Testimony for the Record
House Committee on Ways and Means Hearing on Misuse of TANF Funds
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October 8, 2024

Chairman Smith (R-MO), Ranking Member Neal (D-MA), and members of the House Committee on Ways and Means, I appreciate the opportunity to submit testimony on the important topic of reforming the Temporary Assistance for Needy Families (TANF) program to better target families in need, connect people to work, and improve accountability. My name is Matt Weidinger, and I am a Rowe Scholar in Poverty Studies at the American Enterprise Institute. Previously I served for over two decades on the staff of the House Ways and Means Committee, including as the committee's deputy staff director and for many years as the staff director of the Work and Welfare Subcommittee with jurisdiction over the TANF program.

The committee's hearing reflected the bipartisan support for increasing transparency on the benefits and services TANF supports. Current law (section 409(a)(1) of the Social Security Act) requires the reduction of federal block grant funding equal to an amount found by audit to have been used in violation of TANF rules, and it adds a penalty equal to 5 percent of a state's annual block grant if such misspending was intentional.[1] The committee is right to review recent misspending of TANF funds, as those failures undermine public trust that TANF is achieving its important purpose of assisting needy families.

The hearing also spotlighted concern about the proper state shares of the federal block grant. I offer background on that question below, along with background on the current flawed practice of paying TANF benefits to ineligible noncitizen parents.

State Shares of the TANF Block Grant

The TANF block grant program was created in the 1996 welfare reform law as a replacement for the prior open-ended entitlement Aid to Families with Dependent Children (AFDC) program. A detailed summary of that legislation prepared by the committee immediately after the law's enactment outlined the details of fixed TANF block grant funding provided to individual states:

> Spending through the TANF block grant is capped and funded at $16.4 billion per year, slightly above fiscal year 1995 Federal expenditures for the four component programs. Each year between 1996 and 2002, the basic block grant provides each State with the amount of Federal money it received for the four constituent programs in fiscal year 1995, fiscal year 1994 (increased in some cases by higher Emergency Assistance spending in fiscal year 1995), or the average of fiscal year 1992 through fiscal year 1994, whichever is highest.[2]

TANF has continued to be regularly reauthorized since 2002 with only minor changes made to this basic funding structure, which does not include an inflation adjustment.

During the hearing, Reps. Miller (R-WV) and Van Duyne (R-TX) raised concerns about the lack of a population adjustment for state shares of the block grant. The authors of the 1996 reforms were aware of concerns that a fixed block grant might disadvantage states experiencing rapid population growth. That is why they created an additional funding stream of "supplemental grants" for 17 states with historically low benefit levels or rapid population growth.[3] Initially authorized at $800 million over fiscal years 1998–2001, Congress subsequently extended but ultimately eliminated these supplemental grants in 2011, leaving the current TANF block grant state shares essentially unchanged from their initial 1997 levels.

Table 1 provides the change in state population (one of the criteria used in initially allocating TANF supplemental grants) since 1995, the most recent baseline year of AFDC funding the authors of the 1996 reforms used in setting state shares of the block grant.[4]

Table 1. State Population Change Since 1995

State	State Population, 1995	State Population, 2023	Percentage Change
Nevada	1,525,777	3,194,176	109.3
Utah	1,976,774	3,417,734	72.9
Arizona	4,306,908	7,431,344	72.5
Idaho	1,165,000	1,964,726	68.6
Texas	18,679,706	30,503,301	63.3
Florida	14,185,403	22,610,726	59.4
Colorado	3,738,061	5,877,610	57.2
Georgia	7,188,538	11,029,227	53.4
North Carolina	7,185,403	10,835,491	50.8
South Carolina	3,699,943	5,373,555	45.2
Washington	5,431,024	7,812,880	43.9
Delaware	718,265	1,031,890	43.7
Tennessee	5,241,168	7,126,489	36.0
Oregon	3,141,421	4,233,358	34.8
Virginia	6,601,392	8,715,698	32.0
Montana	868,522	1,132,812	30.4
South Dakota	728,251	919,318	26.2
New Mexico	1,682,417	2,114,371	25.7
Minnesota	4,605,445	5,737,915	24.6
Oklahoma	3,265,547	4,053,824	24.1
California	31,493,525	38,965,193	23.7
Arkansas	2,480,121	3,067,732	23.7
District of Columbia	551,273	678,972	23.2
Maryland	5,023,650	6,180,253	23.0
New Hampshire	1,145,604	1,402,054	22.4
North Dakota	641,548	783,926	22.2
Wyoming	478,447	584,057	22.1
Alaska	601,345	733,406	22.0
Hawaii	1,180,490	1,435,138	21.6
Nebraska	1,635,142	1,978,379	21.0
Alabama	4,262,731	5,108,468	19.8
Indiana	5,791,819	6,862,199	18.5
Kentucky	3,855,248	4,526,154	17.4
New Jersey	7,965,523	9,290,841	16.6
Missouri	5,324,610	6,196,156	16.4
Massachusetts	6,062,335	7,001,399	15.5
Wisconsin	5,137,004	5,910,955	15.1
Kansas	2,586,942	2,940,546	13.7
Iowa	2,840,860	3,207,004	12.9
Maine	1,237,438	1,395,722	12.8
Vermont	582,827	647,464	11.1
Rhode Island	989,203	1,095,962	10.8
Connecticut	3,265,293	3,617,176	10.8

Mississippi	2,690,788	2,939,690	9.3
New York	18,150,928	19,571,216	7.8
Pennsylvania	12,044,780	12,961,683	7.6
Louisiana	4,327,978	4,573,749	5.7
Ohio	11,155,493	11,785,935	5.7
Illinois	11,884,935	12,549,689	5.6
Michigan	9,659,871	10,037,261	3.9
West Virginia	1,820,560	1,770,071	–2.8
US Total	262,803,276	334,914,895	27.4

Source: Federal Reserve Bank of St. Louis, Release Tables: Resident Population by State, Annual, 1995, https://fred.stlouisfed.org/release/tables?rid=118&eid=259194&od=1995-01-01; and Federal Reserve Bank of St. Louis, Release Tables: Resident Population by State, Annual, 2023, https://fred.stlouisfed.org/release/tables?rid=118&eid=259194&od=#.

As noted in Table 1, while the overall US population has increased by 27 percent, there has been tremendous variation in state population changes, ranging from a decline of 2.8 percent in West Virginia to the more than doubling of the population of Nevada. Overall, since the mid-1990s, 30 states saw their population grow by 20 percent or more, including nine states experiencing population growth of at least 50 percent.

One might easily assume that such widespread population growth would translate directly into rising demand for TANF assistance. However, the TANF program's history reveals the opposite effect—a remarkable and sustained decline in receipt of TANF assistance, even in some of the fastest-growing states. Table 2 shows the unprecedented decline in TANF caseloads by state compared with pre-reform AFDC caseloads in 1995, which averages over 85 percent across the US. In 23 states, Puerto Rico, and Guam, caseload declines have exceeded 90 percent. Of the five states with the most rapid population growth displayed in Table 1, four (Arizona, Idaho, Texas, and Utah) had TANF caseload declines over 90 percent. Even in Nevada, where the state population more than doubled, TANF caseloads fell by 63 percent.

Table 2. State AFDC/TANF Caseload Change Since 1995

State	State AFDC Caseload (FY 1995)	State TANF Caseload (FY 2023)	Percentage Change
Mississippi	144,148	2,719	–98.1
Georgia	382,634	8,818	–97.7
Texas	743,240	18,521	–97.5
Illinois	696,157	20,567	–97.0
Arkansas	63,278	2,164	–96.6
Kansas	79,515	2,790	–96.5
Michigan	597,652	23,110	–96.1
Missouri	253,909	11,154	–95.6
Puerto Rico	168,250	7,601	–95.5
Virgin Islands	4,558	206	–95.5
Louisiana	251,161	11,369	–95.5
North Carolina	313,269	16,577	–94.7
Indiana	188,961	10,348	–94.5
Arizona	190,199	10,675	–94.4
Guam	7,573	459	–93.9
Oklahoma	123,701	7,653	–93.8

Connecticut	170,568	11,684	–93.1
New Jersey	316,068	22,560	–92.9
Wyoming	14,589	1,117	–92.3
Alaska	36,856	2,967	–91.9
Idaho	23,910	2,096	–91.2
North Dakota	14,459	1,310	–90.9
West Virginia	104,748	9,913	–90.5
Utah	45,664	4,378	–90.4
South Carolina	128,935	12,918	–90.0
Iowa	100,541	10,590	–89.5
Tennessee	276,113	29,498	–89.3
Alabama	117,734	12,980	–89.0
Wisconsin	208,660	23,664	–88.7
Pennsylvania	596,288	68,353	–88.5
Florida	621,950	72,711	–88.3
Montana	33,781	3,954	–88.3
Ohio	612,019	72,459	–88.2
District of Columbia	72,881	9,129	–87.5
Kentucky	189,447	24,119	–87.3
Vermont	27,186	3,541	–87.0
Hawaii	65,606	8,641	–86.8
Rhode Island	61,318	8,241	–86.6
Nebraska	42,407	5,865	–86.2
New York	1,255,561	181,517	–85.5
Maine	59,934	9,063	–84.9
Minnesota	180,499	30,520	–83.1
New Hampshire	27,945	5,000	–82.1
New Mexico	103,743	18,692	–82.0
Virginia	183,975	36,642	–80.1
Maryland	223,258	44,856	–79.9
Colorado	108,871	29,403	–73.0
South Dakota	17,116	4,656	–72.8
Washington	286,323	79,426	–72.3
Massachusetts	273,561	82,470	–69.9
California	2,679,653	824,567	–69.2
Delaware	24,920	8,371	–66.4
Nevada	40,893	15,069	–63.2
Oregon	104,007	38,946	–62.6
US Total	13,660,192	1,986,696	–85.5

Source: US Department of Health and Human Services, Office of the Administration for Children and Families, Caseload Data 1995 (Total AFDC Recipients by Fiscal Year), December 19, 2004, https://www.acf.hhs.gov/ofa/data/caseload-data-1995-afdc-total; and US Department of Health and Human Services, Office of the Administration for Children and Families, TANF Caseload Data 2023,(TANF: Total Number of Recipients), February 21, 2024, https://www.acf.hhs.gov/sites/default/files/documents/ofa/fy2023_tanf_caseload.pdf.

Under AFDC, the sharp welfare caseload declines witnessed since 1995 would have resulted in commensurate declines in federal funding. Instead, under the TANF program, federal block grant funding has been fixed at the record federal funding highs of the mid-1990s, unaffected by the large caseload declines since then. This reflects how the fixed TANF block grant has insulated states from what otherwise would have been sharply declining federal funding under the AFDC program, given such large caseload declines.

Tables 3 and 4 display two starkly divergent ways of viewing the effect of TANF's fixed funding, given rising populations alongside sharply declining welfare caseloads, respectively. Fixed funding combined with rising populations has resulted in generally modest declines in federal funding by state per capita, as displayed in Table 3.

Table 3. Change in AFDC/TANF Funding per Capita by State Since 1995

State	State Block Grant	AFDC Funding per Capita (1995)	TANF Funding per Capita (2023)	Change in per Capita Funding	Change in per Capita Funding (%)
West Virginia	$110,176,000	$60.52	$62.24	$1.73	2.9
Michigan	$775,353,000	$80.27	$77.25	–$3.02	–3.8
Illinois	$585,057,000	$49.23	$46.62	–$2.61	–5.3
Ohio	$727,968,000	$65.26	$61.77	–$3.49	–5.4
Louisiana	$163,972,000	$37.89	$35.85	–$2.04	–5.4
Pennsylvania	$719,499,000	$59.74	$55.51	–$4.23	–7.1
New York	$2,442,931,000	$134.59	$124.82	–$9.77	–7.3
Mississippi	$86,768,000	$32.25	$29.52	–$2.73	–8.5
Connecticut	$266,788,000	$81.70	$73.76	–$7.95	–9.7
Rhode Island	$95,022,000	$96.06	$86.70	–$9.36	–9.7
Vermont	$47,353,000	$81.25	$73.14	–$8.11	–10.0
Maine	$78,121,000	$63.13	$55.97	–$7.16	–11.3
Iowa	$131,525,000	$46.30	$41.01	–$5.29	–11.4
Kansas	$101,931,000	$39.40	$34.66	–$4.74	–12.0
Wisconsin	$318,188,000	$61.94	$53.83	–$8.11	–13.1
Massachusetts	$459,371,000	$75.77	$65.61	–$10.16	–13.4
Missouri	$217,052,000	$40.76	$35.03	–$5.73	–14.1
New Jersey	$404,035,000	$50.72	$43.49	–$7.24	–14.3
Kentucky	$181,288,000	$47.02	$40.05	–$6.97	–14.8
Indiana	$206,799,000	$35.71	$30.14	–$5.57	–15.6
Alabama	$93,315,000	$21.89	$18.27	–$3.62	–16.6
Nebraska	$58,029,000	$35.49	$29.33	–$6.16	–17.4
Hawaii	$98,905,000	$83.78	$68.92	–$14.87	–17.8
Alaska	$63,609,000	$105.78	$86.73	–$19.05	–18.0
Wyoming	$21,781,000	$45.52	$37.29	–$8.23	–18.1
North Dakota	$26,400,000	$41.15	$33.68	–$7.47	–18.2
New Hampshire	$38,521,000	$33.63	$27.47	–$6.15	–18.3
Maryland	$229,098,000	$45.60	$37.07	–$8.53	–18.7
District of Columbia	$92,610,000	$167.99	$136.40	–$31.60	–18.8

Arkansas	$56,733,000	$22.88	$18.49	–$4.38	–19.2
California	$3,733,818,000	$118.56	$95.82	–$22.73	–19.2
Oklahoma	$148,014,000	$45.33	$36.51	–$8.81	–19.5
Minnesota	$267,985,000	$58.19	$46.70	–$11.48	–19.7
New Mexico	$126,103,000	$74.95	$59.64	–$15.31	–20.4
South Dakota	$21,894,000	$30.06	$23.82	–$6.25	–20.8
Montana	$45,534,000	$52.43	$40.20	–$12.23	–23.3
Virginia	$158,258,000	$23.97	$18.16	–$5.82	–24.3
Oregon	$167,925,000	$53.46	$39.67	–$13.79	–25.8
Tennessee	$191,524,000	$36.54	$26.87	–$9.67	–26.5
Delaware	$32,291,000	$44.96	$31.29	–$13.66	–30.4
Washington	$404,332,000	$74.45	$51.75	–$22.70	–30.5
South Carolina	$99,968,000	$27.02	$18.60	–$8.42	–31.2
North Carolina	$302,240,000	$42.06	$27.89	–$14.17	–33.7
Georgia	$330,742,000	$46.01	$29.99	–$16.02	–34.8
Colorado	$136,057,000	$36.40	$23.15	–$13.25	–36.4
Florida	$562,340,000	$39.64	$24.87	–$14.77	–37.3
Texas	$486,257,000	$26.03	$15.94	–$10.09	–38.8
Idaho	$31,938,000	$27.41	$16.26	–$11.16	–40.7
Arizona	$222,420,000	$51.64	$29.93	–$21.71	–42.0
Utah	$76,829,000	$38.87	$22.48	–$16.39	–42.2
Nevada	$43,977,000	$28.82	$13.77	–$15.05	–52.2
US Total	$16,488,667,000	$62.74	$49.23	–$13.51	–21.5

Source: US Department of Health and Human Services, Assistant Secretary for Planning and Evaluation, "The 'Green Book' Background Material and Data on Programs Within the Jurisdiction of the Committee on Ways and Means," 1998, Table 7-40.—Annual State Family Assistance Grants through Fiscal Year 2002, https://aspe.hhs.gov/sites/default/files/private/aspe-files/210946/7bafdc.txt; Federal Reserve Bank of St. Louis, Release Tables: Resident Population by State, Annual, 1995, https://fred.stlouisfed.org/release/tables?rid=118&eid=259194&od=1995-01-01; and Federal Reserve Bank of St. Louis, Release Tables: Resident Population by State, Annual, 2023, https://fred.stlouisfed.org/release/tables?rid=118&eid=259194&od=#. State shares reflect the initial fiscal year 1997 block grant, which was based on AFDC funding in pre-reform years. As the Congressional Research Service notes, current state shares include a reduction of "0.33% to set aside funding for TANF-related research and evaluation," starting in fiscal year 2017.[5] AFDC funding per capita for 1995 reflects state TANF block grant divided by 1995 population data.

Across the US, average funding per capita has dropped by over 20 percent, driven by the wide-ranging effects of population growth across the states displayed in Table 1.

That decline is more than overcome by the effect of sharply falling welfare caseloads, as shown in Table 4. Nationally, average federal AFDC/TANF funding per recipient has grown from $1,207 in 1995 to almost $8,300 in 2023—an increase of over $7,000 (or over 580 percent) in annual federal aid per recipient of assistance. That extraordinary national average increase is somewhat restrained by California, home to over 40 percent of the national caseload and whose comparatively modest caseload decline means its federal block grant currently offers the equivalent of $4,528 per aid recipient—still more than triple the 1995 level of $1,393 in that state. At the other end of the spectrum, eleven states (Alaska, Arizona, Arkansas, Connecticut, Georgia, Illinois, Kansas, Michigan, Mississippi, North Dakota, and Texas) currently receive at least $20,000 in annual federal TANF funding per recipient, which reflects massive increases over prior per-recipient funding levels.

Table 4. Change in AFDC/TANF Funding per Recipient by State Since 1995

State	State Block Grant	AFDC Funding per Recipient (FY 1995)	TANF Funding per Recipient (FY 2023)	Change in per Recipient Funding	Change in per Recipient Funding (%)
Mississippi	$86,768,000	$601.94	$31,911.73	$31,309.80	5201.5
Georgia	$330,742,000	$864.38	$37,507.60	$36,643.22	4239.2
Texas	$486,257,000	$654.24	$26,254.36	$25,600.12	3913.0
Illinois	$585,057,000	$840.41	$28,446.39	$27,605.99	3284.8
Arkansas	$56,733,000	$896.57	$26,216.73	$25,320.16	2824.1
Kansas	$101,931,000	$1,281.91	$36,534.41	$35,252.50	2750.0
Michigan	$775,353,000	$1,297.33	$33,550.54	$32,253.21	2486.1
Missouri	$217,052,000	$854.84	$19,459.57	$18,604.72	2176.4
Louisiana	$163,972,000	$652.86	$14,422.73	$13,769.87	2109.2
North Carolina	$302,240,000	$964.79	$18,232.49	$17,267.70	1789.8
Indiana	$206,799,000	$1,094.40	$19,984.44	$18,890.04	1726.1
Arizona	$222,420,000	$1,169.41	$20,835.60	$19,666.19	1681.7
Oklahoma	$148,014,000	$1,196.55	$19,340.65	$18,144.10	1516.4
Connecticut	$266,788,000	$1,564.12	$22,833.62	$21,269.50	1359.8
New Jersey	$404,035,000	$1,278.32	$17,909.35	$16,631.04	1301.0
Wyoming	$21,781,000	$1,492.97	$19,499.55	$18,006.58	1206.1
Alaska	$63,609,000	$1,725.88	$21,438.83	$19,712.95	1142.2
Idaho	$31,938,000	$1,335.76	$15,237.60	$13,901.84	1040.7
North Dakota	$26,400,000	$1,825.85	$20,152.67	$18,326.82	1003.7
West Virginia	$110,176,000	$1,051.82	$11,114.29	$10,062.47	956.7
Utah	$76,829,000	$1,682.49	$17,548.88	$15,866.40	943.0
South Carolina	$99,968,000	$775.34	$7,738.66	$6,963.32	898.1
Iowa	$131,525,000	$1,308.17	$12,419.74	$11,111.56	849.4
Tennessee	$191,524,000	$693.64	$6,492.78	$5,799.14	836.0
Alabama	$93,315,000	$792.59	$7,189.14	$6,396.55	807.0
Wisconsin	$318,188,000	$1,524.91	$13,446.08	$11,921.17	781.8
Pennsylvania	$719,499,000	$1,206.63	$10,526.22	$9,319.59	772.4
Florida	$562,340,000	$904.16	$7,733.91	$6,829.75	755.4
Montana	$45,534,000	$1,347.92	$11,515.93	$10,168.02	754.4
Ohio	$727,968,000	$1,189.45	$10,046.62	$8,857.17	744.6
District of Columbia	$92,610,000	$1,270.70	$10,144.59	$8,873.89	698.3
Kentucky	$181,288,000	$956.93	$7,516.40	$6,559.47	685.5
Vermont	$47,353,000	$1,741.82	$13,372.78	$11,630.96	667.7
Hawaii	$98,905,000	$1,507.56	$11,446.01	$9,938.45	659.2
Rhode Island	$95,022,000	$1,549.66	$11,530.40	$9,980.74	644.1
Nebraska	$58,029,000	$1,368.38	$9,894.12	$8,525.74	623.1
New York	$2,442,931,000	$1,945.69	$13,458.41	$11,512.73	591.7
Maine	$78,121,000	$1,303.45	$8,619.77	$7,316.32	561.3

Minnesota	$267,985,000	$1,484.69	$8,780.64	$7,295.95	491.4
New Hampshire	$38,521,000	$1,378.46	$7,704.20	$6,325.74	458.9
New Mexico	$126,103,000	$1,215.53	$6,746.36	$5,530.83	455.0
Virginia	$158,258,000	$860.21	$4,319.03	$3,458.82	402.1
Maryland	$229,098,000	$1,026.16	$5,107.41	$4,081.25	397.7
Colorado	$136,057,000	$1,249.71	$4,627.32	$3,377.61	270.3
South Dakota	$21,894,000	$1,279.15	$4,702.32	$3,423.17	267.6
Washington	$404,332,000	$1,412.15	$5,090.68	$3,678.52	260.5
Massachusetts	$459,371,000	$1,679.23	$5,570.16	$3,890.93	231.7
California	$3,733,818,000	$1,393.40	$4,528.22	$3,134.82	225.0
Delaware	$32,291,000	$1,295.79	$3,857.48	$2,561.70	197.7
Nevada	$43,977,000	$1,075.42	$2,918.38	$1,842.96	171.4
Oregon	$167,925,000	$1,614.55	$4,311.74	$2,697.18	167.1
US Total	$16,488,667,000	$1,207.06	$8,299.54	$7,092.48	587.6

Source: US Department of Health and Human Services, Assistant Secretary for Planning and Evaluation, "The 'Green Book' Background Material and Data on Programs Within the Jurisdiction of the Committee on Ways and Means," 1998, Table 7-40.—Annual State Family Assistance Grants through Fiscal Year 2002, https://aspe.hhs.gov/sites/default/files/private/aspe-files/210946/7bafdc.txt; US Department of Health and Human Services, Office of the Administration for Children and Families, Caseload Data 1995 (Total AFDC Recipients by Fiscal Year), December 19, 2004, https://www.acf.hhs.gov/ofa/data/caseload-data-1995-afdc-total; and US Department of Health and Human Services, Office of the Administration for Children and Families, TANF Caseload Data 2023, (TANF: Total Number of Recipients), February 21, 2024, https://www.acf.hhs.gov/sites/default/files/documents/ofa/fy2023_tanf_caseload.pdf. State shares reflect the initial fiscal year 1997 block grant, which was based on AFDC funding in pre-reform years. As the Congressional Research Service notes, current state shares include a reduction of "0.33% to set aside funding for TANF-related research and evaluation," starting in fiscal year 2017.[6] AFDC funding per recipient for FY 1995 reflects state TANF block grant divided by FY 1995 AFDC caseload.

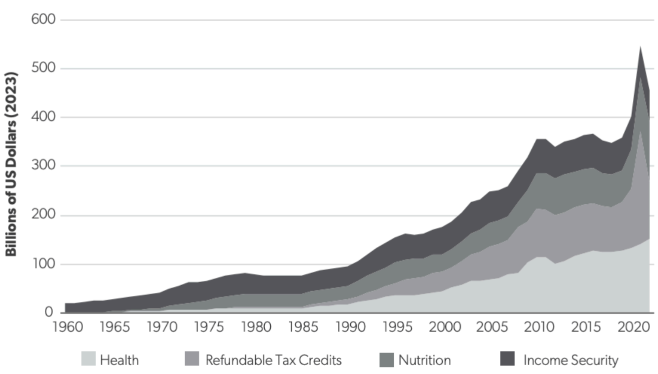
Several important caveats are in order in considering these data.

First, the analysis above considers only recipients of TANF assistance and not the unknown number who benefit from TANF non-assistance and thus are not recorded as part of the TANF caseload. The committee's hearing rightly suggests the need for far greater attention to TANF spending on and receipt of non-assistance, especially in states such as Mississippi, where the number of individuals collecting TANF assistance has fallen most sharply.

Second, inflation naturally affects the value of TANF funds, especially over time and given the elevated inflation rates seen in recent years. As a recent Department of Health and Human Services (HHS) proposed rule described, "TANF's annual funding has never been adjusted for inflation in its 27-year history and is now worth almost 50 percent less than when the program was created."[7] However, inflation across the span of the TANF program is still far less than the average increase in per-recipient funding reflected in Table 4 for all states. That reflects how the value of the TANF block grant per recipient has increased dramatically in all states in nominal, as well as real, terms. If Congress revisits the proper size of the TANF block grant and relative state shares, it should consider the significant decline in TANF caseloads and the practical effect this has had on federal resources per recipient. In the meantime, it is noteworthy that Congress continues to regularly pass bipartisan bills extending TANF's current fixed funding formulas and levels.[8]

Third, if the committee reviews TANF funding levels, it should also consider important changes in other programs benefiting low-income families with children in recent years. Major programs like food stamps, Medicaid, and the earned income tax credit have grown significantly in recent decades in both recipients and benefit spending. As Angela Rachidi and I recently summarized, even before significant and enduring increases in funding during the pandemic, "federal spending on children in select programs primarily serving low-income populations increased nearly fourfold in real terms between 1990 and 2019, with the largest increases coming from refundable tax credits and health-related spending."[9] The longer-term rise in such assistance, including pandemic-related spikes in 2020–22, is displayed in Figure 1.

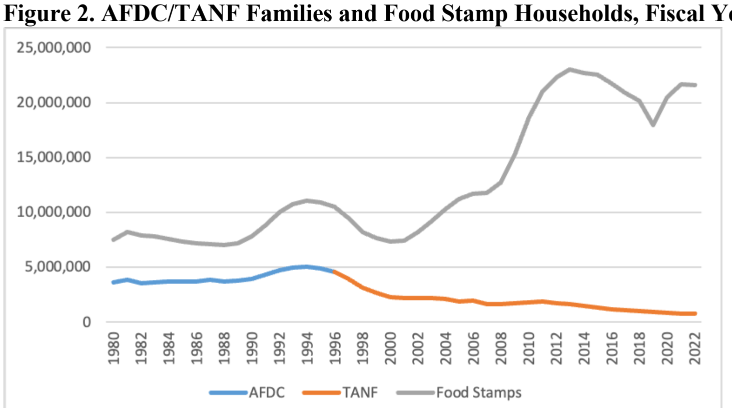
Figure 1. Real Federal Spending on Low-Income Children in Select Categories, 1960–2022



Source: Cary Lou et al., *Kids' Share 2023: Report on Federal Expenditures on Children Through 2022 and Future Projections*, Urban Institute, November 2023, 16, Table 1, https://www.urban.org/sites/default/files/2023-11/Kids%E2%80%99%20Share%202023_Report%20on%20Federal%20Expenditures%20on%20Children%20through%202022%20and%20Future%20Projections.pdf.

Figure 2 offers further context regarding the rapidly-growing Supplemental Nutrition Assistance Program (SNAP, commonly called food stamps), displaying how national food stamp caseloads (reflected on a household basis) have more than doubled since the 1990s. Simultaneous declines in TANF assistance mean the number of households collecting food stamps has gone from being twice the number on AFDC in the mid-1990s to currently being over 20 times the number collecting TANF assistance.[10]

Figure 2. AFDC/TANF Families and Food Stamp Households, Fiscal Years 1980–2022



Source: Matt Weidinger, "Welfare Dependence, Revisited," AEIdeas, April 6, 2023, https://www.aei.org/opportunity-social-mobility/welfare-dependence-revisited.

Finally, entirely new programs, most notably the child tax credit (CTC), have been created and expanded since the 1996 welfare reform law set state TANF block grant levels. The CTC program was created in 1997 and has been significantly expanded in recent years, including in temporary changes legislated for 2021 that increased CTC payments by over $100 billion in a single year and briefly paid CTC benefits even to nonworking parents, effectively reviving the prior AFDC entitlement to welfare checks.[11] Any future expansion in CTC benefits, especially one that results in the payment of cash benefits to nonworking and other very low-income parents, should impact lawmakers' decisions about TANF funds flowing to many of the same families.

Benefits for Ineligible Noncitizen Parents

While unmentioned during the hearing, as it continues to consider the misuse of TANF funds, the committee should review current federal policy permitting the payment of TANF benefits to illegal alien parents on behalf of their US citizen children. In these cases, since the parent is not considered "on" TANF, work requirements that would otherwise apply to citizen parents do not apply.

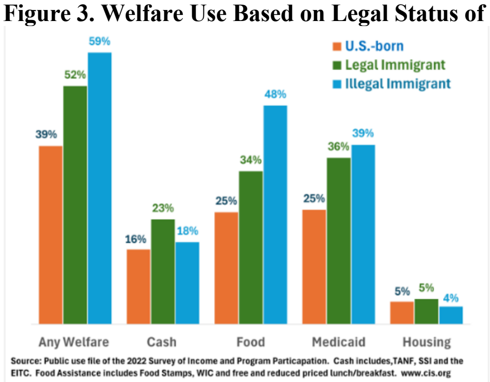
Such households fall in the category of "child only" cases, which according to the most recent HHS data constituted over 40 percent of all families collecting TANF assistance in 2023. A 2019 Mathematica report prepared for HHS indicated that 25 percent of child-only cases nationwide were headed by an "ineligible immigrant parent," including 55 percent of child-only cases in California.[12] Those figures are consistent with a 2016 Congressional Research Service (CRS) report that indicated that 11 percent of all TANF families nationwide in 2013 were child-only families headed by a noncitizen parent, up from under 4 percent in 1994. CRS added that the national caseload of noncitizen-headed families was nearly 200,000 and reflected significant shares of the caseloads in Texas (32 percent), California (22 percent), Nevada (19 percent), and New Mexico (18 percent).[13] This is despite federal policy saying since the 1800s that noncitizens, and especially illegal aliens, should not qualify for major welfare assistance and that those who become public charges, as evidenced by their receipt of public assistance, are subject to deportation.[14]

Despite that history, recent testimony by Steven Camarota of the Center for Immigration Studies (CIS) indicates that benefit receipt by illegal alien adults is widespread and extends well beyond TANF:

> The high use of welfare by illegal-immigrant-headed households is due to several factors. First and foremost, more than half of all illegal immigrant households have at least one U.S.-born child on behalf of whom they can receive benefits. Second, many states offer Medicaid directly to illegal immigrants. Third, six states also offer SNAP benefits to illegal immigrants under limited circumstances. Fourth, illegal immigrant children have the same eligibility as citizens for free and subsidized school lunch/breakfast and WIC [Special Supplemental Nutrition Program for Women, Infants, and Children] under federal law. Fifth, several million illegal immigrants have work authorization that provides a Social Security Number and EITC [earned income tax credit] eligibility along with it.[15]

Considered altogether, as displayed in Figure 3, CIS finds that welfare use of any kind is common among households headed by illegal alien parents:

Figure 3. Welfare Use Based on Legal Status of the Household Head



Source: Steven A. Camarota, "The Border Crisis: The Cost of Chaos," testimony before the US House Oversight and Accountability Committee, Subcommittee on National Security, the Border, and Foreign Affairs, September 25, 2024, https://cis.org/Testimony/Border-Crisis-Cost-Chaos.

The proposed revival of the temporary 2021 CTC expansion would make this dynamic worse by once again providing expanded CTC payments to illegal immigrant adults.[16] A CIS review estimated the 2021 expansion would result in illegal immigrants receiving $8.2 billion annually in expanded CTC payments.[17] Those annual payments to households headed by an illegal immigrant are greater than the $7 billion the TANF program distributes each year in welfare checks to all recipients, native-born and otherwise.[18]

As the above review suggests, receipt of welfare assistance by illegal alien adults extends well beyond TANF. Addressing it should be part of a broader review of immigration policy as well as of noncitizen eligibility for all federal benefits, including food stamps, Medicaid, and more. As the committee's September 24 hearing suggested, lawmakers should be concerned about how states misuse TANF funds—but also attentive to how federal law permits such misuse as well. Both gaps merit review as efforts to address TANF misspending are considered.

Thank you for the opportunity to testify.

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[1] 42 U.S.C. § 609(a)(2024).

[2] "Summary of Welfare Reforms Made by Public Law 104–193: The Personal Responsibility and Work Opportunity Reconciliation Act and Associated Legislation," US House of Representatives, Committee on Ways and Means November 6, 1996, https://www.govinfo.gov/content/pkg/CPRT-104WPRT27305/pdf/CPRT-104WPRT27305.pdf.

[3] Gene Falk, *The Temporary Assistance for Needy Families (TANF) Block Grant: A Legislative History,* Congressional Research Service, April 2024, https://crsreports.congress.gov/product/pdf/R/R44668.

[4] Office of Family Assistance, "TANF-ACI-PI-1998-03 (Supplemental Grants for Population Increases in Certain States)," Office of the Administration for Children and Families, May 8, 1998, https://www.acf.hhs.gov/ofa/policy-guidance/tanf-acf-pi-1998-03-supplemental-grants-population-increases-certain-states.

[5] Gene Falk, *The Temporary Assistance for Needy Families (TANF) Block Grant: A Primer on TANF Financing and Federal Requirements*, Congressional Research Service, August 2023. https://crsreports.congress.gov/product/pdf/RL/RL32748.

[6] Falk, *A Primer on TANF Financing and Federal Requirements*.

[7] US Department of Health and Human Services, Administration for Children and Families, "Strengthening Temporary Assistance for Needy Families (TANF) as a Safety Net and Work Program," *Federal Register* 88, no. 189 (October 2, 2023): 67697–720, https://www.federalregister.gov/documents/2023/10/02/2023-21169/strengthening-temporary-assistance-for-needy-families-tanf-as-a-safety-net-and-work-program#:~:text=This%20NPRM%20would%3A%20(1),of%20third%2Dparty%20in%2Dkind.

[8] Matt Weidinger, "While Congress Differs on Border Wall, House and Senate Bills Agree on Trimming Welfare Block Grant," AEIdeas, December 21, 2018, https://www.aei.org/economics/while-congress-differs-on-border-wall-house-and-senate-bills-agree-on-trimming-welfare-block-grant.

[9] Angela Rachidi and Matt Weidinger, "A Federal Safety Net to Build a Better Future for Low-Income Children," in *Doing Right by Kids* (Washington, DC: AEI Press, 2024).

[10] Matt Weidinger, "Welfare Dependence, Revisited," AEIdeas, April 6, 2023, https://www.aei.org/opportunity-social-mobility/welfare-dependence-revisited.

[11] Matt Weidinger, "'Child Allowances' Revive Welfare as We Knew It," AEIdeas, February 5, 2021, https://www.aei.org/opportunity-social-mobility/child-allowances-revive-welfare-as-we-knew-it.

[12] Kristen Joyce, "TANF Child-Only Cases: Characteristics, Needs, Services, and Service Delivery Challenges," Administration for Children and Families, Office of Family Assistance, September 2019, https://peerta.acf.hhs.gov/sites/default/files/public/uploaded_files/TANF_Child-Only-Brief-091919-508.pdf.

[13] Congressional Research Service, *The Temporary Assistance for Needy Families (TANF) Block Grant: Size and Characteristics of the Cash Assistance Caseload,* January 29, 2016, https://www.everycrsreport.com/files/20160129_R43187_a49fef17ac62c71dd96ddc6ab9db7835dad8bff8.pdf.

[14] US House of Representatives, Committee on Ways and Means, "Summary of Welfare Reforms Made by Public Law 104–193: The Personal Responsibility and Work Opportunity Reconciliation Act and Associated Legislation."

[15] Steven A. Camarota, "The Border Crisis: The Cost of Chaos," testimony before the US House Oversight and Accountability Committee, Subcommittee on National Security, the Border, and Foreign Affairs, September 25, 2024, https://cis.org/Testimony/Border-Crisis-Cost-Chaos.

[16] Matt Weidinger, "Kamala Harris Wants to Turn the Tax Code into a Mammoth ATM," *Washington Examiner*, August 29, 2024, https://www.washingtonexaminer.com/restoring-america/faith-freedom-self-reliance/3137681/kamala-harris-wants-turn-tax-code-mammoth-atm.

[17] Steven A. Camarota and Karen Zeigler, "The New Child Tax Credit Would Make Low-Skill Immigration Even More Expensive," Center for Immigration Studies, October 5, 2021, https://cis.org/Camarota/New-Child-Tax-Credit-Would-Make-LowSkill-Immigration-Even-More-Expensive.

[18] Congressional Research Service, *The Temporary Assistance for Needy Families (TANF) Block Grant: Responses to Frequently Asked Questions*.