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July 29, 2019

The Honorable Alex M. Azar, II
Secretary
U.S. Department of Health and Human Services
200 Independence Ave., SW
Washington, DC 20201-0001

Dear Secretary Azar:

I write today to inform you that the U.S. Department of Health and Human Services (HHS) is the most recent recipient of my Golden Fleece Award for a lack of transparency and for improper payments to states for enrollees that do not meet Congressionally-mandated Temporary Assistance for Needy Families (TANF) requirements.

According to data from HHS and analysis by the Congressional Research Service (CRS), only a small number of non-employed TANF recipients are engaged in work-related or training activities within a given month¹. This is despite clearly-outlined work requirements in the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (P.L. 104-193).

In addition to misuse within the caseload reduction credit system, I am particularly concerned with the practice of counting the unsubsidized employment in “earnings supplement programs” toward a given state’s work participation rate (WPR). Specific examples of these programs include paying out benefits to parents who are (1) no longer eligible for TANF; and (2) not connected to TANF but are still counted toward the WPR².

I find it disturbing that these “earnings supplement programs” are often operated separately from a state’s accepted TANF services but are being used to augment a state’s WPR, thereby enabling states to avoid a penalty that would reduce their block grant allotments. According to CRS, nearly all WPR increases since FY2012 have been a result of unsubsidized employment in earnings supplement programs and have not come from actually putting people to work³.

¹ Falk, G. (2017). *Temporary Assistance for Needy Families (TANF): The Work Participation Standard and Engagement in Welfare-to-Work Activities* (U.S., Congressional Research Service)
<<https://www.crs.gov/Reports/R44751?source=search&guid=5ac2fe8e7efe4d1f96a431ca37b1ca06&index=0>>.

² Falk, G. (2018). *Temporary Assistance for Needy Families: The Decline in the Cash Assistance Caseload* (U.S., Congressional Research Service)
<<https://www.crs.gov/Reports/IF10889?source=search&guid=4e4714fae10742e693cf60ea9847ff6&index=0>>.

³ Ibid. HILL.HOUSE.GOV

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As you are aware, the intent of Congress when implementing TANF was to provide states flexibility in administering this program, but also to move eligible parents into work and stability. This intent was reinforced in 2006 with the Deficit Reduction Act (P.L. 109-171), which attempted to close some of the loopholes surrounding WPR. Instead, practices such as the ones outlined in this letter allow states to distract from the glaring fact that they are not abiding by Congressional intent in moving people from welfare to work, but merely blurring the lines to make it appear that they are acting within the mission of the program. In this deception, HHS has been complicit, facilitating states in “hitting the target, but missing the point⁴.”

When our nation is more than \$22 trillion in debt, our federal agencies must be good stewards of taxpayers’ dollars. Should you require any additional authority from Congress to address these concerns, I urge you to notify us as soon as possible. I thank you for your consideration and look forward to working with you to address this important issue.

Sincerely,



French Hill
Member of Congress

⁴ Falk, G. (2018). *Temporary Assistance for Needy Families: The Decline in the Cash Assistance Caseload* (U.S., Congressional Research Service)

<<https://www.crs.gov/Reports/IF10889?source=search&guid=4e4714fae10742e693cf60ea9847ff6&index=0>>.