

**Testimony to the Subcommittee on Income Security and Family Support
of the House Ways and Means Committee**

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Chairman McDermott, Ranking Member Linder and Members of the Subcommittee:

Thank you for the opportunity to submit testimony on evaluating the role of the Temporary Assistance for Needy Families (TANF) program in providing assistance to families with little or no income.

My name is Michael Laracy and I am the Director of Policy Reform & Advocacy of the Baltimore-based Annie E. Casey Foundation, a national philanthropy devoted to fostering public policies, human services and community supports that meet the needs of disadvantaged children and families. I am submitting this testimony to help illuminate what we know **and more importantly**, need to know about how families that are eligible for TANF are faring and how effective TANF is.

The Annie E. Casey Foundation's passionate commitment to helping children and families who are most vulnerable is matched only by our determination to be guided by quality data and useful indicators. This is illustrated by our KIDS COUNT project and our numerous investments aimed at measuring the impact of our grants on the status, conditions and well-being of the families our grantees are seeking to help. In our judgment, good measures of child and family conditions are indispensable to good policy decisions and public accountability.

Every year since 1990, we have released an annual KIDS COUNT Data Book, which uses the best available data to measure the educational, social, economic and physical well-being of children, state by state. The Foundation also funds a national network of state-level KIDS COUNT projects that provide a more detailed, county-by-county picture of the condition of children. We care about this data because it helps leaders, organizations and citizens make better decisions about how to improve the lives of children and their families.

However, sometimes our work is limited because the data that policy makers need simply does not exist. An important and sad example is the lack of state-by-state data that assesses the extent to which TANF is meeting the needs of America's children in this recession. In order to assess how well TANF is serving struggling families, it is essential to have good comprehensive data on child well-being that is statistically reliable for every state.

As Professor Edelman noted in his testimony, TANF programs vary substantially by state. He suggests that we can see and learn from the array of variations—but to do so we need statistically significant data for each state informing us how families on and off TANF are faring. Since TANF is implemented by the states and state decisions on how to use TANF funds vary dramatically, only statistically significant state data can adequately depict how well or poorly TANF is meeting the needs of children and families. National data is simply insufficient to inform this committee and other policy makers.

Unfortunately, right now we lack this information.

Right now, there is no state-by-state data source comparing TANF-eligible families that receive TANF assistance to TANF-eligible families that don't receive assistance.

For example, we can't analyze the hardships each group is facing, how their children are faring in school, the health of their family relationships, whether the children are thriving or whether or not adolescents in each group are engaging in risk-taking behavior due to the financial situation of their families.

The GAO study presented today suggests that we need to study separately those whose income is higher than families on TANF and those whose income is lower, as the outcomes may be quite different. No current data source permits such analysis.

Much of the data we have on child well-being is only available as national data. In addition to the variation in state TANF programs noted above, the degree of variation among states in child well-being is stunning. When we examined the ten indicators that we use in KIDS COUNT (all of which are available as statistically reliable state data) the variation between national and state indicators was dramatic. **For every indicator, more than half the states had incidence rates that were statistically different from the national rate. For some of the indicators, almost every state had an incidence rate that was statistically different.** In other words, national data simply cannot guide state specific decisions because child well-being varies greatly among states and between the state and national level. A problem that is significant and demands the attention of policy makers in one state may be trivial or dwarfed by other concerns in other states.

Where surveys do exist that collect data on child well-being at the state level, these surveys do not provide a clear picture of how TANF-eligible families are faring. Such surveys usually cover only one aspect of well-being—income status or the frequency of teen pregnancy, for example. They don't generally collect data on whether the family is TANF eligible or receiving TANF benefits. **As a result, it is impossible to investigate how strongly income status and the receipt or lack of TANF benefits correlates with other concerns such as educational engagement or teen pregnancy.**

Some of our data on child well-being in the states depend entirely on administrative sources. As a result, we lack information on children who are not in those systems. For example, while we track important data about how children in public schools fare, we miss comparable information about children in private schools, charter schools, home-schooled children, drop outs, or children too young for school. Since one out of four children is not in our public schools and administrative data from the public schools does not include information on whether families receive TANF, we cannot determine how the decisions made by the states about TANF are affecting children's ability to learn.

The GAO testimony at this hearing was certainly helpful, but it had significant limitations. In order for the GAO to be able to shed light for this Committee on how families on TANF fare and compare that to eligible families off TANF, the GAO conducted a simulation for 21 states. That simulation found that eligible non-receiving families fall into two groups, one with higher income than most TANF recipients and

another with lower income and less access to other benefits. However, it is worth noting this study's limitations: this was a one-time report, not a regularly recurring study that can guide policy makers over time; the data did not include the majority of states; and it did not provide detailed data on how the children in these families are faring on concerns such as health, school engagement, parental relationships or even frequency of severe hardships. It provides limited guidance to this committee and none at all to the policy makers in the 31 states not covered by the study.

One of our best sources of information about children in the states is the National Survey of Children's Health (NSCH), which surveys nearly 2,000 households in every state, provides invaluable statistically reliable information on how children are doing state by state. Unfortunately, it has two major weaknesses. First, it focuses on child health and tells us little about other aspects of child well-being, such as education, socio-emotional development and behavior, family well-being, and adolescent attitudes and expectations. All of these can be seriously affected by a family's economic struggles. Second, the NSCH is only collected every four years. As a result, the last data we have comes from 2007 and the survey will next be conducted in 2011, far too late to provide useful guidance to this committee and other policy makers on the needs of children in the depth of this recession and the degree to which TANF is meeting those needs.

In order to assess the impact on children and families of the availability or non-availability of TANF cash assistance and other services, we need far better state-level data on whether families are receiving TANF assistance, what that assistance includes, and how children are doing.

Bipartisan legislation to expand state-level indicators of child well-being has been introduced in the House (H.R. 2558) and Senate (S.1151). Congressman Camp and other members of this committee are co-sponsors. The legislation would expand the range of data collected in the existing NSCH, and collect the data on an ongoing basis or annually.

This proposal would give policy makers and others concerned about children a much more detailed picture of how children are doing in every state and nationally, enabling state policy makers and program administrators to make more effective and better-targeted decisions affecting children. It would also enable national policy makers, such as members of this committee, to assess how TANF is functioning and whether the federal government needs to adjust the program to make better use of scarce federal resources and provide the most help to struggling families.

Under this bill, the Maternal and Child Health Bureau (MCHB) would develop comprehensive indicators of child well-being in each state. Indicators would include measures related to education; social and emotional development; physical and mental health and safety; and family well-being, such as family structure, income, employment, child care arrangements, and family relationships. The Director of MCHB would consult with a subcommittee of the Federal Interagency Forum on Child and Family Statistics comprised of experts on child well-being on new measures and methods. An advisory

panel of state experts would make recommendations regarding the appropriate measures and statistical tools necessary for making such assessments.

Data collection would be overseen by the MCHB. The data would be publicly available, statistically representative at the state and national level, consistent across states, and measured with reliability. Since data collection would be ongoing or annual, and the NSCH releases data within 6 to 12 months of collection, information would be current, enabling state policy makers to craft real-time policy responses to meet needs and providing this committee and other national policy makers with current data to assess how effectively the TANF program is serving struggling children and families.

Most important for assessing the impact of TANF, an over-sampling of low-income children would be conducted as necessary and feasible to produce estimates of key subgroups of at-risk children. With such an ongoing survey, we would have enough cases to analyze low-income subgroups and determine how children are faring in each of the three groups the GAO identified, by state (those on TANF, those in eligible non-receiving families with higher income, and those in eligible non-receiving families with lower income); we would have richer data on welfare and income; and depending on survey design, we might well have self-reported data from adolescents. This would provide valuable information for committee members on the implications of TANF receipt or the lack thereof; it would also be enormously useful to state policy makers. An indicator of the value of this information to the states is that the National Conference of State Legislatures has unanimously adopted a policy endorsing this proposal.

As part of this legislative effort, the Annie E. Casey Foundation has pledged to co-fund the dissemination of this information and will invest at least \$1 million to help policy makers and other stakeholders interpret and use the data from the expanded National Survey of Children's Health. As the sponsor of the annual KIDS COUNT reports, the Casey Foundation brings strong leadership in the area of child well-being research and its involvement in this effort would further enhance the credibility and usability of the new information. I should note that this "joint funding opportunity" permits me to lobby on behalf of the Foundation on this specific issue under one of the few exceptions to the general prohibition on foundation lobbying.

This proposal is cost-effective because it builds on a current survey. The proposed expansion of the National Survey of Children's Health would build on the current use of telephone surveys to collect information. The use of telephone surveys is a cost-effective strategy and can be conducted alone or in a mixed mode strategy with other survey techniques. The proposed legislation would authorize \$20 million a year to support the expanded survey, with additional content, ongoing data collection, and surveys with adolescents.

The proposed legislation would address all of the flaws identified above. It would be state-specific, timely, address the full range of child well-being indicators, allow us to look at the whole child and the correlation between factors such as TANF receipt and other aspects of child well-being, and include all children rather than be limited to those

served by administrative systems. It would provide precisely the kind of information that the committee sought in the hearing, and enable state policy makers to make decisions that are much better informed.

In 2008, only one out of four eligible poor children received TANF benefits. Since TANF caseloads have climbed much more slowly than the numbers of the unemployed, it seems likely that even fewer eligible poor children are served today. In order to understand what that really means for struggling children and families—whether they are going hungry, losing their homes, falling behind in school, or enduring deteriorating family relationships, or whether they are buffered from the worst consequences of this lack of income by other programs such as the Supplemental Nutrition Assistance Program (SNAP/Food Stamps)—we need better data. Likewise, we need similar data to determine which children are thriving as their parents achieve self-sufficiency and stay together despite the hard times. Fortunately, the child-well being indicators bill will provide a solution. I hope that as you deliberate how best to ensure that TANF will meet the needs of families during this recession and beyond, you will also weigh the best approach to tracking the results of your decision and decide to enact this legislation.

Thank you.