we really, really wanted to.

I have been working since I was 10 years old. So I have been working for 69 years. I love work. And the older I got, the more I love work.

Most of the people -- I have lived in a city all of my life. You see, we know history, Mr. Chairman, we don't know culture. We have no idea of the person living in rural Mississippi compared to the person who lives in, as someone said, Cambridge, Massachusetts. And that is why we have to have some changes in what a minimum wage

would be. The cost of living is very different in that rural area. So you can't just impose it. I understand that.

We could come to some resolution if we are at the right place, if we are at the right place.

Governor, you were a great governor. I find it difficult to say, because you are of the other party. But you were a great governor. You had a lot of practical solutions and you did listen to people. That is unusual around here, as you know.

The states with the worst child hunger, Mississippi, Arkansas, New Mexico and Georgia, John, these members representing their constituent voices when they vote for SNAP cuts, so if you are a representative from those states and you see our program SNAP being cut and cut, you better pay attention because you are one of the worst child hungers in the whole country. If not the world.

Because paid family leave -- child poverty in the United States is the worst among many developed countries. That is serious. How many whacks does the kid need?

And we can do all the political pontificating we want. If we are not going to help and try. In fact, many people came to this Congress in 2010 not wanting to even deal with what the responsibility of the Federal Government is, and you see where that has brought us. To no resolution of anything. None.

Even in New Jersey, my state, we have a state paid leave program. So the women who used paid leave were more likely to be working a year after having a baby, and 39 percent less likely to receive public assistance. I am not making this up. That sounds in line with your principles. So why don't you support a paid leave policy, Mr. Chairman?

The Family and Medical Insurance Leave Act, H.R. 1439, Rosa DeLauro from Connecticut, would ensure paid family leave for all qualified workers, 124 sponsors, not a single member from the other party. Not that they wouldn't get on, but their leadership told them not to get on. You better not get on that bill. Just like Mr. Renacci and I, when we tried to get a transportation solution, and the leadership said, don't get on.



So while I appreciate the Speaker's desire to enact this rosy P.R. campaign to make Republicans appear more compassionate toward the poor, the record speaks for itself. I don't believe that there is one person on this panel that has less compassion than I do. Listen to what I am saying.

\*Chairman Brady. Thank you, Mr. Pascrell.

I know. I apologize. Your time has expired.

\*Mr. Pascrell. Thank you, Mr. Chairman.

\*Chairman Brady. While we may disagree on many issues, I do agree with you about the goodness and the greatness of Bubba Smith, who grew up in Beaumont, Texas. I had the honor of running the Chamber of Commerce there for a number of years, and had an opportunity to work with him on tourism industries.

I am not sure I did bring that subject up, but --

\*Mr. Pascrell. Just as the NFL deep sixed -- wanted to deep six the report on concussions -- CTI -- we sugar coat --

\*Chairman Brady. Mr. Pascrell, I understand our differences. So thank you. And I appreciate your passion.

Mr. Kelly, you are recognized.

\*Mr. Kelly. I thank the Chairman.

And I want to thank the panel for being here, because you were asked to come here, not just to testify but to give us solutions of what we can do.

I just think it is hard for somebody like myself, from the private sector, to look at half a century of spending, \$22 trillion dollars. It is not that we haven't spent the money. And the money we spent, by the way, does not belong to Congress, it belongs to hardworking American taxpayers, I think they more than deserve a little bit better return on that.

Ms. VanZant, because I think your story is so relevant, for moms, for moms to get back to work, child care is a huge issue, is it not?

\*Ms. VanZant. It is.

\*Mr. Kelly. Okay. So in your case, what motivated you to do what you did? Because you got up and got moving. You didn't lament where you were, you just decided to turn your sights to where you wanted to be.

\*Ms. VanZant. Absolutely. And so, in my situation, I had a lot of family support. We call it the baby shuffle that we did for the four years that it took me after I had my son to graduate from college. My parents, my in-laws, my husband and I all had car seats in our cars. And this was before the days of cell phones, and so literally there were times where we weren't exactly sure who was picking him up from where. But we were pretty sure that a family member had him.

And so we weren't able to use a day care. We couldn't afford it. And at that time, back in the mid-'90s, there weren't the types of child care supports that there are now. Although for the families that are going back now, the cost of child care is significantly higher than it was when I couldn't afford child care back in the 1990s.

\*Mr. Kelly. Do you know what the average is now?

\*Ms. Golden. I have it in my testimony.

\*Mr. Kelly. Excuse me, Ms. Golden. I appreciate you jumping in. But it is \$10,500.

We have introduced some legislation that would actually increase the pretax dollars that working families are looking at right now. That is a piece of legislation that Ms. Sanchez, myself, Senators Ayotte and Capito are working on.

And so I think that -- what you said earlier, you talked about families. I would just submit that the programs that we have initiated don't keep families together. And if you look at the statistics, where we have come as a nation in 50 years, as opposed to families working together to raise children, we have put government programs into place that actually incentivize breaking families down, not keeping them together. That, to me, is a very failed policy.

When I look at everything you were all talking about today, all of us are the sum product of families who raised us for one reason and one reason only, and for many reasons, but to be self-sustaining and be able to rely just on yourself. That's what I heard, Governor, Governor Engler, I really like the idea that you go to the states, 50 states, let them try out things and make sure what worked and what didn't work. If it works for you in Michigan, maybe it would work for somebody in Pennsylvania, maybe it would work for somebody in Idaho or Texas.

So I really do think the best laboratory is actually in the states. The only problem we have, if I am not mistaken, is that when you take a government handout, there are so many strings attached to it, you really can't do what you want to do. You are kind of handcuffed to only working within the parameters of what was discussed.

So tell me in your experience, and what you are doing right now, you are talking about best practices that give American taxpayers a better return on their investment. That is all we are looking for. It is not that I want to spend any less money, I just want to see a better result for all those folks who get up every day and go out to work, sometimes mom and dad together, and sometimes they are both working two jobs.

So tell me, in the states, is that not the best way to do it? You don't need a Federal Government dictating from Washington what you need to do in Michigan or Washington or Oregon or anyplace else?

\*Mr. Engler. I totally agree. And if we couldn't give it to the governors, I would divide it by 535 and let every Member of Congress be in charge of something, because you would all -- somebody here would figure it out and the others would then follow.

But what we are trying to do with the bureaucratic, top-down approach, it is too constraining. And you just heard earlier the description in health care, they are trying to do things on wellness. Wellness is a really important prevention investment. It pays off. We think it's a big deal. That ought to be covered. We spend three trillion in health care. They say a trillion of that is wasted, we just don't know which trillion it is. But if you

could free that up, look what we could do in terms of health care and addressing some of the issues that Congressman Pascrell raised just a moment ago.

\*Mr. Kelly. Ms. VanZant?

\*Ms. VanZant. And I would also like to weigh in. When you look at the 80 programs in the chart that you have been referring to today, it is my experience, and I think that it is the experience of a lot of low-income Americans, that they end up with a lot of people that are paid to be in their lives, to administer just one piece of the poverty puzzle. And those programs are not necessarily allowed to cooperate with other programs. And there is no consistency. And we have lots of rules around information sharing and lots of things that keep well-intentioned case managers, well-intentioned programs and low-income people who want to work from actually being able to make those steps moving forward, because of a lot of the rules and regulations that we have surrounding those 80 programs.

\*Mr. Kelly. One final point I want to go back to. A half a century and \$22 trillion later, we don't have enough good to show for what we are doing. And I think we sometimes get confused about throwing money at a problem, and that is easy, as long as it is not your money. When it is other people's money, easy to throw. Coming from the private sector, every penny counts. And every penny of what we put out there comes from hardworking American taxpayers.

\*Chairman Brady. The gentleman's time has expired.

Mr. Renacci, you are recognized.

\*Mr. Renacci. First off, I want to thank the witnesses for their testimony, and I want to thank Chairman Brady for calling this important hearing.

Like all of my colleagues who serve on this Committee, I believe that one of the keys to ending the cycle of poverty is ensuring that individuals have access to the education and skilled training required to be on a path towards a good paying career. In some cases, that does not mean a college education. So, as my colleague, Mr. Larson,

mentioned about getting out into the real world, I have actually taken, over the past two years, taken the time to meet with local leaders in Cleveland and Akron, Ohio, to discuss barriers which prevent northeast Ohioans who are in poverty from finding permanent employment and being self-sustainable.

I have met with the county Jobs and Family Services staff to understand how the federal programs are working and not working. I have also met with individuals in the programs, many of which did not have their GED, let alone basic skills. I ask to submit a letter into the record, Mr. Chairman, from Summit County Executive Russ Pry.

\*Chairman Brady. Without objection.

[The information follows: [The Honorable Jim Renacci](#)]

\*Mr. Renacci. These individuals are all working within the current system. What they told me is was the state simply does not have enough flexibility in administering TANF and that outdated workforce participation rules act as a barrier for agencies to work with TANF clients and engage in activities that would actually provide the training and education they would need to get back to work. They all emphasized we need to assure a basic education, including a basic GED.

If we want to get people out of poverty, it is the one thing I have learned with all these meetings, and into the workforce, we need to help them get their GED. You can't even join the Army without a GED or high school diploma.

In fact, according to the state of Ohio's 2016 Poverty Report, Ohioans above the age of 25 who do not have a high school diploma are twice as likely to be in poverty compared to individuals who have obtained at least a high school diploma or GED. It is clear that paving the way to at least obtain a high school diploma is an easy step. We talk about steps, we talk about things we can do. They are an easy step that Congress can take to alleviate poverty.

So I want to go back to the one thing that was said to me time and time again. If we want to get people out of poverty and back to work, we need to at a minimum get them their GED. That is not me saying that, that is all these people that I have talked with.

Does the panel agree, yes or no, a basic starting point would be to make sure TANF dollars used for work credit hours should include hours credited toward getting the individual, those individuals, their GED or high school equivalency? I will have a yes or a no.

\*Ms. Golden. Yes, and. I mean, it is Mr. Doggett's point that, yes, TANF needs to be able to provide more education. And states need the resources, because they are squeezing down the dollars in total.

\*Mr. Renacci. Does everybody --

\*Mr. Engler. Yes. The GED requirements have been upped a little bit. They are more rigorous, and I think that is a really good thing that has been accomplished. So I think the old GED was a little more dubious. But, sure.

\*Mr. Renacci. But you have to admit, you can't even get a college education without your GED. You have to start there.

\*Ms. Golden. There are pathways that will take you direct to the higher education, but TANF isn't well structured to do that either, right now.

\*Mr. Renacci. Ms. VanZant?

\*Ms. VanZant. I absolutely agree. For any job that is going to pay anything above minimum wage, you really do have to have that basic education. And then there needs to be additional support in the career technical ability to use TANF work requirement times to be able to do those. And a lot of those technical career options that are just above a GED or high school diploma are short-term training that can actually move a person from the minimum wage into a \$10 to \$12 an hour job with less than six months of education under their belt.

\*Mr. Engler. You could actually fund this using federal dollars that are paying for remedial education in college today by stopping doing that and saying to the schools, get it right before you send the kids, ill prepared, to college.

\*Mr. Renacci. Well, in my district, if you just get your GED and a welding certificate, you can make up to \$60,000 to start. So I think that is --

\*Mr. Engler. Yeah, I don't disagree.

\*Mr. Renacci. That is why I keep trying to get away from college education being the answer always.

\*Mr. Engler. It is not, you're right.

\*Mr. Renacci. Mr. Bragdon?

\*Mr. Bragdon. Yes, I would say I agree. I think it should go beyond just parents on TANF, though, to look at the kind of jobless nondisabled adults that we were talking about receiving food stamps. That as part of that work requirement, training is a piece. And I think you are spot on with the GED is the first critical step for that population as well.

\*Ms. Golden. And states get resources that they could use, if they were choosing, in fact, to offer those opportunities for the adults that Mr. Bragdon is talking about. Unfortunately, because they haven't chosen to use it, they are not pushing as hard as they could, and so people are without those opportunities.

\*Mr. Renacci. Thank you.

Dr. Davis, you are recognized.

\*Mr. Davis. Thank you very much, Mr. Chairman.

I want to thank all of the witnesses for their testimony. And I also want to thank my colleagues. Because I have heard many passionate, real expressions of concern, directions that will aid us to get where we need to go, as well as experiences with things that have actually worked.

Let me just mention two things that we know. One, we know that one in five children in the United States are living in poverty. We also know that the United Kingdom reduced their child poverty rate by 50 percent in a 10-year period by targeting poverty direction and by implementing specific policies to help low-income families.

I agree with all of my colleagues who have expressed a great desire that people work. I remember the Prophet; Gibran says that work is love made visible. And to me, when you work, it enhances your sense of self, your self-being. So I don't think there is anything more important. But I also remember that every slave had a job. And I believe that every person on Mr. Lewis's father's plantation worked.

Friday of last week, I flipped hamburgers at a White Castle. And I must confess that it took me a while to learn how to do the flip, that I couldn't just go in. And I waited on customers. All of this had to do with National Hamburger Week, and learning and knowing what others do.

And so work is a virtue. But I don't believe just as Great Britain didn't believe that work alone was enough to seriously reduce poverty, that it took some other things, such as a livable wage.

I believe every person that is able bodied, unless they have some impairment other than adequate child care, or something else that prevents them from being able to get to and from a job. But that alone is not going to do the job.

Ms. Golden, from a more math comprehensive vantage point, based upon evidence-based research, what we have seen work, what does it really take in your estimate?

\*Ms. Golden. So I think it takes several things and you have hit on some of them. It takes, as you say, it takes more than work. One of the important ways we know that is that almost everybody on SNAP now is either working now, worked last year or works next year. And most poor children are with someone working. So lots of people who are



working are not able to keep their families out of poverty. So you highlighted the living wage and the regular hours.

It also requires, as you just said, addressing the barriers. It requires really paying attention to children's early years. Because those children's experience, their nutrition, their health, their parents' stress, the settings they are in are going to affect them later in life.

It requires help during those periods when people aren't doing well. Great Britain does that, did that way better than we do. And that can be through a child tax credit, it can be through TANF, it can be through nutrition. But you have to have food on the table and a stable place to live. And then the ability to move up afterwards. So I think it has got those pieces. It is about the jobs and it is about what the family gets.

And I just wanted to correct one fact about Mr. Bragdon's studies. He has presented the 60 percent working rate in the year after as though it were better than what you would have gotten without imposing the time limit. In fact, if you look at the SNAP program nationally, about 80 percent of adults on SNAP work in the year before or the year after. So the study doesn't prove that it got worse because people were hungry and couldn't find a job, but it doesn't prove that it got better.

So to circle back to your point, work alone at low wages isn't enough.

\*Mr. Davis. Thank you very much.

\*Mr. Reichert. [Presiding.] Thank you, Mr. Davis.

Ms. Noem, you are recognized.

\*Mrs. Noem. Mr. Bragdon, did you want to respond to that?

\*Mr. Bragdon. Yes, thank you. I want to be clear, this wasn't some made up information. This was looking at the actual Kansas Department of Labor Earnings and Hire Database for the several quarters before the work requirement went into effect and then for a full year after. And this was for 41,000 people. In Maine, it was replicated for 10,000 people.

And the facts are clear. Only one in five individuals were working before. After the work requirement, those moved off welfare, 60 percent went to work within the first year, 50 percent --

\*Mrs. Noem. Did they track if they were working full time or part time?

\*Mr. Bragdon. They weren't able to track the number of hours, but they were able to track wages. And those wages increased every quarter.

\*Ms. Golden. And there wasn't a comparison group, so that makes it hard to know otherwise.

\*Mrs. Noem. I will reclaim my time.

Because many of you referenced today the need for more resources. And so I have got 137 billion for you. I am sure that you would like to have that into the programs to help more people. And it is through improper payments that currently happen through a lot of our programs. In fact, almost 27 percent of earned income tax credit payments are made improperly. We have, gosh, that is almost \$40 billion. Social Security income in payments, improper payments of 8 percent, that results in \$4.8 billion. Oh, it's 10 percent of Medicare fee for service payments that are almost \$40 billion. \$137 billion that could go to meeting people who have needs, rather than to people who shouldn't be receiving those types of benefits, they are gaining it improperly.

And I guess that is what I wanted to focus on today. Because it seems as though I sit here in these committees, and maybe I woke up on the wrong side of the bed today or what. But our point here is to listen to you, to have you give us information, because you have real firsthand knowledge. If we had all the answers today, we could sit here and talk to ourselves. A lot of times, I have sat here and listened to Members of Congress preaching to you. It is our opportunity to learn from you today.

So I want to find out. I have a bill that would reform the TANF program, because we have a lot of states gaming that program. They are using third party dollars to match federal dollars, which is allowing them to not have to spend their own funds on TANF

spending. And then it also waives the work requirements. And that is very concerning to me. I think we are losing the integrity in the program, we are not helping individuals, and we are not helping them by giving them work experience as well, which is critical to getting them out of poverty.

And that is the biggest challenge that I find in front of us, is that we do have states -- while I would like to block grant everything to states, we have an oversight role here as Members of Congress. When states aren't doing their jobs and are gaming our systems, we have to change the law to make sure that that doesn't happen, because we need the resources in place.

Mr. Bragdon, I would like for you to speak specifically to work requirements, how that is beneficial to individuals. I would like you to keep it a little bit encompassing as well the fact that so many times we talk about work requirements like it is a bad thing. It is not a bad thing, because we have seen it lift people out of generational poverty. And also I think all of the information and research shows us that Americans support it. It is very popular. And you have something in your written testimony that references that that I would like you to touch on.

\*Mr. Bragdon. Thank you very much for the question. I think Congressman Rangel, to quote him, he said poverty doesn't work. The corollary to that is work eliminates poverty. The research is very, very clear on that. And we are not just talking about working part time. The standard for these nondisabled, childless adults was either work 20 hours a week, train 20 hours a week or volunteer 24 hours a month. And it was all about getting out into a work-like experience or training for permanent work, and that really is the key.

I also want to just quickly respond to your comment about improper payments. You know, one of the things we are seeing states really do, and this started actually in Illinois, is stepping up and checking eligibility on a more realtime basis, to make sure that

those individuals who are receiving benefits still were truly eligible, so that limited resources could be directed to the truly needy.

And I think that, unfortunately, there have been a lot of federal rule changes to encourage states to check it once and forget it almost. And what states need to do is make sure those resources are available to the truly needy and get at some of those improper payments you're talking about.

\*Mrs. Noem. So I have got a different type of a question. I come from a state that has very low unemployment. We need a lot of workers that we are willing to train. Frankly, we have got great programs that will train these workers. Why won't people move for work? Or do we need programs where money is reprogrammed to help people transition to a place where they can get a good paying job?

It seems to me people aren't as willing to do that. We advertise and advertise nationwide and can't get people to necessarily move for a good paying job.

\*Mr. Bragdon. I think it is something that should be really looked at.

\*Mrs. Noem. Do you think it is due to welfare programs being flawed?

\*Mr. Bragdon. I think that when there are incentives not to work, we know from the research people don't. And what we need to do is have those incentives aligned.

\*Ms. Golden. A big reason people are moving less has to do with the --

\*Mr. Reichert. The gentlelady's time has expired.

Mr. Rice, you are recognized.

\*Mr. Rice. Thank you, Mr. Chairman and Ranking Member for holding this hearing today on reducing poverty and increasing opportunity.

I have a little bit of experience in this. I helped to administrate a homeless shelter for 20 years in Myrtle Beach, South Carolina, where I am from. And Myrtle Beach is a really interesting spot, because it is a huge tourist destination, but it is also -- it is kind of like the promised land in the Grapes of Wrath. Folks think that, if they come there, that they can find a job and everything will be okay. And, you know, there are a lot of

seasonal jobs there. And usually when people come in, they can find a job. But it is so expensive to make that transition that we had a lot of homeless people showing up. So we decided we would form our homeless shelter.

And what we did to encourage people to go to work is we said, you can't stay here unless you are either working or looking for work. And we put a limited amount of time when they could stay and then we transitioned them into, you know, more permanent transitional housing and eventually they got on their feet, and we had a lot of successes. Not always successes, but we had a lot of successes.

But ultimately -- and I always tried to stay away from government money. I didn't want the strings. It made it too hard. You know, my job was to raise the money and to keep the books. And so I always tried to do it with private funds, with golf tournaments and those types of things, to raise our own money.

But the only permanent solution to this is a job. That is it. We can sit here and -- put the polka dot chart back up, please. We can sit here and talk about all these programs, but the truth is that, regardless of the fact that we, you know, everybody wants to make sure that those who need a hand up get it. But the truth is that if you rely on these government programs and you don't transition to work, you will always be in poverty. And likely your kids will always be in poverty and your grandkids. Transitioning to work ultimately is the only way out of that trap.

America used to be called the Land of Opportunity, you know, where everybody had the opportunity to get a job. And unfortunately, we have kind of gotten away from that by expanding our government and creating all these new restrictions on business. And we stifled our economy. We shouldn't be surprised that our economy is only growing at 1.9 percent. If we want to solve this problem, we have got to get our economy growing again. And the only way to do that, in my opinion, is make this country competitive.

But that is a little off topic. But you have got to recognize that it is all interrelated. We won't make America competitive by growing these programs or putting more money in them. That will not do it. You can educate people from now until doomsday. You can get everybody a Ph.D. But if when they get out of school there is no job for them, you haven't really accomplished much.

And for too many people coming out of college today, that is a fact. I have three sons that graduated from college in the last 10 years, and I have seen what they have gone through. And I am afraid they won't have the opportunity that I have had if we don't do something about this and get our economy going.

Now, we have very limited resources. One of the things stifling our economy is this enormous debt we have, right? Economists almost universally agree, this debt is a real problem. So we have very limited resources. And we want to use those limited resources in the best way we can to lift as many people out of poverty as we can, right?

Now who here on this panel can look at me with a straight face and tell me that that is the best way we can use our limited resources?

\*Ms. Golden. So I think I would say the best way to use our limited resources is to focus on the youngest children and young adults.

\*Mr. Rice. Okay, so let me ask you this, because I just asked the question. Do you think that, that chart there, those 80 means tested federal programs, is that the best way we can use the resources?

\*Ms. Golden. So I can't see the details of the programs, but I know they include programs for veterans and the elderly and the disabled. And I would never say --

\*Mr. Rice. I am not going to get a straight answer out of you. I only have 45 seconds.

You know, when I first got out of -- when I was running for Congress the first time, I went through this little parade in Florence, South Carolina. And the people at the end had little booths set up. And I went from booth to booth just shaking people's hands.

And I got to a booth, it was called the Benefits Bank. I thought it was a bank. I didn't know what it was. I started asking, well, where is your bank? What do you do? Oh, no, no, no, we are not a bank. We help people get all the benefits they are entitled to. I said, what do you mean? He said, well, there are so many state and federal benefits and they are so intertwined that people can't figure out what they are entitled to, so we kind of help them, direct them to everything that they are entitled to.

I told him, well, I am going to make it my job when I get in Congress to put you out of business. Because if that is the way we are doing our benefits, then that is not the most efficient way to lift people out of poverty.

I yield back.

\*Mr. Reichert. Thank you, Mr. Rice.

I would like to thank you, the panel, for being here today and providing us with your testimony. And it has taken almost three hours now, so we appreciate your time here.

So I get a second chance now to talk since they sat me in this chair. So I have just got a few things I would like to -- some observations I would like to make.

I was a hostage negotiator in the sheriff's office and I was the SWAT commander. It sounds like kind of a, you know, one of these things. But you have to know when to negotiate, right, and when to kick in the door.

I always believe that there is a place where we can find agreement. It doesn't matter if you are a Democrat, Republican and I don't care. We can find something we agree on and that is the base where we spring from to provide other solutions and ideas where we can agree on for the betterment of the country and the people that live here.

So today someone noted that this is the first hearing in 10 years on welfare reform. So even though some of us may not have agreed with, you know, whether or not this chart was, you know, the panacea to solutions to welfare reform or homelessness or education, I think we can all agree that there is need for some change, that there is always

room for improvement. That no matter what program we are working on, we are always continually moving forward with the new ideas.

So I think you also heard everybody has a story. You have CPAs on this panel, you have businessmen and women and nurses and attorneys and doctors, and a sheriff. We all have different experiences that we shared with you. You have your experiences that you shared and those that you worked with. But we are all trying to do the right thing. We want to help people get back to work. We all care.

So we agree on early education and intervention, breaking the cycle. I was the lead detective in the Green River serial murder case, if you have heard of that case in Seattle in the 1980s. Solved it in 2001. Fifty-one women murdered. They came from homes, some of the homes like we talked about today, no education, alcohol, drug abuse, emotional, physical, sexual abuse at home.

That is where we can make a difference, in those homes, in those children's lives. And, as Ms. Golden said, also working with the parents. It has to be in tandem in those cases, but early education, I think, in breaking this cycle and working toward prevention, as the governor said, physical health, as Ms. VanZant has said, economic health, relationships. Absolutely critical. Even those cops on the street have relationships with those young people on the streets and can save lives, even though we hear just the opposite in today's world. That is what police officers really want to do is help.

And I know in working with your organizations, I am sure law enforcement is closely engaged in those relationships with churches, families and other social entities.

Safety net, we all agree there has to be a safety net. It is the trampoline effect that may not be working exactly right. At least that is what I heard from that safety net to the trampoline, to continue up in building your family.

I really agree with the one size doesn't fit all, and I could go into a story that describes that, but I won't.



So bottom line is status quo is unacceptable. I heard that from the panel today, because too many people need help. There is a need for improvement and change. And we need to come together across this country to make that happen.

So again, I thank you for indulging me a few minutes to place that thought out there. I would like to thank our members for being here today and their passion and compassion that they showed today.

Usually, this is a little more rancorous experience, but I think we came together a little bit.

Thank you for appearing before us today. And please be advised that members may submit written questions to be answered later in writing. Those questions and your answers will be made part of the formal hearing record.

With that, this Committee stands adjourned.

[Whereupon, at 12:46 p.m., the committee was adjourned.]

[Public Submissions for the Record](#)