



H.R. 8872, *Preventing Waste, Fraud and Abuse in TANF Act* Rep. Carey (R-OH)

Background:

- The Temporary Assistance for Needy Families (TANF) program **provides \$16.5 billion each year to States, Tribes, and Territories** to provide assistance to low-income families and promote self-sufficiency through work.
- TANF provides significant flexibility to states to design programs that meet the needs of low-income families. However, oversight of **America's welfare system is falling short of protecting taxpayers and preventing waste, fraud and abuse.**
- A lack of basic safeguards has made TANF easy to abuse. For example, TANF is one of the few federal programs **not required to measure improper payments** under the Program Integrity Information Act of 2019 (PIIA).
- **With few guardrails on state spending, it's unclear whether resources are actually going to low-income families**, having the desired impact, or getting abused by fraudsters. During a 2025 Ways & Means Committee hearing, one witness testified that the lack of federal oversight **contributed to a "nobody's watching" atmosphere that makes TANF vulnerable to fraud** and misuse.
- In 2025, **GAO released a series of five reports that found multiple areas in need of improvement in TANF** and confirmed that TANF non-assistance, which constitutes 78% of total state spending, lacks basic financial guardrails creating an environment ripe for waste, fraud, and abuse.

H.R. 8872, *Preventing Waste, Fraud and Abuse in TANF Act:*

- Applies PIIA requirements to state TANF programs **requiring HHS to measure and report an annual improper payment rate for TANF** and to develop a plan for eliminating improper payments within 10 years.
- Establishes a federal income threshold of 200% of the federal poverty line **to ensure TANF funds are targeted to support families in need.**
- **Establishes a 3-year period for states to spend TANF funds**, but provides state flexibility to reserve funds for economic downturns using a "rainy-day fund" limited to 15% of a state's grant award.
- **Requires federal TANF funds to supplement, not supplant, state and local spending.** This prohibits states from using federal TANF funds to replace state or local funds that otherwise would be available for similar services.
- Provides an effective date of October 1, 2027.