



U.S. House of Representatives

COMMITTEE ON WAYS AND MEANS
SUBCOMMITTEE ON WORK AND WELFARE

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Washington, DC 20515

September 20, 2023

The Honorable Gene L. Dodaro
Comptroller General
U.S. Government Accountability Office
441 G Street, N.W.
Washington, DC 20548

Dear Comptroller General Dodaro,

We write to request that the Government Accountability Office (GAO) conduct an in-depth review of non-assistance spending in the Temporary Assistance for Needy Families (TANF) program. TANF is a key federal program in the fight against poverty. It provides \$16.5 billion in federal funding to states for direct cash assistance and non-assistance activities to further the program's four statutory purposes:¹

- Provide assistance to needy families so that children can be cared for in their own home or in the home of relatives;
- End the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
- Prevent and reduce incidence out-of-wedlock pregnancies; and
- Encourage the formation of two-parent families.

Recently, concerns have emerged that TANF non-assistance funds, which make up about 78 percent of combined federal and state spending, lack guardrails and are not focused on helping people transition from welfare to work.

On July 12, 2023, the House Committee on Ways and Means, Subcommittee on Work and Welfare, held a hearing on: "Where is all the Welfare Money Going? Reclaiming TANF Non-

¹ 42 U.S.C 601.

Assistance Dollars to Lift Americans Out of Poverty.”² At this hearing, Members heard from witnesses about problems in current law that open the door for diversion of funds away from TANF’s core purposes and creates an environment ripe for waste, fraud, and abuse.

The Committee’s concerns are exemplified by headlines in Mississippi. Mississippi’s State Auditor, Shad White, has flagged at least \$77 million in misused funds from the state’s TANF program from 2017 to 2020, resulting in charges against multiple state officials.³ At the July 12 hearing, Mr. White testified how critical welfare dollars were used for advertising at a college bowl game, provided to celebrities where no work product was delivered, paid family members of government officials, paid for down payments on homes, iPads for personal use, speeding tickets, and used to rent a field for a private travel softball team.⁴ We are concerned that the Mississippi case is emblematic of a systemic problem. Taxpayers and Americans who need help deserve better.

While we expect GAO to look at all issues it deems relevant and appropriate to this overall subject, we are specifically interested in the following areas:

State Budgeting and Expenditure Reporting Practices

1. What are state budgeting and allocation approaches for the use of TANF non-assistance funds, and what processes are in place to ensure spending meets one of TANF’s four statutory purposes?
2. What is the status and use of TANF fund reserves in states, and what are state policies for obligating reserve funds?
3. How, and to what extent, do states use third-party expenditures for meeting maintenance of effort spending requirements?
4. What processes do states have in place for ensuring accurate reporting of federal and state spending in categories enumerated on the Administration for Children and Families (ACF) ACF-196 financial data report?

Populations Served and Performance Metrics

5. What demographic data do states collect on populations served using TANF non-assistance funds, specifically in relation to income eligibility?
6. What information is available at the federal and state level to assess TANF performance for non-assistance services?

Federal and State Audits

7. To what extent does the Department of Health and Human Services (HHS) use single audits and single audit findings to oversee and enforce TANF program requirements?
 - a. To what extent does HHS track and follow up on TANF single audit findings?

² “Where is all the Welfare Money Going? Reclaiming TANF Non-Assistance Dollars to Lift Americans Out of Poverty,” Committee on Ways and Means, Subcommittee on Work and Welfare, July 12, 2023.

³ “Auditor’s Office Questions Over \$90 Million in Spending of Welfare Grants and Other Funds,” Mississippi Office of the State Auditor, May 4, 2020.

⁴ [Witness Statement](#), Shad White, Office of the State Auditor, Mississippi. Testimony provided before the Committee on Ways and Means, Subcommittee on Work and Welfare, July 12, 2023.

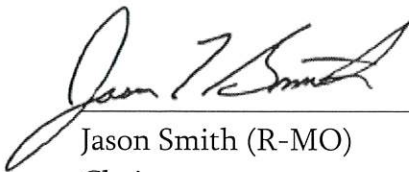
- b. What are the open single audit findings in the Federal Audit Clearinghouse that relate to TANF?
8. To what extent do state and local governments monitor TANF expenditures and report findings to HHS?
- a. What are state auditors' TANF findings?
 - b. What challenges do state auditors face auditing TANF?
 - c. How does HHS communicate with state auditors and use TANF findings?

Transfers and Direct Spending

- 9. What drives state decisions to transfer TANF to other programs, such as the Child Care and Development Block Grant (CCDBG) and the Social Services Block Grant (SSBG) for specific purposes versus spending on those activities directly?
- 10. In the case of child care, are the populations served, types of settings supported, or methods of subsidizing care meaningfully different depending on whether the funds are transferred or spent directly?
- 11. In what ways do selected states use TANF to fund child welfare services or foster care maintenance payments, including direct spending under current law, authorized under prior law provisions, and transfers to SSBG? How are those uses of funds different from, or the same as, how states are permitted to use federal child welfare funding authorized under Title IV-B or Title IV-E of the Social Security Act?

Thank you for your assistance with this request and attention to this matter. We are happy to provide additional details regarding our interest in how states are spending taxpayer dollars in the TANF program. Please direct all correspondence to Ben.Hobbs@mail.house.gov.

Sincerely,



Jason Smith (R-MO)
Chairman
Committee on Ways and Means



Darin LaHood (R-IL)
Chairman, Subcommittee on Work and Welfare
Committee on Ways and Means